

VARNUM

Bridgewater Place | Post Office Box 352
Grand Rapids, Michigan 49501-0352
Telephone 616 / 336-6000 | Fax 616 / 336-7000 | www.varnumlaw.com

Justin K. Ooms

Direct 616 / 336-6374
jkooms@varnumlaw.com

August 26, 2026

Ms. Lisa Felice
Executive Secretary
Michigan Public Service Commission
7109 W. Saginaw Highway
P.O. Box 30221
Lansing, MI 48909

Re: MPSC Case No. U-22046

Dear Ms. Felice:

Attached for electronic filing in the above-captioned matter, please find the Direct Testimony and Exhibits of Laura Sherman and the Direct Testimony and Exhibits of Sophia Schuster on behalf of the Michigan Energy Innovation Business Council, Institute for Energy Innovation, and Advanced Energy United ("MEIU"), together with MEIU's Direct Exhibit List and a Proof of Service.

Thank you for your assistance in this matter.

Sincerely yours,

VARNUM



Justin K. Ooms

JKO/plf
Attachment(s)

c: All parties of record.

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the Application of **DTE**)
ELECTRIC COMPANY for Authority to)
increase its rates, amend its rate schedules and)
rules governing the distribution and supply of)
electric energy, and for miscellaneous accounting)
authority.)
_____)

Case No. U-22046

DIRECT TESTIMONY OF DR. LAURA S. SHERMAN
ON BEHALF OF
THE MICHIGAN ENERGY INNOVATION BUSINESS COUNCIL,
INSTITUTE FOR ENERGY INNOVATION,
AND
ADVANCED ENERGY UNITED

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1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q. State your name, business name and address.**

3 A. My name is Dr. Laura S. Sherman, and I am the President of the Michigan Energy
4 Innovation Business Council (“Michigan EIBC”) and the Institute for Energy Innovation
5 (“IEI”), located at 115 West Allegan, Suite 710, Lansing, Michigan 48933.

6
7 **Q. On whose behalf are you appearing in this case?**

8 A. I am appearing here as an expert witness on behalf of Michigan EIBC, IEI, and Advanced
9 Energy United (“United”), collectively referred to as “MEIU.”

10
11 **Q. Summarize your educational background.**

12 A. I have a Ph.D. from the University of Michigan Earth and Environmental Sciences
13 Department, conferred in May 2012. I also have a Bachelor of Science degree from
14 Stanford University in Geological and Environmental Sciences, conferred in June 2005.

15
16 **Q. Summarize your experience in the field of electric utility regulation.**

17 A. Since April 2019, I have served as the President of Michigan EIBC and IEI. Prior to that,
18 starting in February 2017, I was a Senior Consultant at 5 Lakes Energy focusing on energy
19 policy and utility regulation. I also served as the Vice President for Policy Development
20 for Michigan EIBC and IEI. In these capacities, I have written testimony in many non-
21 adjudicated dockets before the Michigan Public Service Commission (“Commission” or
22 “MPSC”). From 2014–2016, I served as a Policy Advisor on energy, environment, and
23 agriculture issues to Senator Michael Bennet (D-CO) in the U.S. Senate. In that capacity,

1 I provided policy expertise, conducted research, developed legislation, and analyzed
2 regulations. Prior to that, my doctoral (2007–2012) and postdoctoral (2012–2014) research
3 was focused on the tracing of pollutants emitted during energy generation. My work
4 experience is set forth in detail in my résumé, attached as Exhibit MEIU-1.1.

5
6 **Q. Summarize your professional development coursework in the field of electric utility**
7 **regulation.**

8 A. In August 2017, I completed the Electric Utility Consultants Inc. (“EUCI”) course titled
9 “Optimizing the Interconnection Process for Renewables & Storage: A National Forum for
10 Addressing Process and Technical Issues.” In December 2017, I completed the EUCI
11 course titled “The Electric Vehicle-Utility Industry Nexus.” In January 2018, I completed
12 the EUCI course titled “Evolution of Electricity Markets: Disruptive Innovation &
13 Economic Impacts: Highly Interactive Course Designed to Provide A Practical Overview
14 of Evolving U.S. Power Markets.”

15
16 **Q. Have you testified before this Commission or as an expert in any other proceeding?**

17 A. Yes. I previously testified as an expert witness in the following cases:

- 18 • U-20134 (Consumers Energy Company [“Consumers Energy” or “Consumers”]
19 general electric rate case);
- 20 • U-20165 (Consumers Energy Integrated Resource Plan [“IRP”] case);
- 21 • U-20162 (DTE Electric Company [“DTE Electric” or “DTE” or “the Company”]
22 general electric rate case);
- 23 • U-20471 (DTE Electric IRP case);

- 1 • U-18232 (DTE Electric Renewable Energy Plan case);
- 2 • U-20649 (Consumers Energy Voluntary Green Pricing [“VGP”] Program case);
- 3 • Consolidated U-20713 (DTE Electric VGP Program case)/U-20851 (DTE Electric
- 4 Renewable Energy Plan case);
- 5 • U-20693 (Consumers Energy general electric rate case);
- 6 • U-21090 (Consumers Energy IRP case);
- 7 • U-21131 (Consumers Energy Legally Enforceable Obligation case);
- 8 • U-21134 (Consumers Energy VGP Program case);
- 9 • U-20836 (DTE Electric general electric rate case);
- 10 • U-21224 (Consumers Energy general electric rate case);
- 11 • U-21172 (DTE Electric VGP Program case);
- 12 • U-21193 (DTE Electric IRP case);
- 13 • U-21297 (DTE Electric general electric rate case);
- 14 • U-21374 (Consumers Energy VGP Program case);
- 15 • U-21389 (Consumers Energy general electric rate case);
- 16 • U-21534 (DTE Electric general electric rate case);
- 17 • U-21482 (DTE Electric interconnection procedures case)
- 18 • U-21375 (DTE Electric VGP Program case);
- 19 • U-21860 (DTE Electric general electric rate case);
- 20 • U-21972 (Consumers Energy VGP Program case); and
- 21 • U-22058 (DTE Electric Special Contract case).

1 **Q. Have you provided analysis in support of testimony or comments in any other utility**
2 **regulatory proceeding?**

3 A. Yes, I have provided comments with input from Michigan EIBC member companies in a
4 number of different proceedings including:

- 5 • U-18351 and U-18352 (development of voluntary green pricing programs);
- 6 • U-20095 (Public Utility Regulatory Policies Act of 1978 [“PURPA”] regulations and
7 capacity determinations);
- 8 • U-18383 (development of a distributed generation [“DG”] tariff);
- 9 • U-18361 (code of conduct rules);
- 10 • U-20147 (distribution system planning and utility distribution system plans);
- 11 • U-20852 (competitive procurement);
- 12 • U-20905 (implementation of Federal Energy Regulatory Commission [“FERC”] Order
13 872);
- 14 • U-20890 (Interconnection and Distributed Generation Standards);
- 15 • U-20898 (utility business models);
- 16 • U-21099 (demand response aggregation);
- 17 • U-21219 and U-18461 (IRP Filing Requirements and Planning Parameters);
- 18 • U-20959 (customer data access);
- 19 • U-21251 (grid system data access);
- 20 • U-21400 (performance-based regulation/reliability metrics);
- 21 • U-21547 (implementation of Public Act [“PA”] 233 regarding wind/solar/storage
22 siting);
- 23 • U-21568 (implementation of PA 235 regarding the renewable portfolio standard);

- 1 • U-21569 (implementation of PA 235 regarding the DG Program);
- 2 • U-21567 (implementation of PA 299 regarding energy waste reduction and
- 3 electrification);
- 4 • U-21571 (implementation of PA 235 regarding the energy storage mandate);
- 5 • U-21653 (DTE Electric Expedited Pilot Review Workplan);
- 6 • U-21492 (Transportation Electrification Plan guidelines);
- 7 • U-21570 (IRP Filing Requirements and Planning Parameters);
- 8 • U-21902 (Midcontinent Independent System Operator’s Expedited Resource Addition
- 9 Study tariff); and
- 10 • U-21637 (improvements to rate case processes).

11

12 In addition to this work, I have been involved on behalf of Michigan EIBC in multiple

13 workgroup proceedings at the Commission, including those focused on electric vehicle

14 (“EV”) deployment, DG tariffs, IRP requirements, energy waste reduction, distribution

15 system planning, interconnection standards and procedures, and renewable energy siting

16 procedures. I was involved on behalf of Michigan EIBC/IEI in the MI Power Grid

17 workshop proceedings at the Commission, including those focused on new technologies

18 and business models, customer data access, updating the state’s interconnection rules,

19 demand response, distribution system planning, pilot programs, competitive procurement,

20 advanced planning, and updating the IRP parameters and filing requirements.

21

1 **Q. Please summarize your experiences working with advanced energy companies on**
2 **issues related to electric utility regulation.**

3 A I have served as the President of Michigan EIBC and IEI since April 2019. Prior to that,
4 from November 2017 through April 2019, I served as Vice President of Policy
5 Development for Michigan EIBC and IEI. In these roles, I have led the trade organization's
6 work on regulatory and legislative issues. As described above, I have participated in many
7 workgroups at the Commission and written comments in a number of non-adjudicated
8 cases. I also communicate formally and informally with Michigan EIBC member
9 companies about each regulatory proceeding to understand how the advanced energy
10 industry is affected by each proposed rule or case.

11
12 **Q. What is the purpose of your testimony?**

13 A. The purpose of my direct testimony is to present evidence in support of requiring the
14 Company to develop and propose a winter-peaking rate as well as issues related to export
15 of electricity from energy storage systems.

16
17 **Q. Are you sponsoring any exhibits?**

18 A. Yes, I am sponsoring the following exhibits:

- 19 ● Exhibit MEIU-1.1: Résumé of Dr. Laura S. Sherman
- 20 ● Exhibit MEIU-1.2: Discovery response MEIUDE-1.10c
- 21 ● Exhibit MEIU-1.3: Discovery response MEIUDE-2.16c
- 22 ● Exhibit MEIU-1.4: Discovery response MEIUDE-2.5a

23

1 **II. ELECTRIC HEATING RATE DESIGN**

2 **Q. What are the commonly cited principles of rate design?**

3 A. Most rate design relies on a set of economic principles largely attributed to James C.
4 Bonbright’s 1961 and 1988 works, “Principles of Public Utility Rates.”¹ These principles
5 are often used as criteria to evaluate whether rate proposals are “just and reasonable,” and
6 are important considerations when ensuring compliance with Michigan’s Public Act 3 of
7 1939.² Several of the core principles are:

- 8 • Revenue sufficiency: design rates to yield revenues sufficient to cover energy
9 system costs; in other words, design rates that meet the revenue requirement.
- 10 • Fairness (or equity): design rates to fairly apportion costs between both (1)
11 customers and utilities, and (2) across customer classes, to avoid undue
12 discrimination (e.g. cross-subsidization). In other words, customers should pay for
13 electricity in proportion to their use of the power system.
- 14 • Cost reflectivity and efficiency: design rates to accurately reflect cost of service
15 (“COS”) components (e.g., production, distribution) and provide efficient price
16 signals to encourage adoption. In other words, ensure that rates are aligned with the
17 underlying profile of costs to serve customers.
- 18 • Customer acceptance: design rates that are easy to understand, interpret, and
19 provide the ability for a customer to respond.

¹ Bonbright, J. C., “Principles of Public Utility Rates,” available at <https://www.raonline.org/wp-content/uploads/2023/09/powellgoldstein-bonbright-principlesofpublicutilityrates-1960-10-10.pdf>.

² MCL 460, Act 3 of 1939, available at <https://www.legislature.mi.gov/Laws/MCL?objectName=mcl-Act-3-of-1939>.

- Bill stability: design rates that remain stable over time, ensuring consistency in cost recovery to reduce risks in addressing highly variable fluctuations in actual costs associated with electricity service.

Q. What does Michigan statute require of the Commission with regard to establishing electric rates?

A. Under Public Act 3 of 1939, the Commission is required to set electric rates based on the COS for each customer class. The statute states that

the commission shall ensure the establishment of electric rates equal to the cost of providing service to each customer class. In establishing cost of service rates, the commission shall ensure that each class, or sub-class, is assessed for its fair and equitable use of the electric grid.³

MCL 460.11(1). When considering new and existing rates, most decisionmakers will consider various objectives of ratemaking, including the previously mentioned (and commonly cited) principles of rate design, such as revenue sufficiency, fairness, cost-reflectivity and fairness, bill stability, and more.⁴ To meet the requirements outlined in Michigan’s statute, the objectives of fairness and cost-reflectivity are critical.

Q. What is a winter-peaking rate?

A. A whole-home, winter-peaking rate is an electric rate designed to account for differences in cost allocation and recovery for a subset of customers within a broader customer class, specifically for customers with electric space heating whose seasonal peaks do not reflect

³ *Ibid.*

⁴ Hledik, R., *et al.*, The Brattle Group and Lawrence Berkely National Laboratory, “Deliberate Design: Creating Electricity Rates with Purpose,” January 2025, available at <https://eta-publications.lbl.gov/sites/default/files/2025-01/deliberate-design-january-2025.pdf>.

1 typical average residential class peaks, which are commonly based on summer peak
2 demand. Winter-peaking rates are designed to better align customer bills with system costs
3 for customers who use more energy during off-peak seasons (e.g., during the winter
4 months).

5
6 **Q. What are the key elements of an effective whole-home winter-peaking rate?**

7 A. An effective whole-home winter-peaking rate should consider seasonality to align with the
8 months associated with the heating season in a particular place (e.g., October through May
9 or November through April depending on the climate; see subsection B).^{5, 6} These rates
10 should also consider time-varying components for daily on-peak versus off-peak pricing
11 (i.e., time-of-use or “TOU” pricing; see subsection C).⁷ In addition, as described in detail
12 below, an effective whole-home winter-peaking rate should be technology neutral (see
13 subsection D), not include additional metering requirements (see subsection E), and not
14 require customers to “opt-in” to access the rate (see subsection F). I will discuss each of
15 these elements in the following subsections.

16

⁵ Dammel, J. Hennen, M. and Shah, A., RMI, “Electric Rates Can Help or Hinder Heat Pump Progress,” December 5, 2024, available at <https://rmi.org/resources/electric-rates-can-help-or-hinder-heat-pump-progress/>.

⁶ It is important to note that “winter-peaking” may not in every case mean that a given customer always has higher electricity load in the winter than in the summer (although that will be true for the vast majority of electric heating customers). It is however true that these customers have higher load in the winter than that of the average residential customer.

⁷ Dammel, J. Hennen, M. and Shah, A., RMI, “Electric Rates Can Help or Hinder Heat Pump Progress,” December 5, 2024, available at <https://rmi.org/resources/electric-rates-can-help-or-hinder-heat-pump-progress/>.

1 **A. CURRENT RATES**

2 **Q. Does the Company have any electric heating rates?**

3 A. Although the Company offers two rates relevant to electric heating, neither is a technology-
4 neutral whole-home rate, and one of the rates has been closed to new customers. First,
5 “Rate Schedule No. D2 Residential Service Rate - Space Heating” is a rate that was closed
6 to new customers on December 17, 2015. It is an optional, separately metered declining
7 block rate for customers with electric space heating.⁸ According to Company witness
8 Michael A. Williams in the Company’s 2014 general electric rate case (Case No. U-17767),
9 the D2 rate was discontinued because “D2 is the only residential rate that has a power
10 supply energy rate with a declining block structure, which reduces the incentive for
11 customers to be efficient with their energy use,” and “eliminating this rate will also further
12 simplify the residential rate structure.”⁹

13
14 Second, “Rate Schedule No. D1.7 Geothermal Time-Of-Day Rate” is an optional,
15 separately metered rate for approved “geothermal space-conditioning and/or water
16 heating.”¹⁰ Although the rate is still active, it is not a whole-home rate, as it requires a
17 separate meter for the geothermal/water heating equipment.

18

⁸ DTE Electric Company, “Rate Book for Electric Service,” available at <https://www.michigan.gov/mpsc/-/media/Project/Websites/mpsc/consumer/rate-books/electric/dte/dtee1cur.pdf?rev=980d056387c541739eaf52e438ba840d&hash=D0B86530CBBA005BEDB8B330097ADC69>.

⁹ Direct Testimony of Michael A. Williams on behalf of DTE Electric Company, Case No. U-17767, p. 12.

¹⁰ DTE Electric Company, “Rate Book for Electric Service,” available at <https://www.michigan.gov/mpsc/-/media/Project/Websites/mpsc/consumer/rate-books/electric/dte/dtee1cur.pdf?rev=980d056387c541739eaf52e438ba840d&hash=D0B86530CBBA005BEDB8B330097ADC69>.

1 **Q. What does the Company propose in this case with respect to electric heating rate**
2 **design or winter peaking rates?**

3 A. In this case, the Company does not make any proposals with respect to electric heating rate
4 design or winter peaking rates.
5

6 **Q. Have other utilities recently proposed whole-home electric heating rates?**

7 A. Yes. In response to stakeholder arguments and the Commission’s Order in its 2025 general
8 electric rate case (Case No. U-21870), Consumers Energy has proposed a whole-home
9 electric heating rate in its current general electric rate case (Case No. U-22070). As
10 described below, this proposal and the arguments around its development provide valuable
11 lessons that the Company should evaluate in developing its own whole-home electric
12 heating rate.
13

14 **Q. What did stakeholders argue for regarding electric rate design in Consumers**
15 **Energy’s 2025 general electric rate case (Case No. U-21870)?**

16 A. Michigan Environmental Council/Natural Resources Defense Council (“MEC-NRDC”)
17 witness Scott Reeves provided testimony in Consumers Energy’s 2025 general electric rate
18 case (Case No. U-21870) that supported requiring Consumers Energy to develop and
19 propose an electric heat or heat pump (“EH/HP”) rate design in its next rate case.¹¹ In
20 addition to the emissions reduction benefits of such an EH/HP rate design, witness Reeves
21 highlighted that under current residential electric rates in Consumers Energy’s territory,

¹¹ Direct Testimony of Scott Reeves on behalf of the Michigan Environment Council and Natural Resources Defense Council, Case No. U-21870.

1 electric heating customers are paying much more than the cost of serving their load.

2 Specifically, he pointed out that:

3 [while] electrification could result in a reduced cost associated with home
4 space heating by replacing systems run on fossil fuels like propane and oil,
5 replacement of natural gas systems will likely result in an increased heating
6 bill, which reflects the majority of customers in Michigan (with
7 approximately 77% natural gas heated household[s]).¹²
8

9 As witness Reeves described, rates are structured to charge customers the same, or similar
10 amounts, each month despite higher system costs occurring during season-specific peak
11 periods. As is the case with DTE Electric, Consumers Energy is summer peaking and, since
12 customers with heat pumps or other electric space heating have higher usage in the winter,
13 the utility will recover more than what is needed from these customers to cover the costs
14 of this winter electricity demand.¹³
15

16 Witness Reeves also provided key elements for consideration when developing an EH/HP
17 rate, including seasonal and temporal components, minimum participation requirements
18 and enrollment design, and pricing design including fixed versus variable components.
19 However, witness Reeves did not provide a specific recommendation on whether a heat-
20 pump-specific rate or a broader electric heating rate is preferable.
21

¹² *Id.*, p. 5.

¹³ Direct Testimony of Scott Reeves on behalf of the Michigan Environment Council and Natural Resources Defense Council, Case No. U-21870.

1 **Q. What did the Commission order in the Consumers Energy’s 2025 general electric rate**
2 **case (Case No. U-21870) regarding electric heating rate design?**

3 A. In Consumers Energy’s 2025 general electric rate case (Case No. U-21870), the
4 Commission ordered Consumers Energy to propose an EH/HP rate in its next rate case
5 (i.e., the current general electric rate case, Case No. U-22070), hold a collaborative
6 workgroup meeting to solicit input beforehand, and consider the following when
7 developing the rate: (1) options for both seasonal and temporal differentiation; (2) EH/HP
8 rates for residential and non-residential customers; (3) tradeoffs between rate designs
9 focused on electric heating in general and those focused on technologies such as prompting
10 heat pumps; (4) tradeoffs relating to eligibility requirements and verification (e.g., self-
11 attestation, consumption analysis, submetering); and (5) delivery of the new rate, including
12 strategies and tools for customer and contractor education, such as rate impact calculators
13 and opt-out design strategies.¹⁴ The Commission also found that consideration should be
14 given to the additional system-wide benefits that heat pumps can provide, including the
15 ability for demand response (“DR”) or other broader system support.¹⁵

16
17 **Q. What did Consumers Energy propose in its current general electric rate case (Case**
18 **No. U-22070) on these issues?**

19 A. In its current general electric rate case (Case No. U-22070), Consumers Energy proposed
20 a Residential Electric Heating (“REH”) rate. According to Consumers Energy witness
21 Michael C. Grondin, the purpose of the REH rate is to account for differences in cost

¹⁴ Commission Order, Case No. U-21870, p. 418.

¹⁵ *Ibid.*

1 allocation or recovery for those whose seasonal peaks do not reflect average residential use
2 based on summer peak demand by “aligning lower marginal winter prices with usage levels
3 that are indicative of space-heating load.”¹⁶ The REH rate is a whole-home, technology-
4 neutral rate with a winter declining block rate structure where the initial block is the first
5 750 kWh of usage and the second block is any usage above 750 kWh during the billing
6 month.¹⁷ The summer rate structure for the REH rate would remain the same as the
7 Residential Summer On-Peak (“RSP”) rate.¹⁸ The Regulatory Assistance project defines a
8 declining block rate as “a form of rate design in which blocks of energy usage have
9 declining prices as the amount of usage increases.”¹⁹ In this case, the proposed blocks of
10 energy usage are only applicable during winter months, and there are two energy usage
11 blocks (i.e., the first 750 kWh of usage and all usage above 750 kWh per month).²⁰
12 Consumers Energy does not propose to include any daily TOU pricing during the winter
13 months.

14
15 **Q. What elements of Consumers Energy’s REH proposal should the Commission**
16 **consider ordering DTE Electric to incorporate into a future electric heating rate?**

17 **A.** The Commission should require the Company to develop a winter-peaking rate, in a similar
18 manner to Consumers Energy, with seasonal differentiation to reflect winter electric

¹⁶ Direct Testimony of Michael C. Grondin on behalf of Consumers Energy, Case No. U-22070, p. 10.

¹⁷ *Ibid.*

¹⁸ *Ibid.*

¹⁹ Lazar, J., Regulatory Assistance Project, “Electricity Regulation in the U.S.: A Guide,” available at <https://www.raponline.org/wp-content/uploads/2023/09/rap-lazar-electricity-regulation-US-june-2016.pdf>, p. 181.

²⁰ Direct Testimony of Michael C. Grondin on behalf of Consumers Energy, Case No. U-22070, p. 10.

1 heating cost characteristics (see subsection B) and technology neutrality (see subsection
2 D). The Commission should also require the Company to develop an electric heating rate
3 that does not require the installation of a separate or second meter for the customer to
4 qualify for the rate (see subsection E).

5
6 **Q. What elements of Consumers Energy’s REH proposal fall short of optimal electric**
7 **heating rate design?**

8 A. I have strong concerns with Consumers Energy’s proposal to design its electric heating rate
9 as a declining block rate and recommend that the Company not take this approach. While
10 this approach, with seasonal differentiation, might result in a bill reduction for electric
11 heating customers in the winter, the rate sends price signals that are antithetical to the
12 commonly cited Bonbright principles of rate design, including that of cost efficiency.
13 Specifically, declining block rates are known to discourage the adoption of other key
14 technologies, including distributed energy resources (“DERs”) such as rooftop solar and
15 energy storage systems, and energy efficiency upgrades. According to the National
16 Association of Regulatory Utility Commissioners (“NARUC”), declining block rates
17 “[encourage] additional consumption,”²¹ which conflicts with the ratemaking principles
18 that encourage sending customers efficient price signals to discourage wasteful uses of
19 services.²² This is because customers will be less incentivized to reduce energy
20 consumption, as their marginal energy consumption (after the first 750 kWh during the

²¹ National Association of Regulatory Utility Commissioners, “Resources: 3. Ratemaking Fundamentals and Principles,” available at <https://www.naruc.org/commissioners-desk-reference-manual/3-ratemaking-fundamentals-and-principles/>.

²² Bonbright, J. C., “Principles of Public Utility Rates,” available at <https://www.raonline.org/wp-content/uploads/2023/09/powellgoldstein-bonbright-principlesofpublicutilityrates-1960-10-10.pdf>.

1 billing month) will be billed at a lower price per unit. In summary, a declining block rate
2 will likely result in customers using energy less efficiently, making fewer energy efficiency
3 upgrades, and impeding the efficient use of solar plus storage systems.

4
5 I am also concerned that Consumers Energy’s proposal does not include any daily TOU
6 differentiation during the winter peaking period (see subsection C). The Company’s
7 standard TOU rates for residential electric customers²³ do not appropriately capture the
8 peak electricity uses (or thereby the costs) for electric heating customers.

9
10 Additionally, as described further below (see subsection F), I am concerned with
11 Consumers Energy’s proposal to design a solely “opt-in” electric heating rate and
12 recommend that the Company not take this approach. As used here, an opt-in rate is a rate
13 in which customers must voluntarily choose to participate. By contrast, an opt-out rate is a
14 rate that customers are defaulted into, either due to their customer class or their load profile,
15 and must voluntarily choose to not participate.²⁴ Many winter-peaking customers,
16 especially those who are already on an electric heating source, may miss the benefits of a
17 winter-peaking rate by being required to opt in, rather than being automatically enrolled
18 utilizing customer load data.

19

²³ DTE Energy, “Time of Day 3 p.m. - 7 p.m.,” available at https://solutions.dteenergy.com/dte/en/Products/Time-of-Day-3-p-m---7-p-m-/p/TOD-3-7?_gl=1*1ylhj8o*_gcl_au*MTM5ODM4OTkyNS4xNzg0NTYxMjU2*_ga*OTI3NzExOTUuMTc3MzQwOTk2OA..*_ga_J2R5W9DWE4*cze3ODU4NTUxNDAkbzE3JGcxJHQxNzg1ODU1MTQxJGo1OSRsMCRoMA.

²⁴ Neenan, B., *et al.*, “Opt-In vs. Opt-Out: Impact Implications for Full Service Territory,” Electric Power Research Institute, July 29, 2014.

B. SEASONAL VARIABILITY

Q. What is the seasonality of the Company’s peak demand?

A. According to the U.S. Energy Information Administration’s Annual Electric Power Industry Report (Form EIA - 861), as of 2024, the Company is a summer-peaking utility with peak demand of 10,689 MW in the summer and 6,803 MW in the winter.²⁵ The Company’s base rates are designed to shift customer energy usage toward off-peak times of the day (i.e., at night) and of the year (i.e., in the winter).²⁶

Q. Does the Company’s peak demand profile and rate design structure align with the load profile of electric heating customers?

A. No. Electric heating customers use more electricity overnight, in the early morning hours, and during the colder months.²⁷ As described previously, for most customers, peak demand is inversely in the early evening hours and during the summer.

Q. What impact does this misalignment have on electric heating customers?

A. This misalignment causes customers with electrified space heating to be overcharged under the Company’s existing rate design structure.

²⁵ U.S. Energy Information Administration. “Annual Electric Power Industry Report, Form EIA-861 detailed data files,” October 7, 2025, available at <https://www.eia.gov/electricity/data/eia861/>.

²⁶ DTE Electric Company, “Electric Pricing Options,” available at <https://www.dteenergy.com/us/en/residential/service-request/pricing/rate-options/residential-pricing-options.html#base-rates>.

²⁷ Malinowski, M., *et al.*, ACEEE, “Electricity Rates That Keep Bills Down after Electrification of Home Heating,” April 2025, available at <https://www.aceee.org/sites/default/files/pdfs/b2502.pdf>.

1 **Q. In general, how do traditional rate structures overcharge customers with electrified**
2 **space heating?**

3 **A. As described by the Northeast States for Coordinated Air Use Management, under most**
4 **standard rate designs,**

5 heat pump customers pay disproportionately higher amounts toward fixed
6 grid costs through their electricity bills over the course of a calendar year
7 because they require more electricity in the winter for heating than non-heat
8 pump customers who heat their homes with methane gas or other fuels.²⁸
9

10 According to the American Council for an Energy-Efficient Economy (“ACEEE”), “in
11 cold climates, once a home is electrified, its biggest electricity use in the home is space
12 heating.”²⁹ This disproportionate cost for electric heating customers is sometimes referred
13 to as an “inverse cost shift.”³⁰ The New York State Energy Research and Development
14 Authority describes the effect of the inverse cost shift as follows:

15 Customers who install heat pump technology to replace conventional oil or
16 gas combustion heating and air conditioning increase electricity usage
17 during the winter and decrease electricity usage during the summer. For
18 many customers, the result is a net increase in annual electricity usage that
19 results in a net annual bill increase and increased revenues for the utility.
20 Because the system is generally less constrained in the winter heating
21 season, the increase in cost for the utility to provide the additional electricity
22 in the winter is often less than the increase in revenue for the utility. This
23 phenomenon most typically occurs for installations in the residential sector
24 and is largely due to the structure of volumetrically based retail rates in the
25 residential sector, which are designed to recover both variable costs as well
26 as a portion of fixed-system infrastructure costs through a variable rate. For

²⁸ Northeast States for Coordinated Air Use Management, “Multistate Action Plan: Accelerating the Transition to Zero-Emission Residential Buildings,” Fall 2025, available at <https://www.nescaum.org/documents/Residential-Buildings-Multistate-Action-Plan.pdf>.

²⁹ Malinowski, M., *et al.*, ACEEE, “Electricity Rates That Keep Bills Down after Electrification of Home Heating,” April 2025, available at <https://www.aceee.org/sites/default/files/pdfs/b2502.pdf>.

³⁰ New York State Energy Research and Development Authority, “New Efficiency: New York. Analysis of Residential Heat Pump Potential and Economics,” January 2019, available at <file:///Users/gracemichienzi/Downloads/18-44-HeatPump.pdf>.

1 regulated utilities that earn a specified return on invested capital, an increase
2 in utility revenues that exceeds the cost to serve additional load cannot be
3 retained as profit but must be returned to utility ratepayers. As a result of
4 these dynamics, the installation of a heat pump may lead the customer to
5 start paying for a relatively larger fraction of the total systemwide grid
6 infrastructure costs, which in turn, translates to a rate decrease for ratepayers
7 as a whole; an “inverse cost shift” from non-heat pump ratepayers to the
8 heat pump customer occurs. Rectifying this cost shift could improve the
9 payback for customers.³¹
10

11 An analysis from RMI and 5 Lakes Energy focused on estimating a typical residential
12 customer’s contributions to system costs and energy bills across several Midwest utilities
13 found that “a typical customer would see bill increases if they replaced natural gas
14 equipment with heat pump equipment in the home.”³² However, the analysis uncovered
15 that “the utility’s rates raised the electrified customer’s bills above what it costs to serve
16 them and unfairly overcharged them hundreds of dollars on their bill per year.”³³ The below
17 figure (Figure 1) shows an example of this from the Northern Indiana Public Service
18 Company (“NIPSCO”), where the analysis found that the heat pump customer would be
19 charged \$558 more per year than the cost to serve the home.³⁴ It is clear that, in general,
20 all winter-peaking customers, regardless of the specific loads that result in a winter-peak
21 (e.g., a heat pump or other source of electric space heating), face being charged more than
22 the COS under traditional rate structures.
23

³¹ *Ibid.*

³² Dammel, J. Hennen, M. and Shah, A., RMI, “Electric Rates Can Help or Hinder Heat Pump Progress,” December 5, 2024, available at <https://rmi.org/resources/electric-rates-can-help-or-hinder-heat-pump-progress/>.

³³ *Ibid.*

³⁴ *Ibid.*

Exhibit 1: Standard electricity rates at NIPSCO can overcharge a customer who electrifies home energy use, relative to the home's cost of service.

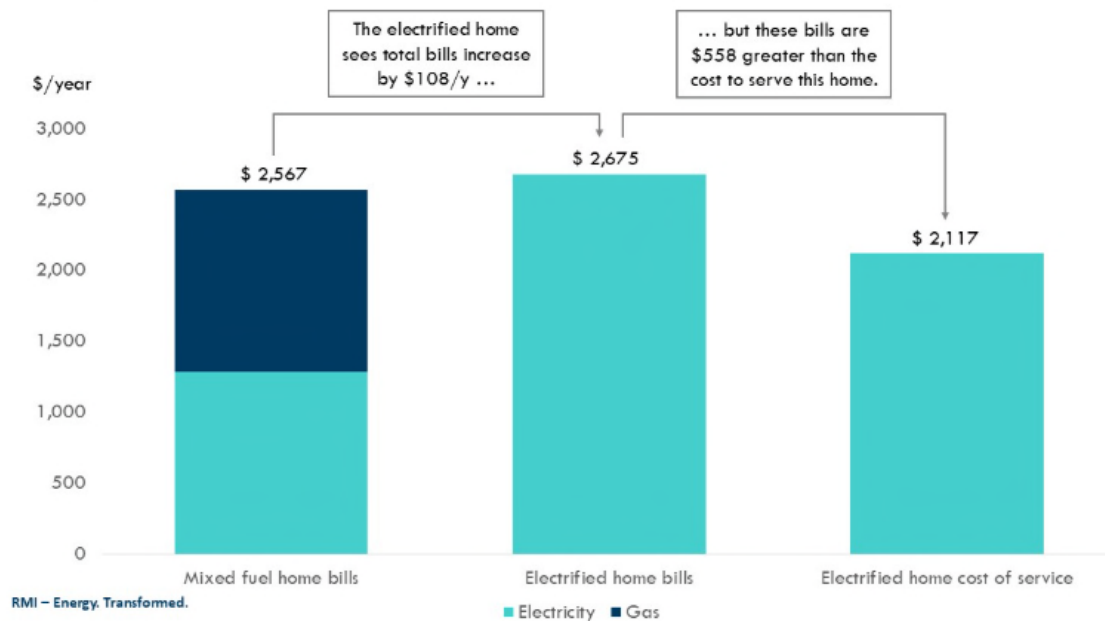


Figure 1. Annual costs for customers with and without electric heating in NIPSCO's territory.³⁵

Q. Why should the Company's winter-peaking rate include a seasonal TOU element?

A. As in the cases described above, in the Company's territory, electric heating customers exhibit seasonal usage and winter peak demands that differ significantly from customers using fossil fuel heating. The below figure (Figure 2), which comes directly from the Company's website, shows average electricity usage compared to average monthly temperatures within the Company's service territory using data from 2020 to 2022.³⁶ As shown in the figure, the average customer uses the greatest amount of electricity (on average between 800 and 1000 kWh) at times when temperatures peak, specifically during

³⁵ *Ibid.*

³⁶ DTE Energy, "Usage & Rates Explained," available at <https://www.dteenergy.com/us/en/residential/service-request/pricing/rate-options/rates-landing.html>.

the summer months.³⁷ As the Company explains, energy usage is reduced during colder months, on average dropping below 600 kWh.³⁸

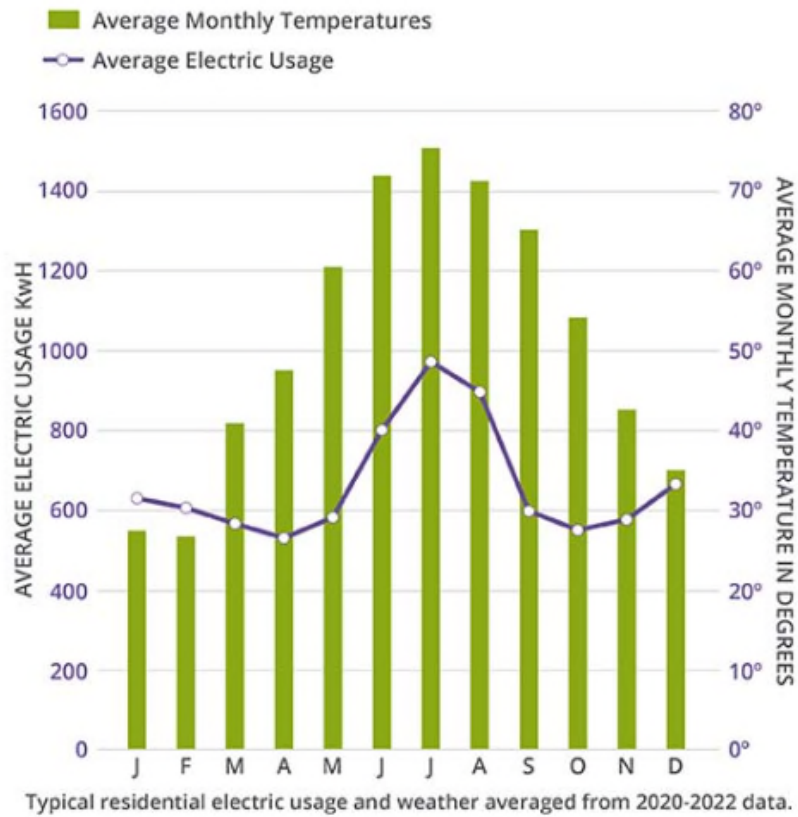


Figure 2. Average electric usage for DTE Electric customers based on data from 2020 – 2022.³⁹

In comparison, electric heating customers exhibit a very different load profile. Instead of peaking during the summer months, a geothermal heat pump customer has comparatively

³⁷ *Ibid.*

³⁸ *Ibid.*

³⁹ *Ibid.*

1 lower summer electricity usage and higher usage during the winter between November and
2 March.⁴⁰

3
4 Because the Company's service territory as a whole is summer-peaking, its default
5 residential rates are developed based on average residential use with summer peak demand
6 and a large portion of the costs that the Company recovers year-round are associated with
7 meeting this summer peak. As discussed previously, customers who electrify their space
8 heating will have an increased winter electric bill associated with added heating load, and
9 because of the inverse cost shift, are likely being overcharged compared to their costs to
10 the system.⁴¹ Sub-segmenting a class of residential customers who experience higher than
11 average load in the winter, often due to the use of an electric heating source, to develop a
12 winter-peaking rate would improve cost allocation fairness, follow traditional ratemaking
13 cost-causation principles, and provide more accurate price signals based on grid peaks.⁴²

14
15 This reasoning applies to distribution rates just as much as to power supply rates.
16 According to Michigan Citizen's Utility Board ("CUB") witness Graham Woolley in the
17 Company's 2025 general electric rate case (Case No. U-21860), distribution system
18 capacity is distinctly seasonal, with winter months not requiring distribution system

⁴⁰ Dandelion Energy. "How Will Installing a Home Geothermal System Impact Your Electric Bill?" February 10, 2020. Available at <https://dandelionenergy.com/geothermal-heat-pump-electricity-usage>.

⁴¹ New York State Energy Research and Development Authority, "New Efficiency: New York. Analysis of Residential Heat Pump Potential and Economics," January 2019, available at <file:///Users/gracemichienzi/Downloads/18-44-HeatPump.pdf>.

⁴² Dammel, J. Hennen, M. and Shah, A., RMI, "Electric Rates Can Help or Hinder Heat Pump Progress," December 5, 2024, available at <https://rmi.org/resources/electric-rates-can-help-or-hinder-heat-pump-progress/>.

1 investments (unlike the summer months), even as both transportation and buildings
2 continue to electrify.⁴³ In other words, the cost to maintain or build distribution
3 infrastructure, or the distribution costs for electric customers, are not cost-aligned if they
4 are recovered through a uniform, levelized distribution charge that does not vary
5 throughout the year. Specifically, a winter-peaking rate should offer lower seasonal
6 distribution charges for customers in the winter months when customer usage, for a
7 summer peaking system, is not driving incremental fixed costs.

8
9 **C. TEMPORAL VARIABILITY**

10 **Q. Why should an electric heating rate include a daily TOU element?**

11 A. Time-differentiated rates, such as TOU, provide more accurate price signals that reflect the
12 true cost of electricity at different times during the day. Time-differentiated rates are
13 already used in several of the Company's base rates, including the default Rate D1.11,
14 which offers modest price differentials between on-peak and off-peak use during both
15 summer and winter months, as shown in the figure below (Figure 3).⁴⁴

16

⁴³ Direct Testimony of Graham G. Woolley on behalf of the Michigan Citizens Utility Board, Case No. U-21860, Exhibit CUB-24.

⁴⁴ DTE Energy, "Time of Day 3 p.m. - 7 p.m.," available at https://solutions.dteenergy.com/dte/en/Products/Time-of-Day-3-p-m---7-p-m-/p/TOD-3-7?_gl=1*1ylhj8o*_gcl_au*MTM5ODM4OTkyNS4xNzg0NTYxMjU2*_ga*OTI3NzExOTUuMTc3MzQwOTk2OA..*_ga_J2R5W9DWE4*czE3ODU4NTUxNDk2E3JGcxJHQxNzg1ODU1MTQxJGGo1OSRsMCRoMA.

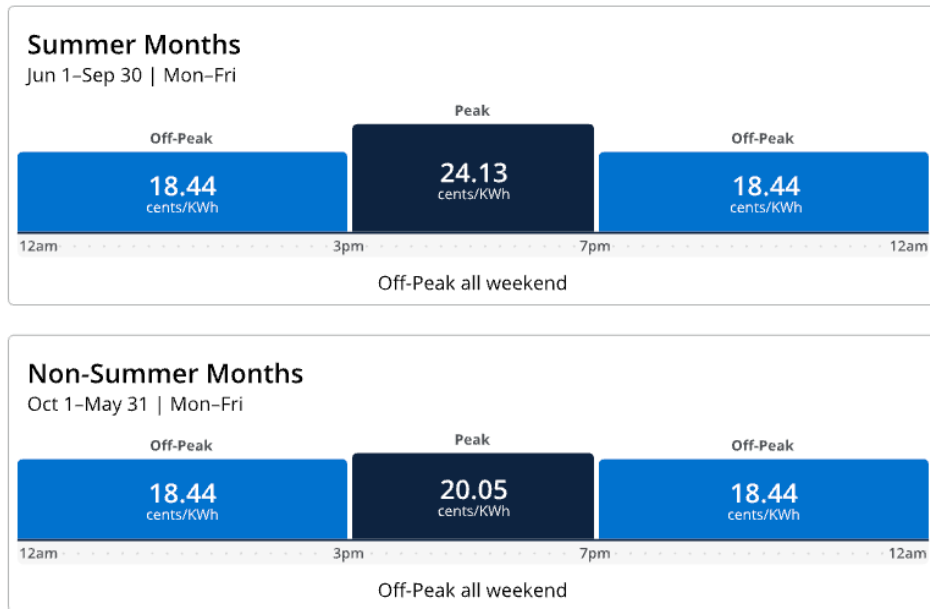


Figure 3. Standard TOU rates for the Company's residential electric customers.⁴⁵

Time-differentiated rates can be effective at promoting more efficient energy use, reducing peak demand, enabling load management, and supporting greater integration of clean energy resources.⁴⁶ However, within TOU rates, the price differential between on-peak and off-peak use is also an important consideration.⁴⁷ Because the Company's current rates are generically designed for average residential use, the current TOU rates do not account for variability in energy costs for customers with unique load profiles, such as winter-peaking customers. Specifically, electric heating customers typically have load profiles characterized by higher usage in the winter during the early morning, late evening, and

⁴⁵ *Ibid.*

⁴⁶ Faruqui, A., Hledik, R., and Sergici, S., The Brattle Group, "A Survey of Residential Time-Of-Use (TOU) Rates," November 12, 2019, available at https://www.brattle.com/wp-content/uploads/2021/05/17904_a_survey_of_residential_time-of-use_tou_rates.pdf.

⁴⁷ *Ibid.*

1 overnight hours when heating demand is highest.⁴⁸ While the current residential TOU rate
2 options offered by the Company are steps in the right direction, these are generic time-
3 differentiated rate designs developed for average residential use, and are not tailored to the
4 unique load profiles exhibited by users of electric heating. As shown in Figure 3, Rate
5 D1.11 has minimal time differentiation during the winter months and no differentiation
6 between the early morning and daytime hours. To ensure alignment with COS and
7 encourage uptake of efficient electric heating, the Company should add daily TOU pricing
8 for winter-peaking customers with appropriate on-peak vs off-peak hours and price signals.
9

10 **D. TECHNOLOGY NEUTRALITY**

11 **Q. What is a technology-specific rate?**

12 A. Technology-specific rates provide specialized energy rates for customers with specific
13 technologies (e.g., electric vehicles, electric appliances) that are typically associated with
14 higher electric consumption, often during specific times of the year and/or hours of the
15 day.⁴⁹ For example, heat pump rates can be open to customers who use an air-source or
16 ground-source heat pump for space heating and may save customers money on their
17 electricity bill. According to ACEEE, heat pump rates

18 are generally based on the cost of service for heat pump customers, without
19 subsidizing other customer classes. Given homes with heat pumps use more
20 electricity, particularly during off-peak periods, the cost of servicing these
21 homes is different, as more of their use is during periods of lower grid
22 strain.⁵⁰

⁴⁸ Malinowski, M., *et al.*, ACEEE, “Electricity Rates That Keep Bills Down after Electrification of Home Heating,” 2025, available at <https://www.aceee.org/sites/default/files/pdfs/b2502.pdf>.

⁴⁹ *Ibid.*

⁵⁰ *Ibid.*

1
2 There are many examples of heat pump rates that have been implemented across the
3 country to better align energy bills with system costs. For example, in Maine, Versant
4 Power offers a technology-specific seasonal rate for customers with heat pumps for space
5 heating and heat pump water heaters, stating that the rates “will encourage electricity use
6 during periods of lower demand and aim to help customers save money.”⁵¹

7
8 Similarly, National Grid also offers a heat pump rate, which is a seasonal rate offered
9 November 1st through April 30th and is available to residential customers who either fully
10 or partially use a heat pump.⁵² Customers who receive specific heat pump rebates are
11 automatically enrolled in the program, but other customers who meet qualification criteria
12 can voluntarily sign up for the rate.⁵³ When the rate was approved, the Massachusetts
13 Department of Public Utilities found that “rather than providing a financial incentive, [the
14 rate] attempts to mitigate a disincentive for certain types of customers inherent in
15 traditional residential rate design.”⁵⁴ In other words, regulators determined that the rate
16 prevents heat pump customers from being overcharged, and that the rate is not an incentive
17 or discount for heat pump customers (i.e., at the expense of other customers).

51 Versant Power, “Heat Pumps & Heat Pump Hot Water Heaters,” available at <https://www.versantpower.com/energy-solutions/heat-pumps/>.

52 National Grid, “Heat Pump Rate,” available at <https://www.nationalgridus.com/MA-Home/Rates/Heat-Pump-Rate>.

53 *Ibid.*

54 The Commonwealth of Massachusetts Department of Public Utilities, “Petition of Massachusetts Electric Company and Nantucket Electric Company,” D.P.U 23-150, available at <https://media.wbur.org/wp/2024/10/D.P.U.-23-150-National-Grid-Rate-Case-Final-Order-9.30.24.pdf>, p. 511.

1 **Q. How are technology-specific heat pump rates different from winter-peaking rates?**

2 A. While a heat pump rate is typically available only to customers with a heat pump and
3 typically requires verification to confirm the heat pump is the primary or sole heating
4 source, a winter-peaking rate would be available to *all* customers using electricity via any
5 technology to heat their homes who incur higher-than-average winter energy usage,
6 including not only those with a heat pump.

7
8 **Q. Does the Company have any technology-specific rates?**

9 A. The Company has previously offered technology-specific rates, but to my knowledge, most
10 of its technology-specific rates are now closed to new customers. For example, the
11 Company has “Rate Schedule No. D1.9 Electric Vehicle Rate,” which was “available on
12 an optional basis to residential and commercial customers desiring separately metered
13 service for the sole purpose of charging licensed electric vehicles.”⁵⁵ This technology-
14 specific rate previously offered two options for pricing, including (1) a discounted TOU
15 pricing schedule and (2) a residential-only monthly flat fee. The second option was closed
16 to new customers in 2019, and customers on the rate were moved to a new rate.⁵⁶ According
17 to Company witness Priya Machi, Rate Schedule D1.9 was fully closed to new customers
18 on May 30, 2025.⁵⁷

19

⁵⁵ DTE Electric Company, “Rate Book for Electric Service,” available at <https://www.michigan.gov/mpsc/-/media/Project/Websites/mpsc/consumer/rate-books/electric/dte/dtee1cur.pdf?rev=980d056387c541739eaf52e438ba840d&hash=D0B86530CBBA005BEDB8B330097ADC69>.

⁵⁶ *Ibid.*

⁵⁷ Direct Testimony of Priya Machi on behalf of DTE Electric Company, Case No. U-22046, p. 10.

1 **Q. Do you have a preference for one type of rate over the other?**

2 A. Yes. I recommend the Commission require the Company to develop a technology-neutral
3 winter-peaking rate rather than a technology-specific heat pump rate.

4
5 **Q. Please describe why you believe a winter-peaking rate is preferable to a technology-**
6 **specific rate.**

7 A. A winter-peaking rate is preferable because a rate open to all electric heating customers
8 will better align with the cost-to-serve winter-peaking customers. As previously discussed,
9 customers who electrify their space heating often pay rates that are developed for average
10 residential use based on summer peak demand, resulting in an inverse cost shift that
11 overcharges the winter-peaking customers.⁵⁸ In general, all winter-peaking customers,
12 regardless of the specific loads that result in a winter-peak, face being charged more than
13 the cost-to-serve under the Company’s current rate structure.

14
15 In addition, including electric resistance or baseboard heating technologies in this rate
16 category, in addition to energy-efficient heat pumps, is critical for improving affordability
17 for low- and middle-income (“LMI”) customers and multifamily housing
18 occupants. About 10 percent of Michigan’s residential space heating is electric resistance
19 heating,⁵⁹ and according to a report from NRDC and the Energy Futures Group, “though
20 there is little electric heat in single-family homes, 30% of Michigan and Illinois

⁵⁸ Dammel, J. Hennen, M. and Shah, A., RMI, “Electric Rates Can Help or Hinder Heat Pump Progress,” December 5, 2024, available at <https://rmi.org/resources/electric-rates-can-help-or-hinder-heat-pump-progress/>.

⁵⁹ Institute for Energy Innovation, “Clean, Safe, and Affordable: A Policy Roadmap for Efficient and All-Electric Homes in Michigan,” March 2026, available at https://www.mieibc.org/wp-content/uploads/2026/02/Clean-Safe-and-Affordable_A-Policy-Roadmap-for-Efficient-and-All_Electric-Homes-in-Michigan_FINAL.pdf, p. 129.

1 multifamily apartments – and an even higher percentage of low-income buildings – have
2 electric resistance heat.”⁶⁰ Therefore, developing a rate that is inclusive of all electric
3 heating customers and is technology-neutral is critical for ensuring LMI customers and
4 multifamily housing occupants are able to utilize and benefit from the new rate.

5
6 These issues are becoming more problematic as electric sources of space and water heating
7 are becoming more popular. Across the country, heat pumps have outsold gas furnaces
8 since 2021,⁶¹ and Michigan’s Statewide Energy Waste Reduction, Demand Response, and
9 Efficient Electrification Potential Study estimated that the adoption of air-source and
10 ground-source heat pumps would create an additional 3,500 GWh of annual electricity
11 consumption by 2045.⁶² As customers transition toward electric sources of space and water
12 heating, rates must be adjusted to accurately reflect the costs to the system of
13 electrification. As noted in a fall 2025 report from the Northeast States for Coordinated Air
14 Use Management (“NESCAUM”),

15 As electricity gets cleaner, the societal cost of using electricity declines
16 relative to the societal cost of using methane gas. In many states and utility

⁶⁰ Goldberg, L., Rincon, V., and Williams, S., NRDC and Energy Futures Group, “Tip of the Spear: How Efficiency Programs Supporting Cold Climate Heat Pumps in Low Income Multi-Family Buildings Could Help Lay the Foundation for Building Decarbonization in Michigan and Illinois,” 2022, available at <https://www.nrdc.org/sites/default/files/efficiency-programs-heat-pumps-building-decarbonization-michigan-illinois-report-202208.pdf>.

⁶¹ RMI, “Tracking the Heat Pump & Water Heater Market in the United States,” March 2026, available at https://rmi.org/resources/tracking-the-heat-pump-water-heater-market-in-the-united-states/?utm_source=facebook&utm_campaign=organic&utm_medium=social&utm_content=RMIBrand.

⁶² Slipstream and NV5, “State of Michigan - Statewide Energy Waste Reduction, Demand Response, and Efficient Electrification Potential Study - Technical Conference #3,” September 10, 2025, available at <https://www.michigan.gov/mpsc/-/media/Project/Websites/mpsc/workgroups/ewr-study/NV5---State-of-Michigan-Potential-Study---Technical-Conference-3.pdf?rev=14afd9f2ae624dd6bb04bf2d76d95e8f&hash=8D76B534D88308345399D89819494F86>.

1 service territories, however, current rate structures create a ‘spark gap’ that
2 sends the opposite price signal to customers.⁶³
3

4 Without thoughtful rate design, households that electrify their homes could face financial
5 disincentives that do not accurately reflect the costs to serve those customers.
6

7 **E. SEPARATE METERING**

8 **Q. What are separate metering requirements?**

9 A. Some utility tariffs require a customer to install an additional meter to participate in that
10 tariff. These may be required for participation in a technology-specific electric heating rate,
11 usually where a utility requires an additional meter for a specific electric appliance as a
12 prerequisite for a customer to access the tariff.
13

14 **Q. Does the Company have any rates for which second meters are required?**

15 A. Yes. “Rate Schedule No. D1.7 Geothermal Time-Of-Day Rate” is an optional, separately
16 metered rate for approved “geothermal space-conditioning and/or water heating.”⁶⁴ The
17 rate requires a separate meter for the geothermal/water heating equipment. The process of
18 installing a separate meter requires submitting a request to the Company’s geothermal team
19 and completing a load sheet to confirm equipment suitability. Customers then must hire a
20 licensed electrician to install the necessary wiring for the meter, referred to as a D1.7

⁶³ Northeast States for Coordinated Air Use Management, “Multistate Action Plan: Accelerating the Transition to Zero-Emission Residential Buildings,” Fall 2025, available at <https://www.nescaum.org/documents/Residential-Buildings-Multistate-Action-Plan.pdf>.

⁶⁴ DTE Electric Company, “Rate Book for Electric Service,” available at <https://www.michigan.gov/mpsc/-/media/Project/Websites/mpsc/consumer/rate-books/electric/dte/dtee1cur.pdf?rev=980d056387c541739eaf52e438ba840d&hash=D0B86530CBBA005BEDB8B330097ADC69>.

1 geothermal advanced meter.⁶⁵ This multi-step process is both burdensome in time and costs
2 for customers who would otherwise benefit from the rate.

3
4 The “Rate Schedule No. D1.1 Interruptible Space-Conditioning Service Rate,” or the
5 CoolCurrents incentive structure, is a DR rate that also requires a second meter. This rate
6 provides a discount in exchange for the customer allowing their air conditioning load to be
7 reduced during DR events.⁶⁶ The tariff is available to residential and commercial customers
8 “desiring separately metered interruptible service for central air conditioning and/or central
9 heat pump use.”⁶⁷ The structure offers discounted seasonal rates in exchange for
10 interruptible service.⁶⁸

11
12 **Q. What did the Company propose regarding the D1.1 tariff in this case?**

13 A. As described by Company witness Markus B. Leuker, the Company is proposing to close
14 the D1.1 CoolCurrents program tariff to new customers because

15 [the] second meter requirement has been identified as a barrier to new
16 enrollment, due to the upfront cost that the customer must pay for the second
17 meter installation. As a result, there have been minimal new enrollments on
18 the tariff.⁶⁹

⁶⁵ DTE Energy, “Geothermal Systems,” available at <https://www.dteenergy.com/us/en/residential/service-request/renewables/geothermal-systems.html>.

⁶⁶ Direct Testimony of Markus B. Leuker on behalf of DTE Electric Company (“Leuker Direct”), Case No. U-22046, p. 44.

⁶⁷ DTE Electric Company, “Rate Book for Electric Service,” available at <https://www.michigan.gov/mpsc/-/media/Project/Websites/mpsc/consumer/rate-books/electric/dte/dtee1cur.pdf?rev=980d056387c541739eaf52e438ba840d&hash=D0B86530CBBA005BEDB8B330097ADC69>.

⁶⁸ *Ibid.*

⁶⁹ Leuker Direct, p. 46.

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Q. Why are second or separate metering requirements a barrier for customers?

A. Separate or second metering requirements add both upfront cost and administrative burden to a customer when attempting to get on a rate structure that aligns with their technology and customer load profile. According to a discovery response (Exhibit MEIU-1.2), the Company estimates that adding a second meter to qualify for the D1.1 rate costs between \$1,000 - \$2,000, “depending on the selected contractor and cost of supplies.” This estimate considers wiring requirements, installed meter enclosure, and the dedicated 24V power supply to accommodate the Company’s load control device (Exhibit MEIU 1.2).

Q. Does the Company offer special whole-home base rates that do not require a second meter?

A. Yes. The Company offers the Overnight Savers Rate (“Rate Schedule D1.13 - Overnight Savers TOD”), which provides “super” discounted pricing on electricity usage between 1 a.m. and 7 a.m. for customers who voluntarily sign up for the rate.⁷⁰ According to witness Aaron Willis in the Company’s 2023 general electric rate case (Case No. U-21297), the Overnight Savers proposal was developed by the Company specifically to avoid the need for a customer to install a second meter, with the following principles in mind:

- Cost-alignment – rates should reflect both how and when costs are incurred
- Optionality – customers should have multiple base rates available to them and should be free to choose the offering that best matches their energy needs and preferences

⁷⁰ DTE Energy, “Overnight Savers,” available at <https://www.dteenergy.com/us/en/residential/service-request/pricing/rate-options/overnight-savers.html>.

- Broad adoption – rates should be made available as widely as possible and additional requirements, such as the need to install a second meter, should be used sparingly.⁷¹

Witness Willis suggested that the Overnight Savers rate was a good option for customers “seeking low overnight pricing, such as electric vehicle (EV) owners” but who may be discouraged or precluded by the D1.9 second metering requirements, including “the cost commitment of new wiring and a new meter.”⁷² Witness Willis also suggested that the lack of second metering requirements was helpful specifically for customers in multifamily housing and renters, who may be prohibited from installing a second meter, as well as customers with a “leased EV who would like to leverage low overnight rates while they have the vehicle but are not interested in a second meter and the associated investments.”⁷³

The Overnight Savers rate is also aligned with traditional rate design principles, specifically the principle of customer acceptance,⁷⁴ as it is meant to offer a simple, whole-home solution without the cost-prohibitive and administratively burdensome requirements associated with separately metered rates.

Q. What do you recommend with respect to second meters for electric heating rates?

A. Instead of requiring an additional meter, electric heating rates should instead be based on the load of the whole home. Customers who peak in the winter, regardless of the specific

⁷¹ Direct Testimony of Aaron Willis on behalf of DTE Electric Company, Case No. U-21297, p. 14.

⁷² *Id.*, pp. 14-15.

⁷³ *Id.*, p. 19.

⁷⁴ Bonbright, J. C., “Principles of Public Utility Rates,” available at <https://www.raponline.org/wp-content/uploads/2023/09/powellgoldstein-bonbright-principlesofpublicutilityrates-1960-10-10.pdf>.

1 appliance resulting in a winter peak, unfairly pay more for distribution charges relative to
2 their COS. As suggested by the Company in testimony regarding both the Overnight Savers
3 rate⁷⁵ and the closing of the D1.1 tariff,⁷⁶ the installation of a second meter is costly and
4 administratively burdensome and sometimes prohibits customers from being able to access
5 the desired rate. Therefore, it is preferable to develop new rates without these additional
6 metering requirements.

7
8 **F. OPT-IN VERSUS OPT-OUT**

9 **Q. What is an opt-out versus an opt-in rate design?**

10 A. As explained previously, an opt-out rate is a rate design that a customer is automatically
11 assigned to by the utility, whether by default or due to their specific load profile.⁷⁷ In
12 contrast, an opt-in rate is a rate design that requires a customer to voluntarily subscribe to
13 participate.

14
15 **Q. How can an opt-out electric heating rate improve customer adoption?**

16 A. Rather than requiring a customer to self-identify as a user of an electric heating appliance,
17 an opt-out electric heating rate would proactively enroll customers in the rate that best
18 aligns with their usage patterns, while still allowing customers to opt out if they would
19 rather remain on the standard rate. For time-variant pricing, opt-out rates have been shown

⁷⁵ Direct Testimony of Aaron Willis on behalf of DTE Electric Company, Case No. U-21297, p. 19.

⁷⁶ Leuker Direct, p. 46.

⁷⁷ Neenan, B., *et al.*, “Opt-In vs. Opt-Out: Impact Implications for Full Service Territory,” Electric Power Research Institute, July 29, 2014.

1 to improve customer adoption, with adoption rates around 80 percent for customers given
2 the option to opt out, compared to just 15 percent in an opt-in scenario.⁷⁸

3
4 **Q. How could load profiles be used to identify electric heating customers?**

5 A. Electric heating customers have a unique load profile, characterized by nearly three times
6 as much electricity consumption during the winter months compared to customers who
7 primarily use natural gas, or other delivered fuels, for heating.⁷⁹ These customers also have
8 higher usage during morning and overnight hours when heating demand is greatest.⁸⁰

9
10 The figure below (Figure 4) shows the change in annual energy costs for an example
11 customer in National Grid's service territory who transitions from natural gas to an air-
12 source heat pump.⁸¹ On the left, electricity usage for the natural gas customer is relatively
13 standard across the months of the year, but the customer does experience higher bills during
14 summer months due to air conditioning.⁸² On the right, electricity usage looks significantly

⁷⁸ Spiller, B., "To Opt-in or Opt-Out: What Works For Time-Variant Pricing," August 7, 2014, available at <https://blogs.edf.org/energyexchange/2014/08/07/to-opt-in-or-opt-out-what-works-for-time-variant-pricing/>.

⁷⁹ Shah, A., Wagner, L. and Teener, J., RMI, "Designing Better Rates for Heat Pump Customers," June 17, 2026, available at <https://rmi.org/resources/designing-better-rates-for-heat-pump-customers/>.

⁸⁰ Malinowski, M, *et al.*, ACEEE, "Electricity Rates That Keep Bills Down after Electrification of Home Heating," April 2025, available at <https://www.aceee.org/sites/default/files/pdfs/b2502.pdf>, p. 2.

⁸¹ Advanced Energy United and Demand Side Analytics, "Massachusetts Study on Time-Varying Rate Design to Enable Electrification," May 2025, available at <https://advancedenergyunited.org/reports/ma-study-on-time-varying-rate-design-to-enable-electrification/>, p. 8.

⁸² *Ibid.*

different for the customer after installation of a heat pump, with significant peaks during the colder months, representing a very different than average load profile.⁸³

Figure 1: Monthly Bills Under Current Rate, by Heating System Type (National Grid)

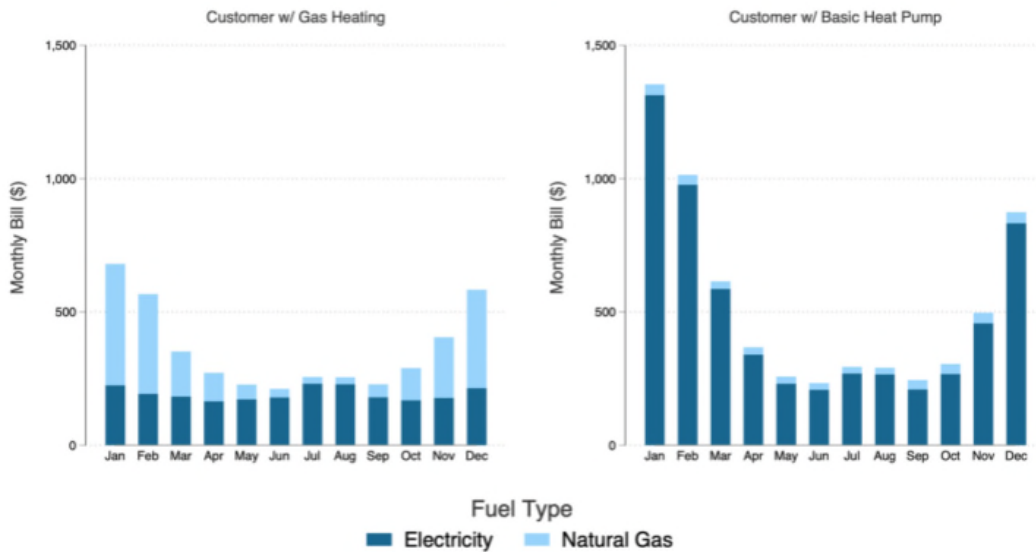


Figure 4. Example monthly energy bills for a customer with natural gas heating (left) and a heat pump (right).⁸⁴

These changes are also observed in terms of daily usage patterns. In a study of pre- and post-electrification for homes in Connecticut, homes heated by a heat pump used more electricity during off-peak hours.⁸⁵ As shown in the figure below (Figure 5), the average home with a heat pump and energy efficiency building envelope improvements (blue line)

⁸³ *Ibid.*

⁸⁴ *Ibid.*

⁸⁵ Malinowski, M, *et al.*, ACEEE, “Electricity Rates That Keep Bills Down after Electrification of Home Heating,” April 2025, available at <https://www.aceee.org/sites/default/files/pdfs/b2502.pdf>.

experienced the greatest electricity demand at night and just before dawn when heating their homes at the coldest time of day in January.⁸⁶

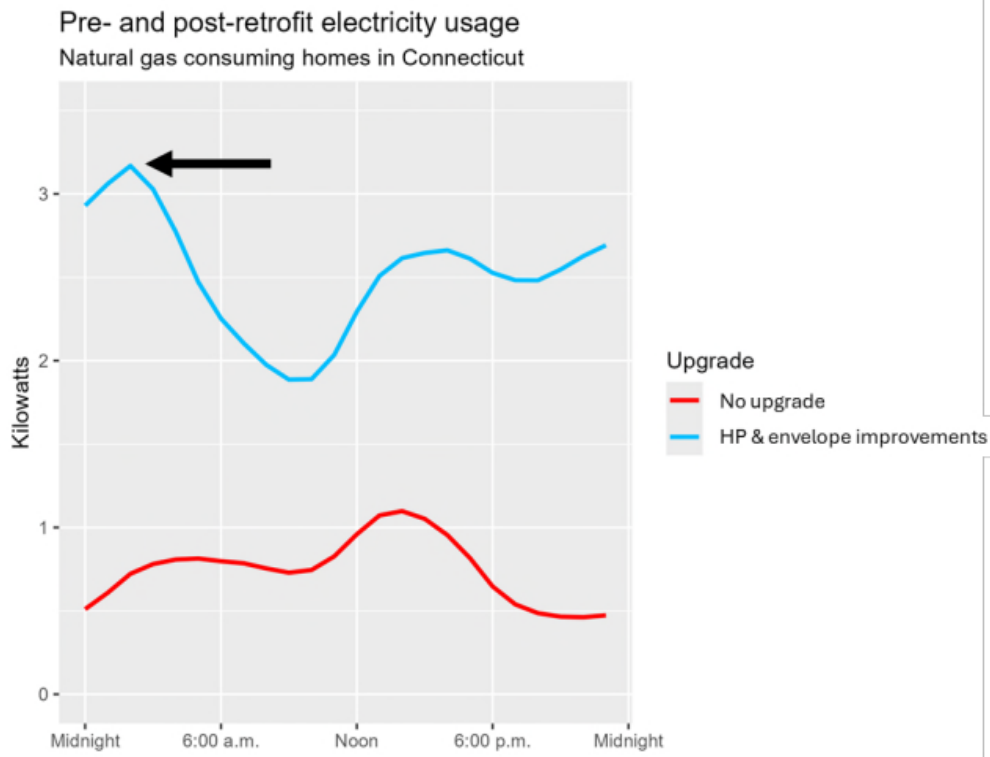


Figure 5. Changes in daily electricity usage before (red line) and after (blue line) energy efficiency upgrades and installation of a heat pump.⁸⁷

Given the significant differences in both overall seasonal peaks and seasonal time-of-day peaks, utilities should be able to easily identify electric heating customers by their load profiles. As already discussed, utilizing available data for those who meet this load profile to assign to an opt-out electric heating rate would improve adoption and ensure the rate is utilized and customers realize benefits. Even if this load profile were to capture non-electric

⁸⁶ *Ibid.*

⁸⁷ *Ibid.*

1 heating customers, because those customers would still be winter-peaking, they would still
2 likely benefit from the electric heating rate without impacting costs for other customers.

3
4 Due to the availability of advanced metering infrastructure (“AMI”), it is easier for utilities
5 to measure electricity use in specific time intervals and collect and manage data.⁸⁸ The
6 Company has already begun using customer load shapes to identify customers who are
7 utilizing specific technologies, without those customers needing to self-identify. According
8 to the Company’s 2026 Distribution System Plan, it was able to use hourly AMI data and
9 hourly load shapes for customers to detect EV charging patterns, stating,

10 [because] customers are not required to report EV ownership, DTE
11 developed an EV Identification Tool that uses neural-network analysis of
12 hourly AMI data to detect EV-charging patterns. These insights inform a
13 propensity-based spatial adoption model that forecasts future EV
14 distribution load. Hourly EV load shapes are applied at the circuit and
15 substation level and reconciled with system-level EV forecasts.⁸⁹
16

17 **Q. Could an opt-out rate be phased in?**

18 A. Yes. While the Company is developing its winter-peaking rate, it could also begin
19 the load profile assessment to determine which customers should be automatically
20 enrolled in the winter-peaking tariff. Assuming that this process will take some
21 time, the Company could initially propose the rate as an opt-in rate, but the
22 Commission should require the Company to transition to an opt-out rate (with all
23 existing eligible customers enrolled) within two years of the final Order in this case.

⁸⁸ Badtke-Berkow, M., *et al.*, Environmental Defense Fund, “A Primer on Time-Variant Electricity Pricing,” 2015, available at https://www.edf.org/sites/default/files/a_primer_on_time-variant_pricing.pdf, p. 11.

⁸⁹ DTE Electric Company, “DTE Electric Company 2026 Distribution System Plan,” April 28, 2026, Case No. U-22104, available at <https://www.dteenergy.com/content/dam/dteenergy/deg/website/common/about-us/company-information/distribution-system-plan/2026DistributionSystemPlanFinal.pdf>.

G. ELECTRIC HEATING RECOMMENDATIONS

Q. What do you recommend regarding electric heating/winter-peaking rate design?

A. The Commission should order the Company to propose a winter-peaking/electric heating rate through a stakeholder-driven process. Specifically, within 120 days of the Commission’s Order in this case, the Company should hold a collaborative workgroup meeting (or meetings) to solicit stakeholder input and proceed to file a proposed winter-peaking/electric heating rate in a contested filing. The Company should ensure that the proposed tariff: (1) aligns with rate design principles of encouraging efficient customer use of energy and does not negatively impact energy efficiency or the operation of other technologies, including rooftop solar and storage; (2) accurately reflects the cost-to-serve winter-peaking customers by including seasonal and temporal TOU components; (3) is technology neutral; (4) encourages acceptance and adoption by not including burdensome requirements, including but not limited to, a second meter; and (5) within two years, if not immediately, utilizes an opt-out strategy, employing customer load profile data to automatically add customers to the tariff, thereby reducing the burden on customers.

III. ENERGY STORAGE EXPORT

Q. What does the Company propose regarding a Virtual Power Plant (“VPP”) offering?

A. According to Company witness Leuker, the Company plans to propose a VPP pilot using the Expedited Pilot Process.⁹⁰ This VPP pilot will provide participants with a

⁹⁰ Leuker Direct, p. 59.

1 “performance-based financial incentive” and will involve the Company managing daily
2 dispatch of customer-sited behind-the-meter energy storage systems.⁹¹

3
4 **Q. Has this VPP pilot been filed?**

5 A. Yes. The Company filed the proposed VPP pilot in Case No. U-21653 on June 18, 2026.
6 As of the filing of this testimony, the Commission has not yet taken any action on the filing.

7
8 **Q. How will the energy storage systems be used in the VPP pilot?**

9 A. According to the Company’s filing in Case No. U-21653, participants will allow the
10 Company to dispatch their battery energy storage system for up to four hours daily while
11 ensuring sufficient charge to provide power during an expected storm outage.⁹² The
12 Company plans to measure the performance of the batteries to reduce peak load during
13 daily events as well as test aspects of customer satisfaction and participation.⁹³

14
15 **Q. Will the batteries be allowed to export electricity back to the grid?**

16 A. No. According to a discovery response in this case (Exhibit MEIU-1.3), the batteries will
17 not be allowed to export electricity back to the grid.

18

⁹¹ *Id.*, p. 60.

⁹² Direct Testimony of Keegan O. Farrell on behalf of DTE Electric Company, Case No. U-21653, p. 6 and Attachment B, p. 14.

⁹³*Id.*, p. 19.

1 **Q. Would there be additional potential benefits if the batteries were allowed to exchange**
2 **electricity with the grid?**

3 A. Yes. As proposed by the Company, customer-sited batteries can be used to reduce peak
4 load at the customer's premises without export from the batteries. However, additional
5 benefits can be derived if the batteries are allowed to exchange electricity with the grid.
6 For example, Green Mountain Power in Vermont has been running the Energy Storage
7 System Leasing program since 2020. The energy storage devices included in the program
8 provide frequency response benefits to the grid, which the utility sells into the ISO-NE
9 market, as well as peak load reductions.⁹⁴ The ConnectedSolutions program in the
10 northeast provides up to 250 MW of peak shaving benefits, and reduced peak demand by
11 2% in 2024.⁹⁵ In Utah, Rocky Mountain Power's WattSmart program allows export of
12 electricity to the grid, providing frequency regulation benefits.⁹⁶

13
14 **Q. Why does the Company plan to not allow the batteries in the VPP pilot to export**
15 **electricity back to the grid?**

16 A. According to the Company's filing in Case No. U-21653, the batteries will not be allowed
17 to export electricity back to the grid because of "capacity constraints at the sites, rate

⁹⁴ Green Mountain Power, GMP's Pioneering Network of Powerwall Batteries Delivers First-in-New-England Benefit for Customers & Grid, Cutting Carbon and Costs, May 13, 2021, available at <https://greenmountainpower.com/news/network-of-powerwall-batteries-delivers-first-in-new-england-benefit-for-customers/>.

⁹⁵ U.S. Department of Energy, "Pathways to Commercial Liftoff: Virtual Power Plants 2025 Update," January 2025, available at https://www.smartenergydecisions.com/wp-content/uploads/2025/04/liftoff_doe_virtualpowerplants2025update.pdf, p. 66.

⁹⁶ National Renewable Energy Laboratory, Utility Programs Supporting Customer-Sited Battery Storage: Program Design to Ensure Mutual Benefits, available at <https://utahcleanenergy.org/wp-content/uploads/sites/12/2024/11/Utility-Programs-Supporting-Customer-Sited-Battery-Storage-Program-Design-to-Ensure-Mutual-Benefits-.pdf>.

1 structure for battery export, and inability for meter[s] to differentiate between solar and
2 battery export.”⁹⁷

3
4 In a discovery response in this case (Exhibit MEIU-1.4), the Company further indicated
5 that

6 [from] a technical standpoint, certain DER investments may be capable of
7 exporting energy. For example, a FERC 841 participating energy storage
8 system could interface over SCADA and would be capable of exporting if
9 it was based on the referenced DER Integration investments. However, the
10 existence of functionality does not, by itself, authorize or enable export from
11 behind-the-meter energy storage systems. Any such export would remain
12 subject to, among other things, applicable interconnection requirements,
13 tariff provisions, metering requirements, operational constraints, and any
14 Commission-approved policies or programs governing BTM storage
15 export.
16

17 **Q. What are the interconnection requirements cited by the Company?**

18 A. According to the Company’s Distributed Generation Tariff (Rider 18) and Legacy Net
19 Metering (Rider 16) supplemental Interconnection Procedures, battery storage in either the
20 DG or legacy net metering programs must:

- 21 i. Meet certification and interconnection requirements in the
22 interconnection procedures.
23 ii. Operate in an acceptable storage mode (refer to Acceptable Battery
24 Energy Storage System Modes below).
25 iii. Include specification sheets and manufacturers guide with application
26 submission.
27 iv. Meet any other legacy net metering, distributed generation, or
28 interconnection requirements as indicated in the Rate Book, Michigan
29 Public Service Commission (“MPSC”) rules, the Interconnection and
30 Parallel Operating Agreement, the Generator Interconnection & Operating
31 Agreement, the Michigan Electric Utility Generator Interconnection

⁹⁷ Direct Testimony of Keegan O. Farrell on behalf of DTE Electric Company, Case No. U-21653, Attachment B, p. 9.

Procedures, the Michigan Generator Interconnection Requirements, and other relevant law.⁹⁸

Q. What are the “Acceptable Battery Energy Storage System Modes”?

A. The Company has three Acceptable Battery Energy Storage System Modes: import-only, export-only, and no-exchange.⁹⁹ Import-only mode “means a system configuration that is designed to ensure that the battery does not send energy back to the grid;”¹⁰⁰ export-only mode “means a system configuration that is designed to ensure that the battery does not charge from the grid;”¹⁰¹ and no-exchange mode “means a system configuration that is designed to ensure that the battery does not charge from the grid or discharge to the grid.”¹⁰²

Q. What are the implications of these Acceptable Battery Energy Storage System Modes?

A. These three acceptable modes mean that a customer can choose to (1) charge a battery from the grid, in which case it may not export power back to the grid from the battery; (2) charge a battery from an on-site DER (e.g., a rooftop solar system) and export power to the grid from the battery; or (3) operate the battery entirely separately from the grid and not exchange electricity with the grid.

⁹⁸ Commission Order Approving a Settlement Agreement, Case No. U-21482, Attachment B.

⁹⁹ *Ibid.*

¹⁰⁰ *Ibid.*

¹⁰¹ *Ibid.*

¹⁰² *Ibid.*

1 **Q. Could a solar plus battery storage system technically operate in export-only mode?**

2 A. Yes. Such a battery would be charged only by the on-site solar system and would not be
3 charged from the grid. Under “export-only” mode, the battery could send electricity
4 (generated on-site by the solar system) back to the grid. Because this electricity is originally
5 generated by the on-site solar system, it would be credited either under Rider 16 or Rider
6 18.

7
8 **Q. In such a scenario, how would the Company ensure that there was no “double**
9 **counting” of that electricity under Rider 16 or Rider 18 and any VPP “pay for**
10 **performance” incentive?**

11 A. Although I am not an engineer, and do not intend to comment on the specific technical
12 requirements, I do believe that there are several ways that this could be accomplished while
13 avoiding “double counting” or duplicate compensation for the electricity exported from the
14 battery.

15
16 Specifically, using a distributed energy resource management system (“DERMS”) and
17 AMI, the Company could compare meter data to VPP dispatch information, enabling it to
18 compensate a customer for electricity exported specifically during a VPP event under a
19 VPP pay for performance incentive. The Company is already investing in advancements,
20 such as DERMS capabilities, that could enable this methodology.¹⁰³

21

¹⁰³ See, e.g., Direct Testimony of Stephen P. Radmacher on behalf of DTE Electric Company, Case No. U-22046, pp. 147–48.

1 Alternatively, if the Company works with an aggregator to provide Edge DERMS
2 capabilities (e.g., sonnen in the case of the proposed VPP pilot in Case No. U-21653¹⁰⁴),
3 presumably the aggregator could track dispatch and export of electricity during VPP
4 events. These data could then be reported to the utility for on-bill crediting purposes.
5

6 **Q. Given these options, can you speak to the Company’s concerns regarding electricity**
7 **export from customer-sited solar plus storage systems?**

8 A. Yes, as described above, the Company cited “capacity constraints at the sites, rate structure
9 for battery export, and inability for meter[s] to differentiate between solar and battery
10 export”¹⁰⁵ as concerns related to the export of electricity from customer-sited solar plus
11 storage systems. As described above, there are options that the Company could use to
12 differentiate between solar and battery export, and the Company could develop a rate
13 structure (based on benefits provided) for electricity exported during VPP events. As such,
14 the only remaining concern with export of electricity from the batteries in the VPP Pilot,
15 which I cannot currently evaluate, is capacity constraints at the site.
16

17 **Q. Do you still have concerns about the Company’s Acceptable Battery Energy Storage**
18 **System Modes?**

19 A. Yes. I am concerned that these three acceptable modes leave no option for a customer with
20 a stand-alone battery (i.e., without a paired on-site DER) to export electricity to the grid.

¹⁰⁴ Direct Testimony of Keegan O. Farrell on behalf of DTE Electric Company, Case No. U-21653, p. 6.

¹⁰⁵ *Id.*, Attachment B, p. 9.

1 Such a customer would need to both import electricity from the grid and export it back to
2 the grid.

3
4 **Q. Why would a customer want to charge a battery from the grid and then export that**
5 **electricity to the grid?**

6 A. Although the Company does not yet have a program in place to value such export from an
7 energy storage system, a future program from the utility or from a Regional Transmission
8 Organization (“RTO”) such as the Midcontinent Independent System Operator (“MISO”) through the implementation of Federal Energy Regulatory Commission (“FERC”) Order
9 2222 may allow for the aggregation and valuation of export from such behind-the-meter
10 resources (i.e., batteries without paired solar systems). For example, the
11 ConnectedSolutions program in Massachusetts provides compensation in exchange for
12 customer battery dispatch, including stand-alone batteries, at times of peak demand when
13 required by the utility.¹⁰⁶ Customers are able, through this program, to participate with
14 third-party aggregators who respond to utility needs by dispatching many batteries at the
15 same time.

16
17
18 I also note that the Company at least tacitly acknowledges that there are benefits to the grid
19 from stand-alone behind-the-meter energy storage. Specifically, in its approved Expedited
20 Pilot Review Workplan, the Company states:

21 There is interest in understanding how BTM customer-owned residential
22 solar + storage or stand-alone storage systems providing grid services will
23 function in terms of grid and reliability management. Pilots could focus on

¹⁰⁶ National Grid, “Battery Program,” available at <https://www.nationalgridus.com/MA-Home/Connected-Solutions/BatteryProgram>.

1 issues such as methods to interface and manage BTM DERs in conjunction
2 with the rest of the system or better understand the benefits that DERs may
3 provide.¹⁰⁷
4

5 **Q. What do you recommend regarding energy storage modes?**

6 A. I recommend that the Commission, as part of its evaluation in this case of the Company's
7 proposed VPP pilot and the associated projected costs, require the Company, in its next
8 rate case filing or in a separate docket, to revise its interconnection procedures to allow
9 stand-alone behind-the-meter energy storage systems to both import and export power.
10

11 **IV. CONCLUSIONS AND RECOMMENDATIONS**

12 **Q. Please summarize your conclusions and recommendations to the Commission.**

13 A. I recommend that the Commission:

- 14 • Require the Company to propose a winter-peaking/electric heating rate within 120
15 days of the Commission's Order in this case, informed by one or more stakeholder
16 meetings. The Commission should require that the proposed tariff:

17 (1) aligns with rate design principles of encouraging efficient customer use
18 of energy and does not negatively impact energy efficiency or the operation
19 of other technologies, including rooftop solar and storage;

20 (2) accurately reflect the cost-to-serve winter-peaking customers by
21 including seasonal and temporal TOU components;

22 (3) is technology neutral;

¹⁰⁷ Application of DTE Electric Company requesting approval of its revised Expedited Pilot Review Workplan, Case No. U-21653, October 9, 2024, Attachment A, p. 6.

1 (4) encourages acceptance and adoption by not including burdensome
2 requirements, including but not limited to, a second meter; and
3 (5) within two years, if not immediately, utilizes an opt-out strategy,
4 employing customer load profile data to automatically add customers to the
5 tariff, thereby reducing the burden on customers.

- 6 • Require the Company to file revised interconnection procedures in its next rate case
7 or in a separate docket that would allow stand-alone behind-the-meter storage to
8 both import and export power.

9

10 **Q. Does that complete your testimony?**

11 **A. Yes.**

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the Application of **DTE**)
ELECTRIC COMPANY for Authority to)
increase its rates, amend its rate schedules and)
rules governing the distribution and supply of)
electric energy, and for miscellaneous accounting)
authority.)
_____)

Case No. U-22046

EXHIBITS OF DR. LAURA S. SHERMAN
ON BEHALF OF
THE MICHIGAN ENERGY INNOVATION BUSINESS COUNCIL,
INSTITUTE FOR ENERGY INNOVATION,
AND
ADVANCED ENERGY UNITED

LAURA S. SHERMAN, Ph.D.

cell: 607.592.3026

laura@mieibc.org

PROFESSIONAL EXPERIENCE:

- | | | |
|--|---------------------------------------|---|
| April 2019 – present | Michigan EIBC/IEI, Lansing, MI | President |
| <ul style="list-style-type: none">• Organize and lead a staff of five employees, contractors, and student interns.• Work with and inform each organization's Board of key decisions, upcoming events, long-term strategy, etc.• Fundraise and coordinate both organization's annual budgets.• Represent Michigan EIBC in the media, at the legislature, with regulators, and with the state administration in collaboration with a broad coalition.• Conduct event planning including for annual conferences, networking events, tours, and legislative networking opportunities.• Develop regulatory and legislative policy positions to support advanced energy businesses.• Engage with the Michigan Public Service Commission and Michigan legislature on behalf of member companies. | | |
| Oct. 2017-March 2019 | Michigan EIBC/IEI, Lansing, MI | VP for Policy Development |
| <ul style="list-style-type: none">• Develop regulatory and legislative policy positions to support advanced energy businesses.• Coordinate regulatory interventions and engagement in regulatory stakeholder processes among member companies.• Engage with the Michigan Public Service Commission and Michigan legislature on behalf of member companies.• Support policy initiatives focused on wind energy, solar energy, electric vehicles, storage, taxation, and corporate purchasing of renewable energy.• Represent Michigan EIBC in the media, at the legislature, with regulators, and with the state administration in collaboration with a broad coalition.• Conduct event planning including for annual conferences, networking events, tours, and legislative networking opportunities. | | |
| Feb. 2017-March 2019 | 5 Lakes Energy, Lansing, MI | Senior Consultant |
| <ul style="list-style-type: none">• Research, analysis, communication, and advocacy surrounding complex energy issues.• Lead wind and solar siting project to address opposition to deployment in coordination with philanthropy, industry, and stakeholders across nine Midwest states.• Focus areas include renewable energy development, community engagement, stakeholder coordination, business sustainability, and electric vehicles.• Support newsletter, website, and social media communications. | | |
| April 2015-Dec. 2016 | U.S. Senate, Washington, DC | Legislative Assistant/Policy Advisor |
| <ul style="list-style-type: none">• Policy advisor to Senator Michael Bennet (D-CO) on agriculture, energy, environment, land, and natural resource issues.• Legislative topics included: farming and ranching, public land conservation and management, water policy, energy development, renewable energy including energy tax incentives and transmission permitting, energy efficiency, endangered species, climate change, sportsmen's issues, environmental pollution and regulations, air quality, and biofuels. | | |

- Drafting legislation; building coalitions; negotiating policy solutions; writing speeches; staffing the Senator at hearings of the Agriculture and Finance Committees.

2014-2015 U.S. Senate, Washington, DC

AAAS Congressional Science Fellow

- Competitively selected AAAS Fellow sponsored by the American Geophysical Union. Served in the Office of Senator Michael Bennet (D-CO).
- Drafting legislation; helping to facilitate political coalitions; meeting with constituents; interacting with federal agencies; delivering policy briefings and recommendations.

2012-2014 **University of Michigan**, Ann Arbor, MI

Postdoctoral Research Fellow

- Successfully obtained competitive grant funding for novel method to track air pollution from power plants and metal smelters into rainfall across the Great Lakes region.
- In collaboration with epidemiologists, developed and utilized new methods to assess the sources and pathways of human exposure to mercury pollution.
- Published five manuscripts; presented talks and organized scientific sessions at national and international conferences.

2007-2012 **University of Michigan**, Ann Arbor, MI

Graduate Researcher

- Competed for and received National Defense Science and Engineering Graduate Fellowship and Graham Environmental Sustainability Institute Doctoral Fellowship.
- Developed groundbreaking methods to “fingerprint” mercury pollution from coal-fired power plants and trace it into rainfall, lake sediments, and fish.
- Published eight manuscripts, was interviewed for “The Environment Report” on NPR and general-circulation science magazines, presented research at national and international conferences.
- Ph.D. dissertation received university-wide ProQuest Distinguished Dissertation Award and departmental John Dorr Graduate Academic Achievement Award.

2005-2007 **Massachusetts Institute of Technology**, Boston, MA

Research Scientist

- Found evidence for early life on Earth in ancient rocks. Published two manuscripts.

SERVICE & LEADERSHIP:

2021-present	Board Member of Zero Emission Transportation Association Education Fund Board
2020-present	Board Member of University of Michigan Earth and Environmental Sciences Alumni Board
2019-2020	Board Member of Advancing Women in Energy
2017-2019	Communications Chair for Advancing Women in Energy
2013-2014	Supported the Ann Arbor Energy Commission on community solar projects
2009-2014	Peer reviewer of more than 20 scientific manuscripts
2009	Initiator and organizer of new departmental seminar series, University of Michigan
2008-2010	President of department student organization (GeoClub), University of Michigan
2008	Lead organizer of Michigan Geophysical Union Poster Conference
2007-2008	Department Steward to Graduate Employees Union, University of Michigan

EDUCATION:

Ph.D. 2012 Earth and Environmental Sciences, **University of Michigan** (GPA: 8.837 out of 9.0)

B.S. 2005 Geological and Environmental Science, Stanford University (GPA: 4.007 out of 4.33)

MPSC Case No: U-22046

Requester: MEIU

Question No.: MEIUDE-1.10c

Respondent: M.B. Leuker

Page: 1 of 1

Question: 10. According to witness Leuker, the Company proposes closing the D1.1 tariff to new customers because “the second meter requirement has been identified as a barrier to new enrollment.” (MBL-46) c. What is the average cost of a second meter for a customer who previously enrolled in the D1.1 tariff?

Answer: The Company assumes, the question is asking how much the current cost is to install the second meter for initial enrollment, which includes wiring requirements, installed meter enclosure and providing the dedicated 24v power supply to accommodate the Company’s LCD, which can cost between \$1,000 – \$2,000 depending on the selected contractor and cost of supplies.

Attachment: *None*

MPSC Case No: U-22046

Requester: MEIU

Question No.: MEIUDE-2.16c

Respondent: M.B. Leuker

Page: 1 of 1

Question: 16. Will the VPP pilot described by witness Leuker include or incorporate any distributed energy resources other than residential batteries? c) With regard to the residential batteries in the contemplated pilot, will the pilot evaluate the export of energy from the batteries to the grid?

Answer: No.

Attachment: *None*

MPSC Case No: U-22046

Requester: MEIU

Question No.: MEIUDE-2.5a

Respondent: S.P. Rademacher

Page: 1 of 1

Question: 5. Please refer to the testimony of S. Rademacher, page SPR-57, lines 16-19, where witness Rademacher states, “For DER Integration, the Company completed key integration activities supporting Non-Wires Alternative projects, including the integration of energy storage systems and electric vehicle charging into local gateway designs.” a) Regardless of whether the Company allows the export of energy to the grid from behind-the-meter (BTM) energy storage systems, could the referenced DER Integration investments accommodate or facilitate the export of energy to the grid from BTM energy storage systems?

Answer: From a technical standpoint, certain DER investments may be capable of exporting energy. For example, a FERC 841 participating energy storage system could interface over SCADA and would be capable of exporting if it was based on the referenced DER Integration investments. However, the existence of functionality does not, by itself, authorize or enable export from behind-the-meter energy storage systems. Any such export would remain subject to, among other things, applicable interconnection requirements, tariff provisions, metering requirements, operational constraints, and any Commission-approved policies or programs governing BTM storage export.

Attachment: N/A

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the Application of **DTE**)
Electric Company for authority to raise its)
rates, amend its rate schedules and rules)
governing the distribution and supply of electric)
energy, and for miscellaneous accounting)
authority.)
_____)

Case No. U-22046

DIRECT TESTIMONY OF SOPHIA SCHUSTER
ON BEHALF OF
THE MICHIGAN ENERGY INNOVATION BUSINESS COUNCIL,
INSTITUTE FOR ENERGY INNOVATION,
AND
ADVANCED ENERGY UNITED

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I. INTRODUCTION AND QUALIFICATIONS

Q. State your name, business name, and business address.

A. My name is Sophia Schuster, and I am a Policy Principal with the Michigan Energy Innovation Business Council (“Michigan EIBC”) and the Institute for Energy Innovation (“IEI”), located at 115 West Allegan Street, Suite 710, Lansing, Michigan 48933.

Q. On whose behalf are you appearing in this case?

A. I am appearing here as an expert witness on behalf of Michigan EIBC, IEI, and Advanced Energy United (“United”), collectively referred to as “MEIU.”

Q. Summarize your educational background.

A. I have a Master’s in Supply Chain Management and a Master’s in Business Administration from the Pennsylvania State University, conferred in May 2023 and in May 2019, respectively. I also have a Bachelor of Arts degree from Albright College, conferred in May 2012.

Q. Summarize your experience in the field of electric utility regulation.

A. Since October 2023, I have served as a Policy Principal at Michigan EIBC and IEI. In this capacity, I have assisted in drafting comments in many non-adjudicated dockets before the Michigan Public Service Commission (“Commission” or “MPSC”). Also in this capacity, I have provided policy expertise, conducted research, and analyzed regulations related to advanced transportation and mobility. My work experience is set forth in detail in my resume, attached as Exhibit MEIU-2.1.

1 **Q. Summarize your professional development coursework in the field of electric utility**
2 **regulation.**

3 A. I have completed the following coursework related to electric utility regulation:

- 4 ● March 2024 - Electric vehicle (“EV”) Charging Infrastructure (Electric Utility
5 Consultants, Inc. (“EUCI”))
- 6 ● March 2024 - Time of Use (“TOU”) Rate Design: Advantages, Issues, and
7 Challenges (EUCI)
- 8 ● March 2025 - Accounting and Ratemaking (Michigan State University, Institute of
9 Public Utilities)
- 10 ● May 2025 - Basics of Electricity and Utility Systems Part 2 (EUCI)

11
12 **Q. Have you supported the writing of testimony or comments in any other utility**
13 **regulatory proceeding before this Commission?**

14 A. Yes, I have previously supported the writing of testimony and comments in the following
15 cases and utility regulatory proceedings:

- 16 ● U-21534 (DTE Electric Company 2024 [“DTE Electric,” “DTE,” or the “Company”]
17 general electric rate case);
- 18 ● U-21585 (Consumers Energy Company 2024 [“Consumers Energy”] general electric
19 rate case);
- 20 ● U-21492 (Transportation Electrification Plan filing requirements);
- 21 ● U-21860 (DTE Electric 2025 general electric rate case); and
- 22 ● U-21870 (Consumers Energy 2025 general electric rate case).

1 In addition to this work, I have been involved on behalf of Michigan EIBC in multiple
2 workgroup proceedings at the Commission, including those focused on electric vehicle
3 (“EV”) deployment, benefit-cost analyses, Integrated Resource Plan (“IRP”)
4 requirements, and distribution system planning.

5
6 **Q. Please summarize your experiences working with advanced energy companies and**
7 **other key stakeholders on issues related to electric utility regulation.**

8 A. In my role at Michigan EIBC/IEI, I have led the organizations’ transportation
9 electrification work. I have developed and published several pieces of transportation
10 electrification research, including a roadmap highlighting key policy opportunities to
11 enable the state’s transportation electrification goals¹ and a report discussing the critical
12 role of the automotive industry to the Michigan economy.² As described above, I have
13 also participated in several workgroups at the Commission and supported the drafting of
14 written comments in a number of non-adjudicated dockets. I also communicate formally
15 and informally with Michigan EIBC member companies about each of these regulatory
16 proceedings to understand how the advanced energy industry is affected. In addition, I
17 participate in several coalitions focused on enabling the state’s advanced mobility goals
18 and facilitating a safe and equitable transition to EVs for Michigan’s drivers and
19 communities, including the Council on Future Mobility and Electrification’s EV Action

¹ Michigan Energy Innovation Business Council and Clean Fuels Michigan, *Transportation Electrification in Michigan: A Roadmap to State Policy Actions*, October 2024, available at <https://www.mieibc.org/wp-content/uploads/2024/10/Transportation-Electrification-in-Michigan.pdf>.

² Michigan Energy Innovation Business Council, *Legacy, Innovation, and the Race Against China: The Automotive Industry and the Michigan Economy*, May 2025, available at https://www.mieibc.org/wp-content/uploads/2025/05/Auto-Leadership-and-the-Michigan-Economy_MIEIBC.pdf.

1 Team. In this capacity, I communicate formally and informally with coalition members
2 about current regulatory proceedings and how each impacts any shared objectives.

3
4 **Q. What is the purpose of your testimony?**

5 A. The purpose of my direct testimony is to express support for certain aspects of the
6 Company's EV proposals as well as describe proposed modifications thereto based on
7 my experiences in the transportation electrification policy space.

8
9 **Q. Are you sponsoring any exhibits?**

10 A. Yes, I am sponsoring the following exhibits:

- 11 ● Exhibit MEIU-2.1: Résumé of Sophia Schuster, MBA, MSCM
- 12 ● Exhibit MEIU-2.2: History of Transportation Electrification Discussion in DTE's
13 2024-2025 General Electric Rate Cases
- 14 ● Exhibit MEIU-2.3: Michigan EIBC/United Comments to DTE's 2026 Transportation
15 Electrification Plan ("TEP")
- 16 ● Exhibit MEIU-2.4: The Ecology Center, the Environmental Law and Policy Center,
17 and Vote Solar ("CEO") Joint Comments to DTE's 2026 TEP
- 18 ● Exhibit MEIU-2.5: Electrification Coalition Comments to DTE's 2026 TEP
- 19 ● Exhibit MEIU-2.6: American Council for an Energy Efficient Economy ("ACEEE")
20 Comments to DTE's 2026 TEP
- 21 ● Exhibit MEIU-2.7: Ann Arbor Public Schools Comments to DTE's 2026 TEP
- 22 ● Exhibit MEIU-2.8: The Alliance for Automotive Innovation Comments to DTE's
23 2026 TEP

- Exhibit MEIU-2.9: Ford Motor Company Comments to DTE’s 2026 TEP
- Exhibit MEIU-2.10: Sierra Club Comments to DTE’s 2026 TEP
- Exhibit MEIU-2.11: Discovery Response MEIUDE-1.6a
- Exhibit MEIU-2.12: Discovery Response MEIUDE-1.1k
- Exhibit MEIU-2.13: Discovery Response MEIUDE-1.1a
- Exhibit MEIU-2.14: Discovery Response MEIUDE-1.1c
- Exhibit MEIU-2.15: Discovery Response MEIUDE-1.1t

II. TRANSPORTATION ELECTRIFICATION

A. TRANSPORTATION ELECTRIFICATION PLAN AND SUBSEQUENT GENERAL ELECTRIC RATE CASE FILING TIMELINE AND STAKEHOLDER ENGAGEMENT ISSUES

Q. Please summarize what the Commission requires with respect to utility TEP filings.

A. In the Commission’s December 1, 2023 Order in the Company’s 2023 general electric rate case (Case No. U-21297), the Commission recognized the additional planning required to prepare for increased transportation electrification across the Company’s service territory and “found that meaningful discussion of the development of the TEP and [electric vehicle (“EV”)]-related investments would be best conducted in a forum other than a rate case, due to the size, complexity, and deadline-driven nature of rate cases.”³ To that end, the Commission opened Case No. U-21538 and ordered the Company to file a TEP in that docket by January 11, 2024. Concurrently, on March 15,

³ Michigan Public Service Commission, Case No. U-21538, “Order opening docket in the matter, on the Commission’s own motion, to open a docket for certain regulated electric utilities to file transportation electrification plans and for other related matters,” December 21, 2023, pp. 1-2, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000BD1w7AAD>.

1 2024, following technical conferences on EV issues held in January 2024, the
2 Commission issued an Order in Case No. U-21492, which reviewed learnings from the
3 technical conferences and directed Staff to develop minimum filing requirements for
4 utility TEPs.⁴ On July 2, 2024, the Staff filed proposed TEP Filing Requirements⁵ which
5 were approved by the Commission on January 23, 2025.⁶ The final TEP filing
6 requirements state that “on July 1, 2025, and at least every two years thereafter unless
7 otherwise ordered by the Commission, an electric utility must file a TEP with the
8 Commission in Case No. U-21538.”⁷ Section 8(a) and (b) of the TEP filing requirements
9 allow interested persons 45 business days to submit initial comments and 30 days to
10 submit reply comments evaluating a TEP.⁸ Section 9 of the TEP filing requirements also
11 state that “each electric utility shall file an annual report of its progress...in Case No. U-
12 21538 by June 1 of each year following the electric utility’s initial TEP.”⁹

⁴ Michigan Public Service Commission, Case No. U-21492, “Order in the matter, on the Commission’s own motion, to open a docket that will be used to collaboratively consider and address issues and concerns related to use and deployment of electric vehicles in a Commission-sponsored technical conference,” March 15, 2024, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000CW7TZAA1>.

⁵ Michigan Public Service Commission Staff, Case No. U-21492, “Michigan Transportation Electrification Plan Filing Requirements,” July 2, 2024, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000EP4nWAAT>.

⁶ Michigan Public Service Commission, Case No. U-21492, “Order in the matter, on the Commission’s own motion, to open a docket that will be used to collaboratively consider and address issues and concerns related to use and deployment of electric vehicles in a Commission-sponsored technical conference,” January 23, 2025, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000X2NGsAAN>.

⁷ *Id.*, p. 2.

⁸ *Id.*, p. 5.

⁹ Michigan Public Service Commission Staff, Case No. U-21492, “Michigan Transportation Electrification Plan Filing Requirements,” January 24, 2025, p. 6, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000XDvn6AAD>.

1 **Q. Please summarize how investment proposals recommended in the Company's TEP**
2 **are evaluated and approved by the Commission for cost recovery.**

3 A. While the Company makes TEP investment recommendations in the TEP docket (i.e., in
4 Case No. U-21538), cost recovery for all TEP programs is determined in the subsequent
5 general electric rate case. For example, in its 2024 TEP, the Company proposed to invest
6 \$124.8 million in its customer EV charging rebate programs from 2025-2028.¹⁰ In the
7 Company's subsequent 2024 general electric rate case (Case No. U-21534), it requested
8 that the rebate programs be recorded as a regulatory asset for cost recovery.¹¹ All of the
9 TEP rebate investment proposals were then approved by the Commission in its Order in
10 Case No. U-21534 on January 23, 2025.¹²

11
12 **Q. Please detail the timing with which Michigan's utilities have filed TEPs and**
13 **subsequent rate cases.**

14 A. In 2024, DTE filed its TEP in Case No. U-21538 on January 11 and its general electric
15 rate case (Case No. U-21534) on March 28, for a total of 54 business days separating the

¹⁰ DTE Electric Company, "2025-2028 Transportation Electrification Plan," January 11, 2024, p. 3, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000BUT09AAH>.

¹¹ Direct Testimony of Pina Bennett on behalf of DTE Electric Company, Case No. U-21534, pp. 37-38, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000CkNXIAA3>.

¹² Michigan Public Service Commission, Case No. U-21534, "Order in the matter of the application of DTE Electric Company for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority," January 23, 2025, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000X23rkAAB>.

1 filings. In 2024, Consumers Energy filed its TEP in Case No. U-21538 on June 25,¹³ and
2 prior to that filing, its general rate case (Case No. U-21585) on May 31.¹⁴

3
4 As described above, on July 2, 2024, the Staff filed proposed TEP Filing Requirements,¹⁵
5 which were approved by the Commission on January 23, 2025.¹⁶ In 2025, DTE did not
6 file a TEP progress report in Case No. U-21538, as required by the Commission in
7 Section 9 of the TEP filing requirements,¹⁷ but requested recovery for minor program
8 adjustments in its 2025 general electric rate case, Case No. U-21860, which was filed on
9 April 24, 2025.¹⁸ That same year, Consumers Energy filed for approval of the programs
10 and proposals included in the TEP in its general electric rate case (Case No. U-21870)
11 on June 2, 2025 and filed its TEP annual progress report on June 27, 2025 in Case No.
12 U-21538.¹⁹

¹³ Consumers Energy, Case No. U-21538, “Transportation Electrification Plan 2024,” June 2024, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000EFQgtAAH>.

¹⁴ Direct Testimony of Jeffrey A. Myrom on behalf of Consumers Energy, Case No. U-21585, May 31, 2024, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000Dn0uNAAR>.

¹⁵ Michigan Public Service Commission Staff, Case No. U-21492, “Michigan Transportation Electrification Plan Filing Requirements,” July 2, 2024, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000EP4nWAAT>.

¹⁶ Michigan Public Service Commission, Case No. U-21492, “Order in the matter, on the Commission’s own motion, to open a docket that will be used to collaboratively consider and address issues and concerns related to use and deployment of electric vehicles in a Commission-sponsored technical conference,” January 23, 2025, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000X2NGsAAN>.

¹⁷ Michigan Public Service Commission Staff, Case No. U-21492, “Michigan Transportation Electrification Plan Filing Requirements,” January 24, 2025, p. 6, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000XDvn6AAD>.

¹⁸ Direct Testimony of Neal T. Foley on behalf of DTE Electric Company, Case No. U-21860, April 24, 2025, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000lnIwAAI>.

¹⁹ Consumers Energy, Case No. U-21538, “Transportation Electrification Plan: Annual Progress Report 2025,” June 2025, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000wdxWAAQ>.

1 Finally, in 2026, DTE filed its TEP in Case No. U-21538 on April 22,²⁰ and filed for cost
2 recovery approval of the programs included in the TEP in its general electric rate case
3 (Case No. U-22046) four business days later, on April 28, 2026.²¹ Similarly, Consumers
4 Energy filed its TEP in Case No. U-21538 on June 1, 2026,²² and filed for cost recovery
5 approval of the programs included in the TEP in its general electric rate case (Case No.
6 U-22070) the following business day on June 2, 2026.²³

7
8 **Q. Does the timeline discussed above present challenges for external stakeholders to**
9 **effectively engage with the utilities regarding the TEPs prior to the rate case filings?**

10 A. Yes. As discussed above, in 2024, prior to the development of the TEP filing
11 requirements, DTE filed its TEP in Case No. U-21538 and its general electric rate case
12 (Case No. U-21534) 54 days later. In 2025, the Company did not file a TEP progress
13 report, but requested recovery for minor program adjustments in its general electric rate
14 case on April 24, 2025.²⁴ As far as I am aware, these minor revisions were not discussed
15 with external stakeholders prior to their presentation in the rate case, making it impossible
16 for stakeholders to provide feedback on the proposed recommendations, much less see

²⁰ DTE Electric Company, Case No. U-21538, “2027-2031 Transportation Electrification Plan,” April 2026, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

²¹ Direct Testimony of Milena Kabashi on behalf of DTE Electric Company (“Kabashi Direct”), Case No. U-22046, April 28, 2026, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001xwP3ZAAU>.

²² Consumers Energy, Case No. U-21538, “Transportation Electrification Plan & Annual Report 2026,” June 2026, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000024ndTGAAY>.

²³ Direct Testimony of Alex Gast on behalf of Consumers Energy Company, Case No. 22070, June 2, 2024, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs0000258C3KAAU>.

²⁴ Direct Testimony of Neal T. Foley on behalf of DTE Electric Company, Case No. U-21860, April 24, 2025, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000lnIwAAI>.

1 those recommendations incorporated into the rate case filing. As such, DTE allowed no
2 time for formal stakeholder feedback in the TEP docket (Case No. U-21538) prior to
3 requesting cost recovery approval for TEP program adjustments.

4
5 In 2026, the Company filed its TEP in Case No. U-21538 on April 22,²⁵ and filed for cost
6 recovery approval of the programs included in the TEP in its general electric rate case
7 (Case No. U-22046) four business days later, on April 28, 2026.²⁶ Although the Company
8 held stakeholder engagement workshops prior to filing its TEP and rate case, it is unclear
9 to me specifically what feedback was incorporated and if or how these workshops helped
10 reshape the Company's TEP strategy prior to the rate case filing in which it requested
11 cost recovery for its proposed TEP programs.

12
13 Presumably, as it relates to the official 45-business day comment period open to
14 stakeholders in Case No. U-21538, TEP comments would be most useful to inform any
15 needed changes to the TEP *prior* to a utility requesting approval for its transportation
16 electrification programs in the *subsequent* relevant rate case. However, since 2024, utility
17 TEPs have been either filed within less than a week of or directly after the rate case in
18 which the utility was seeking approval for related programs. In either instance, there is
19 currently no viable path to proposing changes to the utilities' TEPs and having those
20 changes reflected in the filings in the general electric rate cases. In theory, comments

²⁵ DTE Electric Company, Case No. U-21538, "2027-2031 Transportation Electrification Plan," April 2026, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

²⁶ Direct Testimony of Milena Kabashi on behalf of DTE Electric Company ("Kabashi Direct"), Case No. U-22046, April 28, 2026, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001xwP3ZAAU>.

1 proposed during an ongoing general electric rate case that do not impact cost allocation
2 could be incorporated by the utility during or after the rate case (i.e., in a subsequent
3 TEP). However, I am not aware of any such changes being made to any of the Company's
4 TEPs.

5
6 **Q. Has MEIU raised concerns about this timeline issue in previous rate cases or other**
7 **dockets relevant to the utilities' TEPs?**

8 A. Yes. MEIU raised concerns about this timing issue in 2024 during the stakeholder
9 engagement process for establishing the TEP filing requirements in Case No. U-21492,
10 stating that

11 it is unclear what value or purpose there would be for stakeholders to
12 submit comments in the open docket when the only place where changes
13 can actually be made to the TEP proposals and programs is the already
14 ongoing general rate case.²⁷

15
16 To address this concern and to ensure that stakeholder comments meant to improve the
17 TEPs are assessed and incorporated prior to when the utility finalizes and files its next
18 general rate case in which TEP programs are evaluated, MEIU recommended at that time
19 "that the Commission ensure that TEP filings are required at least 180 days prior to a
20 utility general rate case filing."²⁸

21

²⁷ Michigan Energy Innovation Business Council and Advanced Energy United, Case No. U-21492, "In the matter, on the Commission's own motion, to open a docket that will be used to collaboratively consider and address issues and concerns related to use and deployment of electric vehicles in a Commission-sponsored technical conference," July 22, 2024, p. 14, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000EgvDMAAZ>.

²⁸ *Ibid.*

1 **Q. In light of the concerns you explained above, what do you recommend with respect**
2 **to the TEP filing timeline issue?**

3 A. I recommend, as MEIU has previously, “that the Commission establish an appropriate
4 filing schedule to ensure that comments filed on the TEPs help to inform utility filings in
5 general rate cases.”²⁹ Specifically, I recommend that the Company be required to file its
6 TEP at least 180 days prior, or within a timeframe deemed appropriate by the
7 Commission, to its subsequent general electric rate case filing. This would allow the
8 Company time to adequately assess and incorporate relevant stakeholder comments
9 provided in the 45-business day comment period and the subsequent 30-day reply period
10 into the TEP programs filed for cost recovery in the general rate case. This would also
11 provide the Commission with ample time to review the TEP and direct necessary
12 modifications before the Company formally requests TEP program cost recovery in its
13 rate case. Even without Commission action, the Company should voluntarily submit
14 future TEPs at least 180 days prior to any general electric rate case filing, ensuring
15 stakeholders have ample time to provide meaningful input.

16
17 **Q. Do you have additional concerns about the stakeholder engagement process as it**
18 **relates to if and how the Commission reviews feedback in the TEP docket (Case No.**
19 **U-21538) and the subsequent general electric rate cases?**

20 A. Yes. Until 2025, the presumed appropriate docket to discuss issues related to the TEP
21 was in the general electric rate case, as this is the venue in which cost recovery related to
22 the TEP programs is decided. As detailed in Exhibit MEIU-2.2, in 2024, several parties

²⁹ *Ibid.*

1 discussed TEP program funding, program design, and procedural issues in the general
2 electric rate case proceedings, and the Commission provided feedback and ruled on these
3 issues. However, in 2025, several of the same parties again offered comments on TEP
4 program funding, design, and procedure, and the Commission indicated that
5 programmatic design elements and procedural issues were not appropriate to discuss in
6 the general electric rate case and were better suited for the TEP docket (Case No. U-
7 21538).³⁰ As such, in addition to the timeline issues expounded upon above, I am also
8 concerned about the lack of oversight in the TEP docket, particularly as it relates to
9 interested parties' concerns regarding the Company's programmatic design and other
10 process issues.

11
12 **Q. What does the history of intervenor engagement on TEP issues in the Company's**
13 **2024 and 2025 general electric rate case (Case No. U-21534 and Case No. U-21860,**
14 **respectively) and the Commission's subsequent response suggest?**

15 **A.** The history of intervenor engagement on TEP issues is shown in Exhibit MEIU-2.2. As
16 is clear in the table, there exists an inconsistency in the Commission's approach to
17 determining what is appropriate to include in general electric rate case proceedings from
18 one year to the next. Unfortunately, intervenors who dedicated time to engaging on topics
19 of program funding, program design, and procedural issues in 2025 did so without clear,
20 advanced notice of these evolving standards.

21

³⁰ Michigan Public Service Commission, Case No. U-21534, "Order in the matter of the application of DTE Electric Company for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority," January 23, 2025, pp. 259-262, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000X23rkAAB>.

1 **Q. With respect to the current TEP, did MEIU file comments in the TEP docket (Case**
2 **No. U-21538) in accordance with the Commission’s Order in the Company’s 2025**
3 **general electric rate case (Case No. U-21860)?**

4 **A. Yes, in line with the filing requirements that allow interested parties to file comments in**
5 the TEP docket within 45 business days of the TEP filing,³¹ MEIU (represented as
6 Michigan EIBC/United) filed comments in the TEP docket (Case No. U-21538) on June
7 26, 2026 (Exhibit MEIU-2.3). The comments included:

- 8 • A similar discussion of the stakeholder engagement process, specifically pointing to
9 the issues related to the time between TEP and general electric rate case filings, and
10 the challenges this, coupled with the Commission’s order to address programmatic
11 design and procedural elements in the TEP docker, presents for interested parties;
- 12 • Support for the Company’s EV adoption forecast;
- 13 • Support for the Company’s more comprehensive benefit-cost analysis (“BCA”).

14 Given the 2025 Commission’s order (Case No. U-21860) to include “associated
15 network effects” in the BCA,³² these comments also argued that societal benefits
16 constitute network effects of increased EV adoption and, therefore, should be
17 required to be included in the Company’s BCA;

³¹ Michigan Public Service Commission, Case No. U-21492, “Order in the matter, on the Commission’s own motion, to open a docket that will be used to collaboratively consider and address issues and concerns related to use and deployment of electric vehicles in a Commission-sponsored technical conference,” January 23, 2025, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000X2NGsAAN>.

³² Michigan Public Service Commission, Case No. U-21860, “Order in the matter of the application of DTE Electric Company for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority,” February 19, 2026, p. 434, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001kHayeAAC>.

- 1 ● Support for the development of Commission-approved guardrails to allow the
- 2 Company flexibility to move funding from one previously-approved TEP program to
- 3 another;
- 4 ● A discussion of opportunities to improve the Company's Education and Outreach
- 5 ("E&O") efforts to improve the efficiency and effectiveness of rebate program
- 6 deployment across customer segments within its service territory;
- 7 ● Support for the Company's proposed changes to its EV charging rebate programs;
- 8 and
- 9 ● A discussion of opportunities to improve the Company's managed charging (Smart
- 10 Charge) and vehicle-to-grid ("V2G") (School Bus Chargers) pilots.

11

12 **Q. With respect to the current TEP, did other parties file comments in the TEP docket**

13 **(Case No. U-21538) in accordance with the Commission's Order in the Company's**

14 **2025 general electric rate case (Case No. U-21860)?**

15 **A.** Yes, in addition to MEIU, several parties also filed comments in the TEP docket,

16 including:

- 17 ● *CEO* – Broadly, CEO supports the Company's proposed rebate and O&M spending
- 18 levels, expanded BCA framework, and focus on equity. However, like Michigan
- 19 EIBC/United, it also encourages the Company to establish a more robust pilot
- 20 program to explore the opportunities of V2G, particularly for school districts, within
- 21 its service territory (Exhibit MEIU-2.4);
- 22 ● *Electrification Coalition* – The Electrification Coalition points to significant market
- 23 shifts, such as the expansion of the used EV market and fuel price volatility as

1 counterbalances to the negative impact that the loss of the federal tax credits
2 (discussed below) has had on EV sales in the United States. As such, Electrification
3 Coalition encourages the Company to assert a more ambitious EV adoption forecast,
4 which the Company could complement with more program funding flexibility.
5 Similar to Michigan EIBC/United, the Electrification Coalition also emphasizes the
6 importance of more proactive advisory services, particularly for the Company's fleet
7 and multi-unit dwelling ("MUD") customers. Finally, like Michigan EIBC/United
8 and CEO, Electrification Coalition points to successful V2G pilots and programs
9 implemented throughout the country as evidence that the Company can and should
10 be doing more to accelerate V2G opportunities within its service territory (Exhibit
11 MEIU-2.5);

- 12 • *American Council for an Energy-Efficient Economy ("ACEEE")* – ACEEE supports
13 the Company's proposal to reduce the energy output requirement for MUD
14 customers' EV charging equipment from 11.5 kW to 9.6 kW, suggesting that this
15 aligns with peer national utilities and will allow more chargers to be installed and at
16 a lower installation cost. It also encourages the Company to consider allocating a
17 specific portion of its fleet rebates to disadvantaged community ("DAC") areas,
18 commit to more medium- and heavy-duty, ("MHD") pilots through its Emerging
19 Technologies Fund ("ETF"), allocating a portion of on-route direct current fast
20 charger ("DCFC") rebates for MHD EV charging to fill fleet charging funding gaps,
21 make improvements to its website for fleet and other commercial customers, and
22 proposing an EV purchase incentive (Exhibit MEIU-2.6);

- 1 ● *Ann Arbor Public Schools (“AAPS”)* – AAPS, which is the only remaining school
2 district in the Company’s V2G School Bus Chargers pilot, points to several
3 challenges of working with the Company, specifically its interconnection team.
4 AAPS requests more clarity and collaboration from the Company moving forward
5 and also makes several recommendations to the Commission to ensure more
6 successful V2G development within the company’s service territory, including
7 “establish[ing] a permanent V2G tariff or rider,” “standardiz[ing] interconnection
8 requirements,” “publish[ing] a V2G design and engineering guide,” “increas[ing]
9 rebates for bidirectional chargers,” and “creat[ing] V2G infrastructure preparation
10 grants” (Exhibit MEIU-2.7);
11 ● *The Alliance for Automotive Innovation (“Auto Innovators”)* – Auto Innovators raises
12 concerns about the Company’s managed charging pilot, Smart Charge, namely
13 pointing to a contradiction between the Company’s claims about the ineffectiveness
14 of the pilot and the success exhibited in other parts of the country across several
15 studies. Consequently, Auto Innovators encourages the Company to extend the
16 program through 2031 and establish meaningful enrollment milestones that will
17 allow the Company to better assess the program at scale. Auto Innovators also calls
18 on the Commission to expand upon the reporting requirements for the Company’s
19 Smart Charge pilot to enable access to more granular data that could inform program
20 adjustments, improve enrollment and cost effectiveness, and unlock new value
21 streams. Furthermore, it asserts that any cost-effectiveness analysis conducted by the
22 Company should be made publicly available to also allow external stakeholders to
23 evaluate the pilot. Finally, Auto Innovators supports the Company’s collaboration

1 with automakers on the Smart Charge program as well as the Company’s proposals
2 to improve program cost-effectiveness but suggests that aggregators should be
3 required to “develop a data framework necessary to analyze EV charging impacts
4 between Smart Charge participants and non-participants [so that] DTE can better
5 understand charging behaviors and the associated grid impacts” (Exhibit MEIU-2.8);

- 6 • *Ford Motor Company* – Ford Motor Company strongly supports the Company’s
7 proposed adjustments to its EV charger rebate programs and encourages the
8 Company to continue promoting its managed charging and V2G pilots to ensure that
9 these programs can be scaled to increase benefits to all ratepayers (Exhibit MEIU-
10 2.9); and

- 11 • *Sierra Club* – Sierra Club echoes Michigan EIBC/United’s concerns about the time
12 between the Company’s TEP filing and its request for cost recovery prior to the
13 conclusion of the comment period. To address this concern, like Michigan
14 EIBC/United, Sierra Club also recommends that the Company be required to file its
15 TEP at least 180 days prior to the rate case in which it requests cost recovery. Sierra
16 Club also encourages the Company to “take a leadership role in shaping the EV
17 market, ensuring that its investment [support and accelerate] achievement of
18 Michigan’s clean energy and economic goals.”³³ As such, Sierra Club further asserts
19 that while the Company’s projection of \$1.8 billion in customer benefits resulting
20 from its TEP programs is likely conservative due to the omission of societal benefits,
21 the improved BCA methodology yielding such a net present value (“NPV”) should
22 encourage the Company to expand its rebate programs to better respond to customer

³³ Exhibit MEIU-2.10, p. 7.

1 demand. Furthermore, Sierra Club presents robust analysis on the existing DCFC
2 network within the Company’s service territory and recommends that the
3 Commission require the Company to develop a budget and plan to attract site hosts
4 in identified charging gaps. Finally, Sierra Club offers support for the continuation
5 and expansion of the Company’s Smart Charge managed charging pilot through
6 2031, requests that the Commission clarify its order from the Company’s 2024
7 general electric rate case (Case No. U-21534) with respect to the waivers for
8 Contribution in Aid of Construction (“CIAC”) for public charging infrastructure, and
9 requests that the Commission direct the Company to publicly report interconnection
10 and energization performance for all non-residential EV charging projects moving
11 forward (Exhibit MEIU-2.10).

12
13 **Q. What do you recommend with respect to the discussion of program design and**
14 **process issues in the TEP docket versus the general rate case?**

15 A. While programmatic design and process can have a significant impact on the efficiency
16 and effectiveness of a utility rebate program, in concept, MEIU agrees with the
17 Commission that the rate case may not be the most appropriate venue for TEP
18 programmatic design and process issues. Nonetheless, while Section 8(d) of the TEP
19 Filing Requirements indicates that “[t]he Commission on its own motion may respond to
20 a TEP following the reply comments,”³⁴ to date, the Commission has not intervened or
21 enforced the filing timeline requirements established in Case No. U-21538 to ensure

³⁴ Michigan Public Service Commission Staff, Case No. U-21492, “Michigan Transportation Electrification Plan Filing Requirements,” January 24, 2025, p. 6, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000XDvn6AAD>.

1 meaningful consideration of stakeholder input. This fact essentially renders the
2 submission of comments in the TEP docket an exercise in futility. As such, in order to
3 ensure that appropriate scrutiny is applied to and stakeholder input is able to be
4 incorporated into the programmatic design and process issues within utility TEPs, it is
5 imperative that the Commission (1) establish a clear timeline that allows adequate time
6 for interested parties to engage on TEP issues prior to any subsequent cost recovery
7 request and (2) engage in the TEP docket to rule on matters of programmatic design (e.g.
8 E&O O&M spending, and pilot program design) and process issues (e.g. funding
9 reallocation guardrails). Absent these adjustments, the Commission should both allow
10 intervenors to discuss these issues and rule on them in the general electric rate cases.
11 Anything less leaves stakeholders without an effective forum to advocate for
12 modifications to utility TEPs.

13
14 **B. OVERVIEW OF THE COMPANY'S TRANSPORTATION**
15 **ELECTRIFICATION PLAN ("TEP")**

16
17 **Q. Please summarize the Company's transportation electrification proposals in this**
18 **case.**

19 A. The Company's proposals regarding transportation electrification are presented primarily
20 in the direct testimony of Milena Kabashi. The Company describes the latest forecast for
21 EV adoption in its service territory and then details the status of its existing TEP program
22 elements approved in Case No. U-21860 (the Company's most recent general electric
23 rate case). The Company also proposes adjustments to its rebate and pilot programs. The
24 total proposed TEP investment amounts to \$162.9 million from 2027–2031,

1 approximately 83% of which would support the Company’s rebate proposals.³⁵ This
2 marks an \$11 million proposed increase to support the Company’s customer rebate
3 programs from the Company’s previous TEP filed in January 2024.³⁶ The major elements
4 included in the TEP, by investment category, are:^{37, 38}

5 • *Rebate Programs:* The Company proposes an investment of \$136 million as a
6 regulatory asset, with annual investments increasing over time from \$18.9 million in
7 2027 to \$32.9 million in 2031, to support its Residential, Business, and Fleet Charger
8 rebate programs:³⁹

9 ○ Residential Customer Rebates support Level 1 (“L1”) and Level 2 (“L2”) charger
10 deployment to low-income (“LI”) customers living in single-family housing
11 (“SFH”). The Company proposes to expand this program by offering rebates to
12 moderate-income (“MI”) and non-LI customers.⁴⁰ The total proposed investment
13 for the Company’s residential category is \$23.3 million.^{41, 42}

³⁵ DTE Electric Company, “2027-2031 Transportation Electrification Plan,” April 22, 2026, p. 4, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

³⁶ DTE Electric Company, “2025-2028 Transportation Electrification Plan,” January 11, 2024, p. 3, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000BUT09AAH>.

³⁷ Kabashi Direct, pp. 4-57.

³⁸ DTE Electric Company, “2027-2031 Transportation Electrification Plan,” April 22, 2026, p. 4, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

³⁹ *Ibid.*

⁴⁰ Kabashi Direct, pp. 34-37.

⁴¹ *Ibid.*

⁴² DTE Electric Company, “2027-2031 Transportation Electrification Plan,” April 22, 2026, p. 4, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

- Business Customer Rebates support charger deployments to MUD properties, on-route DCFC, and workplace public L2 chargers.⁴³ The total proposed investment for the Company’s business category is \$106.4 million.^{44, 45}
- Fleet Customer Rebates support DCFC charger deployments for transit buses, school buses, and other fleets.⁴⁶ The Company proposes several changes to this rebate investment category, including increasing the DCFC transit bus rebate, creating a tiered rebate for school bus DCFC, adjusting the rebate amount for other fleet DCFC, and increasing the per-port rebate amount for fleet L2 chargers.⁴⁷ The total proposed investment for the Company fleet category is \$6.2 million.^{48, 49}
- *ETF*: The ETF is a competitive grant program designed to implement innovative pilot programs in the Company’s service territory.⁵⁰ The Company proposes to be authorized to record up to \$7.5 million as a regulatory asset to support its ETF,

⁴³ Kabashi Direct, pp. 37-41.

⁴⁴ *Ibid.*

⁴⁵ DTE Electric Company, “2027-2031 Transportation Electrification Plan,” April 22, 2026, p. 4, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

⁴⁶ Kabashi Direct, pp. 41-44.

⁴⁷ *Ibid.*

⁴⁸ *Ibid.*

⁴⁹ DTE Electric Company, “2027-2031 Transportation Electrification Plan,” April 22, 2026, p. 4, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

⁵⁰ *Id.*, pp. 45-47.

1 marking an incremental \$0.5 million annual increase to support increased demand for
2 more innovative pilot funding.^{51, 52}

- 3 • *E&O*: E&O includes maintenance of residential and business websites, in-person
4 events, and ongoing complementary advisory services for MUD properties and fleet
5 operators.⁵³ The Company proposes to record \$8 million in Operations and
6 Maintenance (“O&M”) spending to support its E&O efforts.⁵⁴

- 7 • *Program Administration*: Program Administration is classified as O&M spending
8 and supports the Company’s 14-person EV team and day-to-day TEP maintenance
9 and strategy implementation.⁵⁵ The Company proposes to record \$9.9 million in
10 O&M spending to support program administration.

- 11 • *TEP Information Technology (“IT”) Capabilities*: The Company’s enhanced TEP IT
12 capabilities proposal would support more granular tracking of customer engagement,
13 improved reporting of equity metrics, and more robust monitoring of EV load shapes
14 and EV driver charging behavior.⁵⁶ The Company proposes recovery of \$0.3 million
15 of capital investment per year from 2027-2031, or \$1.5 million total, to support
16 continued build-out and enhancement of its TEP IT capabilities.⁵⁷

⁵¹ *Ibid.*

⁵² DTE Electric Company, “2027-2031 Transportation Electrification Plan,” April 22, 2026, pp. 4-5, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

⁵³ Kabashi Direct, pp. 47-49.

⁵⁴ DTE Electric Company, “2027-2031 Transportation Electrification Plan,” April 22, 2026, pp. 4-5, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

⁵⁵ Kabashi Direct, pp. 49-50.

⁵⁶ *Id.*, p. 50.

⁵⁷ *Ibid.*

1
2 **Q. Do you support the Company’s transportation electrification proposals?**

3 A. Broadly, yes, I support the Company’s proposals. However, as detailed in Section II,
4 Subsections E and F (“Proposed EV Charger Rebate Programs” and “Managed Charging
5 and V2G Pilot Programs”) below, I also have concerns about and propose
6 recommendations to modify the Company’s rebate and pilot program proposals.

7
8 **C. EV ADOPTION FORECASTS**

9
10 **Q. How does the Company predict that EV sales will grow in its service territory?**

11 A. The Company’s evaluation of current and forecasted EV adoption in its service territory
12 is presented primarily in the direct testimony of Markus B. Leuker.⁵⁸ The Company
13 reports that there are currently 114,000 EVs in its service territory, 80 percent of which
14 are all-electric and 20 percent of which are plug-in hybrid EVs.⁵⁹ Of the 114,000 EVs in
15 the Company’s service territory, 48,000 were sold in 2025, and there was a 57 percent
16 compound annual growth rate in EV sales between 2021 and 2025.⁶⁰

17
18 To derive its near-term EV adoption forecast, the Company used historical registration
19 data, which details vehicle adoption, total vehicle stock, and purchase trends, to establish
20 a trend based on the known EVs registered in the Company’s service territory.⁶¹ The

⁵⁸ Direct Testimony of Markus B. Leuker on behalf of DTE Electric Company (“Leuker Direct”), Case No. U-22046, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001xwP3ZAAU>.

⁵⁹ *Id.*, p. 22.

⁶⁰ *Ibid.*

⁶¹ *Id.*, p. 23.

1 Company assumes this linear trend is a reasonable indicator of near-term EV adoption in
2 its service territory. However, because the near-term forecast does not take industry
3 trends or policy shifts into account, it is not considered to be as reliable in the long-term.
4 To forecast EV adoption in the long-term, the Company established a forecast model
5 based on several external expert analyses that yields a forecast of new EV sales in
6 Michigan.⁶²

7
8 Using data from S&P Global to assess historical adoption trends and data from the
9 Electric Power Research Institute (“EPRI”) to determine future market share projections
10 for each vehicle segment within its service territory,⁶³ the Company projects that EV
11 registrations, including medium- and heavy-duty (“MHD”) vehicles, will increase to over
12 423,000 in its service territory by 2031.⁶⁴

13
14 **Q. What is the current state of automotive sales in the U.S. and in Michigan?**

15 **A.** In 2019, nearly 315,000 new light-duty EVs were sold throughout the United States,
16 making up just 1.8 percent of total vehicle sales at the time.⁶⁵ Only five years later, new
17 light-duty (“LD”) EV sales reached 1.48 million nationwide, marking a 369.8 percent
18 increase in sales between 2019 and 2024 and bringing the number of total new EVs on

⁶² *Ibid.*

⁶³ DTE Electric Company, “2027-2031 Transportation Electrification Plan,” April 22, 2026, p. 11, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

⁶⁴ Leuker Direct, p. 22.

⁶⁵ Atlas Public Policy, *EV Hub - EV Market Dashboard*, July 2026, Available at <https://www.atlasevhub.com/market-data/ev-market-dashboard/>.

1 the road to 6.4 million.⁶⁶ Today, there are nearly 8.3 million EVs on the road, with EV
2 sales now accounting for almost 10 percent of automotive sales.⁶⁷ Although national EV
3 adoption declined in the fourth quarter of 2025 relative to the third quarter (due to a surge
4 in third quarter sales ahead of the September 30 expiration of several federal tax credits),
5 the overall 2025 annual EV market share was roughly flat compared to 2024 at 8
6 percent.^{68, 69, 70, 71} In Michigan, the market share for EV sales increased year-over-year
7 from 4.4 percent in the second quarter of 2023 to 11.5 percent in the third quarter of
8 2025.⁷² Equally remarkable is the growth of the MHD market segment nationwide, which
9 grew from about 1,400 new MHD EV purchases in 2021 to over 129,000 in 2025 - an
10 astounding 9,100 percent sales increase.⁷³ These trends across the country and in
11 Michigan clearly indicate a steady and accelerating EV adoption growth rate despite
12 market challenges.

⁶⁶ *Ibid.*

⁶⁷ *Ibid.*

⁶⁸ *Ibid.*

⁶⁹ Leuker Direct, p. 22.

⁷⁰ Wilkins, D., Atlas Public Policy, “Q4 EV sales data is in: Here’s what you need to know,” *EV Hub - Weekly Digest*, February 23, 2026, available at <https://www.atlasevhub.com/weekly-digest/q4-2025-sales-data-insights/>.

⁷¹ Cox Automotive, “Despite Q4 Collapse, 2025 EV Sales Decline Only 2% Versus 2024; Policy Shifts, New Product Set Stage for Next Chapter,” January 13, 2026, available at <https://www.coxautoinc.com/insights/q4-2025-ev-sales-report-commentary/>.

⁷² Atlas Public Policy, *EV Hub - EV Market Dashboard*, July 2026, Available at <https://www.atlasevhub.com/market-data/ev-market-dashboard/>.

⁷³ *Ibid.*

1 **Q. Do you agree with the EV deployment rate predicted by the Company and its**
2 **response to current political and economic conditions?**

3 A. Yes, but I suspect that the forecast is conservative given continued technology
4 developments that are likely to reduce EV costs and increase customer value (e.g., battery
5 improvements and bidirectional capabilities).^{74, 75, 76, 77} According to witness Leuker, new
6 EV registrations in the Company's service territory were actually 66% higher than
7 forecasted in 2025, largely due to the buyers taking advantage of the federal tax credits
8 prior to their expiration in September 2025.⁷⁸ Perhaps more importantly, however,
9 witness Leuker also notes that EV sales, and subsequently the new load attributable to
10 increased EV adoption, are still projected to increase significantly in the long term.⁷⁹
11 While in the near-term, there have been modulations in the market due to federal policy
12 changes, growth is still occurring and automotive manufacturing continues to be focused
13 on the next generation of EVs. Experts agree that EVs represent the future of the industry

⁷⁴ McCarthy, D., "Chart: Surprise — batteries got cheaper again last year," *Canary Media*, February 6, 2026, available at <https://www.canarymedia.com/articles/batteries/chart-surprise-batteries-got-cheaper-again>.

⁷⁵ Lee, M., "EV batteries get cheaper despite headwinds," *Politico Pro: ClimateWire*, October 28, 2025, available at <https://subscriber.politicopro.com/article/eenews/2025/10/28/ev-batteries-get-cheaper-despite-headwinds-00620701>.

⁷⁶ Martucci, B., "V2G could deliver 15 times more value than one-way managed EV charging: report," *UtilityDive*, July 29, 2026, available at <https://www.utilitydive.com/news/v2g-could-deliver-15-times-more-value-than-one-way-managed-ev-charging-rep/826458/>.

⁷⁷ Scott, M., "Batteries on wheels: How your EV could also power your home," *Reuters*, March 30, 2026, available at <https://www.reuters.com/sustainability/climate-energy/batteries-wheels-how-your-ev-could-also-power-your-home--ecmii-2026-03-30/>.

⁷⁸ Leuker Direct, p. 24.

⁷⁹ *Id.*, p. 25.

1 – both in the United States and globally.^{80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91} Global trends
2 clearly indicate stable EV adoption growth, particularly in European, Southeast Asian,

⁸⁰ Hertzke, P. et al., McKinsey & Company, “New twists in the electric-vehicle transition: A consumer perspective,” April 2025, available at <https://www.mckinsey.com/features/mckinsey-center-for-future-mobility/our-insights/new-twists-in-the-electric-vehicle-transition-a-consumer-perspective>.

⁸¹ Andreoni, M., “The Electric Vehicle Future Is Coming. Just a Little More Slowly,” *The New York Times*, September 2024, available at <https://www.nytimes.com/2024/09/05/climate/electric-vehicle-sales-projections.html>.

⁸² Ewing, J., “Trump Will Slow, but May Not Stop, the Rise of Electric Vehicles,” *The New York Times*, August 2025, available at <https://www.nytimes.com/2025/08/03/business/trump-electric-vehicles.html>.

⁸³ International Energy Agency, *Global EV Outlook 2024: Trends in electric cars*, March 2025, available at <https://www.iea.org/reports/global-ev-outlook-2024/trends-in-electric-cars>.

⁸⁴ Domonoske, C., “Trump's pulling a U-turn on EVs, but not much has changed — yet,” *NPR*, January 2025, available at <https://www.npr.org/2025/01/30/nx-s1-5272749/donald-trump-ev-electric-vehicles-subsidies-auto-industry>.

⁸⁵ Gross, P., “EV Industry will Persist, Experts Say, Despite Trump Cuts,” *Missoula Current*, March 2025, available at <https://missoulacurrent.com/ev-industry-trump/>.

⁸⁶ Rivers, S., “Jim Farley: ‘If We Lose This, We Do Not Have A Future Ford’,” *CarScoops*, July 2025, available at <https://www.carscoops.com/2025/07/jim-farley-if-we-lose-this-we-do-not-have-a-future-ford/>.

⁸⁷ Marshall, A., “Ford Is Sticking With an EV Future—With a Boost From Tesla,” *Wired*, March 2025, available at <https://www.wired.com/story/ford-ev-charging-adapters-for-tesla-superchargers/>.

⁸⁸ Jain, S., “Tesla Is Still Selling Glossy Future - GM Just Shipped 111% More EVs,” *Yahoo! Finance*, July 2025, available at <https://finance.yahoo.com/news/tesla-still-selling-glossy-future-150621575.html>.

⁸⁹ Bassett, A., “Why GM’s CEO is still betting on electric vehicles (and racing),” *The Verge*, July 2025, available at <https://www.theverge.com/gm-general-motors/705320/gm-ceo-mary-barra-interview-ev-cadillac-dei-trump>.

⁹⁰ Chang, J., “Are EVs the Future of GM?,” *Wall Street Journal Podcasts, Tech News Briefing*, June 2025, available at https://www.wsj.com/podcasts/tech-news-briefing/are-evs-the-future-of-gm/4cbe61e3-9159-4d49-9c18-bfe2ba9de618?gaa_at=eafs&gaa_n=ASWzDAJvEtVc0hn7qrtdnskv85q_nER8swRg2lVr4MClaX4jYVWUfzbPRbGHsS4x8Kk%3D&gaa_ts=6887614a&gaa_sig=jSxbs5i7GCMo2lLLHosoQ3ToE4ze447F7ZR5f04QUnNGkSz2tMtm86lOAFpZoOlusdsI24KrW8d3OIkvW-Tw-w%3D%3D.

⁹¹ Reuss, M., “From Tennessee to Michigan, GM is building a battery-powered future,” *GM News*, July 2025, available at <https://news.gm.com/home.detail.html/Pages/topic/us/en/2025/jul/0714-Tennessee-Michigan-battery-powered-future.html>.

1 and South American markets.^{92, 93} To compete with a burgeoning Chinese EV industry,
2 American automakers will need to continue producing EVs to remain globally
3 competitive.⁹⁴ In addition to automakers' motivation to invest in EV development and
4 production, EVs' improving range^{95, 96, 97, 98} and price competitiveness,^{99, 100, 101, 102, 103,}

⁹² International Energy Agency, *Global EV Outlook 2024: Trends in electric cars*, March 2025, available at <https://www.iea.org/reports/global-ev-outlook-2024/trends-in-electric-cars>.

⁹³ Chang, A. and Bradsher, K., "How China Became the World's Largest Car Exporter," *The New York Times*, November 2024, available at <https://www.nytimes.com/interactive/2024/11/29/business/china-cars-sales-exports.html>.

⁹⁴ Reuters, "China's electric vehicles are around 3-5 years ahead, BYD CEO says," February 2025, available at <https://www.reuters.com/business/autos-transportation/chinas-electric-vehicles-are-around-3-5-years-ahead-byd-ceo-says-2025-02-18/>.

⁹⁵ Elliott, D., World Economic Forum, "5 developments that could make owning an EV more convenient," October 2024, available at <https://www.weforum.org/stories/2024/10/electric-vehicles-batteries-charging/>.

⁹⁶ Shakir, U., "Heat pumps in EVs are making a big difference in cold-weather driving," *The Verge*, January 2025, available at <https://www.theverge.com/2025/1/23/24350602/electric-vehicle-heat-pump-better-range-tesla-etron-mustang-mach-e>.

⁹⁷ Kothari, S., "Even Affordable EVs Are Getting Solid-State Batteries Now," *Inside EVs*, July 2025, available at <https://insideevs.com/news/766509/affordable-ev-solid-state-battery-mg4-china/>.

⁹⁸ Ghoshal, A., "BMW promises 30% longer range in upcoming EVs with custom batteries," *New Atlas*, March 2025, available at <https://newatlas.com/automotive/bmw-longer-range-neue-klasse-ev-batteries/>.

⁹⁹ Foote, B., "Ford CEO Jim Farley Says Next Gen EVs Will Be Cheaper Than Current Lineup," *Ford Authority*, June 2025, available at <https://fordauthority.com/2025/06/ford-ceo-jim-farley-says-next-gen-evs-will-be-cheaper-than-current-lineup/>.

¹⁰⁰ Slowik, P. et al., International Council on Clean Transportation, *Assessment of light-duty electric vehicle costs and consumer benefits in the United States in the 2022–2035 time frame*, October 2022, available at <https://theicct.org/publication/ev-cost-benefits-2035-oct22/>.

¹⁰¹ Stoklosa, A., "The Super-Affordable 2027 Chevrolet Bolt EV Is Coming Soon—Very Soon," *Motortrend*, June 2025, available at <https://www.motortrend.com/news/2027-chevrolet-bolt-everything-you-need-to-know>.

¹⁰² Banner, J., "The Cheap Tesla Is Almost Here—and We Finally Know What It'll Look Like," *Motortrend*, July 2025, available at <https://www.motortrend.com/news/cheap-tesla-model-y-coming-2025>.

¹⁰³ Kothari, S., "General Motors Says New LMR Battery Will Deliver Major Cost Savings," *Inside EVs*, July 2025, available at <https://insideevs.com/news/766646/gm-lmr-battery-cost-savings-lfp/>.

1 ^{104, 105} the growth of the used EV market,¹⁰⁶ and supportive state actions^{107, 108, 109} will
2 enable continued EV adoption growth through this period of political and economic
3 uncertainty at the federal level.

4
5 **Q. Did the Company evaluate impacts of the current political and economic climate on**
6 **automotive sales and EV sales specifically?**

7 **A.** In accordance with the Commission’s Order in the Company’s 2025 general electric rate
8 case (Case No. U-21860), in the instant case, the Company evaluated the impact of H.R.
9 1,¹¹⁰ which repealed several tax credits, including the 30C Alternative Fuel Vehicle

¹⁰⁴ GM News, “GM and LG Energy Solution to pioneer LMR battery cell technology,” May 2025, available at <https://news.gm.com/home.detail.html/Pages/news/us/en/2025/may/0513-GM-LG-Energy-Solution-pioneer-LMR-battery-cell-technology.html>.

¹⁰⁵ Mile, N., “Ford’s Michigan EV battery plant backed by tax credits after political reboot,” *Fox: WFXR*, July 2025, available at <https://www.wfxrtv.com/automotive/fords-michigan-ev-battery-plant-backed-by-tax-credits-after-political-reboot/?nxsparm=9>.

¹⁰⁶ Toussaint, K., “The first big batch of used EVs will hit the market in 2026. No one knows what’s going to happen,” *Fast Company*, January 2024, available at <https://www.fastcompany.com/91018102/the-first-big-batch-of-used-evs-will-hit-the-market-in-2026-no-one-knows-whats-going-to-happen>.

¹⁰⁷ Department of Environment, Great Lakes, and Energy, “Clean Fuel and Charging Infrastructure Program,” accessed July 2025, available at <https://www.michigan.gov/egle/about/organization/materials-management/energy/rfps-loans/clean-fuel-and-charging-infrastructure-program>.

¹⁰⁸ Executive Office of the Governor, “Executive Directive 2023-5: Conversion of State Fleet,” December 2023, available at <https://www.michigan.gov/whitmer/news/state-orders-anddirectives/2023/12/05/executive-directive-2023-5-conversion-of-state-fleet>.

¹⁰⁹ Michigan Department of Transportation, “MDOT NEVI Design-Build-Operate-Maintain (DBOM) Project - Notification of Selection,” June 2025, available at <https://www.michigan.gov/mdot/-/media/Project/Websites/MDOT/Business/Contractors/Innovative-Contracting/NEVI---2/Notification-of-Selection.pdf?rev=6451b2352ab14cd2a84a075496f62c6f&hash=12DC631641D6A886192976DBDA00C8D8>.

¹¹⁰ United States Congress, “H.R. 1 - An act to provide for reconciliation pursuant to title II of H. Con. Res. 14.,” 119th congress, 2025-2026, July 4, 2025, available at <https://www.congress.gov/bill/119th-congress/house-bill/1>.

1 Refueling Property Credit and the 30D Clean Vehicle Credit,¹¹¹ on its EV adoption
2 forecasts. In a discovery response (Exhibit MEIU-2.11), the Company indicates that it
3 relied on an expert third party, Electric Power Research Institute (EPRI) to
4 provide the basis of EV adoption. EPRI used factors including: cuts to
5 federal incentives, blocking the CA waiver for EV mandate, cuts to NEVI
6 funding, and individual State policies in their analysis.¹¹²
7

8 The Company indicates that the total cost of ownership modeled over ten years for an
9 EV model is expected to increase from \$77,194 to \$85,694 with the loss of the federal
10 tax credits, resulting in a “52 percent decline in total projected EV registrations during
11 the TEP Refresh timeframe relative to the previous TEP forecast.”¹¹³ While the Company
12 acknowledges the impact that H.R. 1 has had on production at automotive manufacturing
13 plants and on the growth rate of EV deployment across its service territory, the Company
14 assumes that the impact will largely be felt in the near-term.¹¹⁴
15

16 **Q. Did the Company evaluate other political and economic influences that could**
17 **impact automotive sales and EV sales specifically?**

18 **A.** The Company also points to other positive and negative influences at the state level that
19 could impact EV adoption in its service territory, such as the increase to the state
20 registration fees resulting from the increase in the state gas tax passed in October 2025

¹¹¹ Evergreen Action, “Republican Megabill Is a Disaster for Energy Costs, Jobs, and Clean Energy,” June 2025, available at <https://www.evergreenaction.com/blog/senate-gops-updated-megabill-isis-still-a-disaster-foraffordability-jobs-and-clean-energy>.

¹¹² Exhibit MEIU-2.11.

¹¹³ DTE Electric Company, “2027-2031 Transportation Electrification Plan,” April 22, 2026, p. 20. Available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

¹¹⁴ Leuker Direct, p. 25.

(negative),¹¹⁵ the launch of the final round of the Clean Bus Energy Grant funding (positive),¹¹⁶ and the continuation of the Clean Fuel and Charging Infrastructure (“CFCI”) grant program managed by the Michigan Department of Environment, Great Lakes, and Energy (“EGLE”) (positive).¹¹⁷

Q. Has the Company’s EV deployment forecast shifted in response to these near-term policy changes?

A. Yes. In its 2024 TEP, the Company projected that there would be approximately 326,000 EVs, including MHD vehicles, in its service territory by 2028.¹¹⁸ The Company adjusted its 2026 TEP to account for near-term policy changes detailed above, now projecting that there will be 242,000 EVs, including MHD vehicles, in its service territory by 2028.¹¹⁹ This marks a 26 percent reduction in total projected EVs on the road by 2028.

¹¹⁵ Michigan Legislature, “Public Act No. 20,” October 7, 2025, available at <https://www.legislature.mi.gov/documents/2025-2026/publicact/htm/2025-PA-0020.htm>.

¹¹⁶ *Id.*, p. 19.

¹¹⁷ *Ibid.*

¹¹⁸ DTE Electric Company, “2025-2028 Transportation Electrification Plan,” January 11, 2024, p. 6, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000BUT09AAH>.

¹¹⁹ DTE Electric Company, “2027-2031 Transportation Electrification Plan,” April 22, 2026, p. 9, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

1 **Q. Are there additional political and economic influences that could impact automotive**
2 **sales and EV sales that the Company failed to discuss?**

3 A. Yes. Broadly, EVs’ improving range^{120, 121, 122, 123} and price competitiveness,^{124, 125, 126,}
4 ^{127, 128, 129, 130} the growth of the used EV market,^{131, 132, 133, 134} and supportive state

¹²⁰ Elliott, D., World Economic Forum, “5 developments that could make owning an EV more convenient,” October 2024, available at <https://www.weforum.org/stories/2024/10/electric-vehicles-batteries-charging/>.

¹²¹ Shakir, U., “Heat pumps in EVs are making a big difference in cold-weather driving,” *The Verge*, January 2025, available at <https://www.theverge.com/2025/1/23/24350602/electric-vehicle-heat-pump-better-range-tesla-etronmustang-mach-e>.

¹²² Kothari, S., “Even Affordable EVs Are Getting Solid-State Batteries Now,” *Inside EVs*, July 2025, available at <https://insideevs.com/news/766509/affordable-evev-solid-state-battery-mg4-china/>.

¹²³ Ghoshal, A., “BMW promises 30% longer range in upcoming EVs with custom batteries,” *New Atlas*, March 2025, available at <https://newatlas.com/automotive/bmw-longer-range-neue-klasse-evev-batteries/>.

¹²⁴ Foote, B., “Ford CEO Jim Farley Says Next Gen EVs Will Be Cheaper Than Current Lineup,” *Ford Authority*, June 2025, available at <https://fordauthority.com/2025/06/ford-ceo-jim-farley-says-next-gen-evs-will-be-cheaper-than-current-lineup/>.

¹²⁵ Slowik, P. et al., International Council on Clean Transportation, Assessment of light-duty electric vehicle costs and consumer benefits in the United States in the 2022–2035 time frame, October 2022, available at <https://theicct.org/publication/ev-cost-benefits-2035-oct22/>.

¹²⁶ Stoklosa, A., “The Super-Affordable 2027 Chevrolet Bolt EV Is Coming Soon—Very Soon,” *Motortrend*, June 2025, available at <https://www.motortrend.com/news/2027-chevrolet-bolt-everything-you-need-to-know>.

¹²⁷ Banner, J., “The Cheap Tesla Is Almost Here—and We Finally Know What It’ll Look Like,” *Motortrend*, July 2025, available at <https://www.motortrend.com/news/cheap-tesla-model-y-coming-2025>.

¹²⁸ Kothari, S., “General Motors Says New LMR Battery Will Deliver Major Cost Savings,” *Inside EVs*, July 2025, available at <https://insideevs.com/news/766646/gm-lmr-battery-cost-savings-lfp/>.

¹²⁹ GM News, “GM and LG Energy Solution to pioneer LMR battery cell technology,” May 2025, available at <https://news.gm.com/home.detail.html/Pages/news/us/en/2025/may/0513-GM-LG-Energy-Solution-pioneer-LMR-battery-cell-technology.html>.

¹³⁰ Mile, N., “Ford’s Michigan EV battery plant backed by tax credits after political reboot,” *Fox: WFXR*, July 2025, available at <https://www.wfxrtv.com/automotive/fords-michigan-ev-battery-plant-backed-by-tax-credits-after-political-reboot/?nxsparm=9>.

¹³¹ Toussaint, K., “The first big batch of used EVs will hit the market in 2026. No one knows what’s going to happen,” *Fast Company*, January 2024, available at <https://www.fastcompany.com/91018102/the-first-big-batch-of-used-evs-will-hit-the-market-in-2026-no-one-knows-whats-going-to-happen>.

¹³² Agostino, S., “Used EV sales are surging — how their ownership costs compare to gas-powered cars,” *CNBC*, May 3, 2026, available at <https://www.cnbc.com/2026/05/03/ev-ownership-costs.html>.

1 actions^{135, 136, 137} will enable continued EV adoption growth through the current period of
2 political and economic uncertainty at the federal level. I appreciate and agree with the
3 Company's general acknowledgement of these trends and realities. The Company,
4 however, failed to account for several other external geopolitical and commercial trends
5 that are likely to have an impact on its EV adoption forecasts, such as:

- 6 • *Rapid growth of used EV adoption* – While the market experienced a temporary drop
7 in new EV sales from late 2025 to early 2026, experts report that the used EV market
8 saw between a 12 to 13.5 percent sales increase in the last three months of 2025
9 compared to the previous year.^{138, 139} Furthermore, used EVs saw a faster sales
10 turnaround with vehicles spending an average 50 days on dealership lots,¹⁴⁰ selling

¹³³ Strock, K., "The Fastest-Selling Cars in America Are Used EVs," *Bloomberg*, September 27, 2025, available at <https://www.bloomberg.com/news/articles/2025-09-27/the-us-used-electric-vehicle-market-is-taking-off-here-s-why?embedded-checkout=true>.

¹³⁴ Valdez Streaty, S., "EV Market Monitor - April 2026," *Cox Automotive*, May 15, 2026, available at <https://www.coxautoinc.com/insights/ev-market-monitor-april-2026-2/>.

¹³⁵ Department of Environment, Great Lakes, and Energy, "Clean Fuel and Charging Infrastructure Program," accessed June 2026, available at <https://www.michigan.gov/egle/about/organization/materials-management/energy/rfps-loans/clean-fuel-and-charging-infrastructure-program>.

¹³⁶ Executive Office of the Governor, "Executive Directive 2023-5: Conversion of State Fleet," December 2023, available at <https://www.michigan.gov/whitmer/news/state-orders-anddirectives/2023/12/05/executive-directive-2023-5-conversion-of-state-fleet>.

¹³⁷ Michigan Department of Transportation, "MDOT NEVI Design-Build-Operate-Maintain (DBOM) Project - Notification of Selection," June 2025, available at <https://www.michigan.gov/mdot/-/media/Project/Websites/MDOT/Business/Contractors/Innovative-Contracting/NEVI---2/Notification-of-Selection.pdf?rev=6451b2352ab14cd2a84a075496f62c6f&hash=12DC631641D6A886192976DBDA00C8D8>.

¹³⁸ Lambert, F., "New EV sales drop 28% in Q1 2026, but used EVs surge 12% to near-record levels," *Electrek.com*, March 27, 2026, available at <https://electrek.co/2026/03/27/used-ev-sales-boom-new-ev-sales-drop-28-percent-q1-2026/>.

¹³⁹ Stock, K., "Used EVs under \$25,000 propel sales even as new models languish," *The Detroit News*, February 26, 2026, available at <https://www.detroitnews.com/story/business/autos/2026/02/16/used-evs-under-25000-propel-sales-even-asnew-models-languish/88701096007/>.

¹⁴⁰ *Ibid.*

1 more quickly than new EV and new internal combustion engine (“ICE”) vehicle
2 counterparts by 10 to over 100 days, depending on the vehicle model.^{141, 142} With
3 over 900,000 used EV leases ending between 2026 and 2027,¹⁴³ and given that most
4 used EVs come at price parity to their ICE counterparts and offer drivers immediate
5 fuel cost savings, this trend is expected to continue.^{144, 145}

- 6 • *Continued National Electric Vehicle Infrastructure (“NEVI”) program funding*
7 *deployment* – On June 8, 2026, the Michigan Department of Transportation
8 (“MDOT”) released a \$51 million Request for Proposal for its final round of NEVI
9 formula funding, which is expected to support an additional 60 new charging sites
10 across the state.^{146, 147} Experts assert that the existence of public charging

¹⁴¹ Uwaoma, P. “The New Cars No One’s Buying: Surprising Models Piling Up on Dealer Lots,” *Yahoo! Autos*, January 19, 2026, available at <https://autos.yahoo.com/deals-and-buying-guides/articles/cars-no-one-buying-surprising-161525816.html>.

¹⁴² Keating, E., Cox Automotive, “New-Vehicle Inventory Holds Steady as Industry Navigates Year-End Uncertainty,” December 11, 2025, available at <https://www.coxautoinc.com/insights/nov-2025-new-vehicle-inventory/>.

¹⁴³ Boudette, N., “More Used Electric Cares Are Coming at More Affordable Prices,” *The New York Times*, April 25, 2026, available at <https://www.nytimes.com/2026/04/25/business/electric-vehicles-used-leases.html>.

¹⁴⁴ Cox Automotive, “Q1 2026 Industry Insights and Sales Forecast Call,” March 25, 2025, available at <https://www.coxautoinc.com/wp-content/uploads/2026/03/Cox-Automotive-Q1-2026-Industry-Insights-and-Sales-Forecast-Call-Presentation-March-2026.pdf>.

¹⁴⁵ Stelle, L., “University of Michigan study breaks down the cost differences of owning an EV versus gas car,” *Yahoo! Autos*, March 26, 2026, available at <https://autos.yahoo.com/ev-and-future-tech/articles/university-michigan-study-breaks-down-220000981.html>.

¹⁴⁶ Michigan Department of Transportation, “MDOT Releases NEVI Round 3 RFP to Expand Michigan’s EV Charging Network,” June 8, 2026, available at <https://content.govdelivery.com/accounts/MIDOT/bulletins/41afcf3>.

¹⁴⁷ Michigan Department of Transportation, “National Electric Vehicle Infrastructure (DBOM) - Round 3,” accessed June 8, 2026, available at <https://www.michigan.gov/mdot/business/contractors/innovativecontracting/national-electric-vehicle-infrastructure-3>.

1 infrastructure directly enables customers to purchase EVs.^{148, 149, 150, 151} As such, it is
2 reasonable to assume that continued deployment of NEVI chargers will improve
3 visibility of new and existing charging opportunities throughout the state, instilling
4 greater confidence that customers will be adequately supported if they purchase an
5 EV.

- 6 • *Volatile fuel costs* – Global oil supply constraints have driven up national average
7 U.S. gas prices by 40 percent, which currently is above \$4.28 per gallon.^{152, 153}
8 Statewide average gas prices in Michigan, however, hover around \$4.40, with some
9 parts of the state, such as northern Michigan and the Upper Peninsula, facing costs
10 nearing \$5.00 per gallon, adding hundreds of dollars in fuel costs per year per

¹⁴⁸ Osaka, S., The Washington Post, “For each public charger, here’s how many EVs are looking to plug in,” May 2024, available at <https://www.washingtonpost.com/climate-solutions/2024/05/20/charging-stations-lag-ev-sales/>.

¹⁴⁹ Center for Sustainable Energy, “The State of Electric Vehicle Adoption in the U.S. and the Role of Incentives in Market Transformation,” September 2023, available at <https://energycenter.org/thought-leadership/blog/stateelectric-vehicle-adoption-us-and-role-incentivesmarket#:~:text=Publicly%20available%20EV%20charging%20inspires,apartments%2C%20to%20charge%20an%20EV.>

¹⁵⁰ U.S. Department of Energy, Alternative Fuels Data Center, “Charging Electric Vehicles in Public,” June 2024, available at <https://afdc.energy.gov/fuels/electricity-charging-public>.

¹⁵¹ International Energy Agency, “Global EV Outlook 2024: Moving towards increased affordability,” 2024, available at <https://iea.blob.core.windows.net/assets/a9e3544b-0b12-4e15-b407-65f5c8ce1b5f/GlobalEVO Outlook2024.pdf>.

¹⁵² Murphy, J. et al., “Graphic: Track U.S., state and county gas prices,” *CNBC*, April 8, 2026, updated June 5, 2026, accessed June 5, 2026, available at <https://www.nbcnews.com/data-graphics/gas-prices-iran-war-state-national-cost-trump-rcna265835>.

¹⁵³ AAA, “Fuel Prices,” accessed August 14, 2026, available at <https://gasprices.aaa.com/>.

1 household.^{154, 155, 156} Similarly, the statewide average cost of diesel is close to \$5.46
2 per gallon.¹⁵⁷ Today, the electricity to charge an EV costs less than half on a per-mile
3 basis compared to an ICE vehicle,¹⁵⁸ and electricity prices are historically far more
4 stable than fuel prices – only increasing 8.8 percent between 2018 and 2023.¹⁵⁹ These
5 fuel price increases and fluctuations are driving increased interest in EVs.^{160, 161, 162,}
6 ¹⁶³ In addition, EV adoption increased 59 percent between February and March 2026

¹⁵⁴ *Ibid.*

¹⁵⁵ Schuster, S., “Michigan can’t control war-driven oil prices. We can control our transportation future,” *Bridge Michigan*, May 7, 2026, available at <https://bridgemi.com/guest-commentary/opinion-michigan-cant-control-war-driven-oil-prices-we-can-control-our-transportation-future/>.

¹⁵⁶ Harring, A., “Iran war cost: Average U.S. household paying \$450 more on gas and energy,” *CNBC*, May 29, 2026, available at <https://www.cnn.com/2026/05/29/energy-costs-inflation-iran-war-trump.html>.

¹⁵⁷ AAA, “Fuel Prices,” accessed August 14, 2026, available at <https://gasprices.aaa.com/>.

¹⁵⁸ EPRI, “The Electric Vehicle (EV) Price Stability Advantage: Electricity vs. Gasoline,” April 15, 2026, available at <https://www.epri.com/research/products/000000003002036139>.

¹⁵⁹ Michigan Citizens Utility Board, “Utility Performance Report – 2025 Edition,” September 4, 2025, available at https://cubofmichigan.org/wp-content/uploads/2025/09/2025-Utility-Performance-Report_20250904.pdf.

¹⁶⁰ Subramanian, P., “Surging gas prices have more than half of car buyers eyeing EVs and hybrids,” *Yahoo! Finance*, April 26, 2026, available at <https://finance.yahoo.com/economy/article/surging-gas-prices-have-more-than-half-of-car-buyers-eyeing-evs-and-hybrids-140000205.html>.

¹⁶¹ Canal, A., “Rising gas prices have sparked fresh interest in EVs — but affordability is a major barrier,” *NBC News*, April 7, 2026, available at <https://www.nbcnews.com/business/consumer/iran-war-gas-prices-cars-evs-hybrids-rcna266971>.

¹⁶² Garsten, E., “High Gas Prices Boosting Interest In EVs, But Will Sales Follow?,” *Forbes*, April 2, 2026, available at <https://www.forbes.com/sites/edgarsten/2026/04/02/high-gas-prices-boosting-interest-in-evs-but-will-sales-follow/>.

¹⁶³ Plummer, I., “Sharp rise in EV interest on Autotrader following Middle East bombing,” *Autotrader Group*, March 24, 2026, available at <https://plc.autotrader.co.uk/news-views/press-releases/sharp-rise-in-ev-interest-on-autotrader-following-middle-east-bombing/>.

1 – reaching the highest quarterly rate of national EV adoption since the loss of the
2 federal tax credits in Q3 of 2025.^{164, 165}

- 3 ● *New heavy-duty EV models coming on the market* – In March 2026, Tesla opened its
4 first electric semi-truck factory in Nevada, which has a manufacturing capacity of
5 50,000 semi-trucks each year.¹⁶⁶ While the cost of a new Tesla Semi Long Range and
6 the associated charging depot installation needed to support it is almost twice that of
7 a comparable diesel truck, Tesla suggests that given higher diesel costs, businesses
8 can save between \$147,000 and \$404,000 over five to ten years of ownership.^{167, 168}
9 With contracts already in place with customers like PepsiCo,¹⁶⁹ DHL,¹⁷⁰ Walmart,¹⁷¹

¹⁶⁴ Malhotra, I., “EV Sales Show Modest Rebound in March,” *Atlas Public Policy*, June 2, 2026, available at <https://www.atlasevhub.com/weekly-digest/ev-sales-show-modest-rebound-in-march/>.

¹⁶⁵ Meredith, S. and M. Wayland., “EV demand is getting a boost from the Iran war — just as auto giants pivot back to combustion engines,” *CNBC*, April 2, 2026, available at <https://www.cnbc.com/2026/04/02/evs-autos-energy-oil-iran-war-electric-transport-fossil-fuels.html>.

¹⁶⁶ Lambert, F., “Tesla Semi: first truck rolls off high-volume production line,” *Electrek*, April 29, 2026, available at <https://electrek.co/2026/04/29/tesla-semi-first-truck-high-volume-production-line/>.

¹⁶⁷ Lambert, F., “Tesla Semi can save over \$400K vs diesel, but there are big ‘ifs’,” *Electrek*, May 4, 2026, available at <https://electrek.co/2026/05/04/tesla-semi-tco-analysis-diesel-savings-electricity-price/>.

¹⁶⁸ Nichole, A., “The Tesla Semi Will Cost Double a Standard Truck—but the Math Shows It Could Kill Off Diesels: After years of limited production, Tesla is ramping up its Semi rollout while making a compelling economic case that could reshape America’s freight,” *Inc.com*, available at <https://www.inc.com/amaya-nichole/tesla-semi-math-vs-diesel-costs/91322766>.

¹⁶⁹ Hineman, B., “PepsiCo to add 50 Tesla electric semi-trucks to California fleet,” *Yahoo Finance*, May 23, 2024, available at https://finance.yahoo.com/news/pepsico-add-50-tesla-electric-201254098.html?guccounter=1&guce_referrer=aHR0cHM6Ly9icmlkZ2VtaS5jb20v&guce_referrer_sig=AQAA-AA8u3VPSiLY9B4qViXxQ8CKOfT0Q2d-YndqWMCX93AtLi1bckWq9kEYdYArb60TK2b3mfLZmtcyXfNU80I1UUwnCnEtF9zh0JuNV5PYw-7FyUmu1YbegsCsmPJRWm5BGRHwYeNHs1A1eU_-SAzmfrzYnsHrpjV__XvYHj_z3ZeW.

¹⁷⁰ Lambert, F., “DHL takes delivery of its first Tesla Semi electric truck, says more to come next year,” *Electrek*, December 8, 2025, available at <https://electrek.co/2025/12/08/dhl-takes-tesla-semi-electric-truck/>.

¹⁷¹ Lambert, F., “Tesla Semi is getting into the hands of two more big customers,” *Electrek*, May 7, 2024, available at <https://electrek.co/2024/05/07/tesla-semi-hands-two-more-big-customers/>.

1 and Costco¹⁷² and the national average cost of diesel up 53 percent,^{173, 174} it is
2 reasonable to expect increased electrification across the commercial sector,
3 especially among heavy-duty fleet operators.
4

5 **Q. What do you conclude about these factors influencing EV adoption?**

6 A. Based on the discussion above, I believe that the Company's EV adoption forecast is
7 likely low. Given continued deployment of state and federally-funded EV charging
8 infrastructure, increased fuel volatility due to the ongoing crisis in Iran, the increase in
9 used EVs expected to hit the market, as well as critical technological advancements
10 allowing for reduced battery¹⁷⁵ and vehicle costs, I expect EV adoption to achieve steady
11 growth that exceeds the Company's forecasts in the next five years.
12

13 **Q. Should the Company continue to evaluate external influences impacting the EV**
14 **market when making long-term decisions to plan for increased transportation**
15 **electrification?**

16 A. Yes, but short-term influences should not overshadow the need to plan for the long-term
17 growth of transportation electrification and technology advancements. As the evidence

¹⁷² *Ibid.*

¹⁷³ Nichole, A., "The Tesla Semi Will Cost Double a Standard Truck—but the Math Shows It Could Kill Off Diesels: After years of limited production, Tesla is ramping up its Semi rollout while making a compelling economic case that could reshape America's freight," *Inc.com*, available at <https://www.inc.com/amaya-nichole/tesla-semi-math-vs-diesel-costs/91322766>.

¹⁷⁴ AAA, "Fuel Prices," accessed June 5, 2026, available at <https://gasprices.aaa.com/>.

¹⁷⁵ Cepnik, C., and Linder, M., McKinsey & Company, "The future of affordable EVs: Breakthroughs in battery pack costs," January 2, 2026, available at <https://www.mckinsey.com/features/mckinsey-center-for-future-mobility/our-insights/the-future-of-affordable-evs-breakthroughs-in-battery-pack-costs>.

1 demonstrates, there will always be short- and long-term external forces pushing and
2 pulling the EV market, and understanding those factors can provide valuable context for
3 evaluating adoption trends. However, while it is important to understand the impact of
4 short-term external factors on EV adoption within the Company's service territory, these
5 short-term trends should not be relied upon as a basis for scaling the Company's EV
6 programs, which present significant long-term benefits to the Company and to all
7 ratepayers. Such an approach risks overlooking the broader, long-term trajectory of
8 transportation electrification. Although near-term market conditions may influence the
9 pace of adoption, EV ownership—and the associated electric load—is expected to
10 continue growing over time.^{176, 177, 178, 179, 180} The Company must be prepared for this
11 transition by maintaining investments that support EV deployment, grid readiness, and
12 customer adoption. I would proactively caution against potential stakeholder proposals
13 to reduce these programs in response to temporary market fluctuations as such reactive
14 measures could leave the Company ill-equipped to meet future demand and capture the
15 long-term benefits of transportation electrification.

¹⁷⁶ Smart Electric Power Alliance, *Preparing for an Electric Vehicle Future: How Utilities Can Succeed*, accessed June 10, 2026, available at <https://sepapower.org/resource/preparing-for-an-electric-vehicle-future-how-utilities-can-succeed/>.

¹⁷⁷ Bloomberg, “Despite Hurdles, Vehicle Electrification in the US Is Likely Here to Stay, Finds Bloomberg Intelligence,” April 5, 2024, available at <https://www.bloomberg.com/company/press/despite-hurdles-vehicle-electrification-in-the-us-is-likely-here-to-stay-finds-bloomberg-intelligence/>.

¹⁷⁸ Bloomberg New Energy Finance, “Electric Vehicle Outlook 2025 Overview,” accessed June 10, 2026, available at <https://assets.bbhub.io/professional/sites/24/202506-EVO2025-Executive-Summary.pdf>.

¹⁷⁹ International Energy Agency, “Global EV Outlook 2026: Trends in electric cars,” accessed June 10, 2026, available at <https://www.iea.org/reports/global-ev-outlook-2026/trends-in-electric-cars>.

¹⁸⁰ McCarthy, D., “Electric cars are starting to take over the world,” *Canary Media*, June 5, 2026, available at <https://www.canarymedia.com/articles/electric-vehicles/electric-cars-starting-take-over-world>.

D. IMPLICATIONS OF EV ADOPTION FOR THE COMPANY AND ITS CUSTOMERS

Q. Why is proactive planning important for utilities when it comes to preparing for increased EV load growth?

A. Proactive planning for EV adoption can save utilities and ratepayers in the long run.¹⁸¹,
¹⁸² A 2024 study found that proactive grid maintenance and upgrades in response to increased EV load growth resulted in about \$20 million in savings compared to reactive upgrades in Con Edison’s territory (New York City and Westchester County, NY), and \$10-13 million in savings in CenterPoint’s service territory (Houston, TX).¹⁸³ Additionally, models from the same study showed that even in the lowest EV adoption scenario, an “all proactive” upgrade approach still yielded higher savings than a mixed proactive and reactive approach.¹⁸⁴ This suggests that overestimating, and subsequently upgrading to meet, EV load growth carries limited risk.¹⁸⁵

¹⁸¹ Black & Veatch, “Pro-Active Grid Investment Assessment: Medium- and Heavy-Duty Vehicle Transportation Electrification,” November 2024, available at https://library.edf.org/AssetLink/1sf1n64na1m7b636rs127w4wqvs11d4e.pdf?_gl=1*14rezcp*_gcl_au*MjczNzI5MDQ0LjE3NTM3MTg4MDQ.*_ga*NzAxMjcwMzkzLjE3NTM3MTg4MDQ.*_ga_2B3856Y9QW*cze3NTM3MTg4MDMkbzEkZzEkdDE3NTM3MTg5OTUkajQ4JGwwJGgw.

¹⁸² Sahoo, A. et al., BCG, “The Costs of Revving Up the Grid for Electric Vehicles,” December 2019, available at https://web-assets.bcg.com/img-src/costs-revving-up-the-grid-for-electric-vehicles_tcm9-236324-64_tcm9-237341.pdf.

¹⁸³ Black & Veatch, “Pro-Active Grid Investment Assessment: Medium- and Heavy-Duty Vehicle Transportation Electrification,” November 2024, available at https://library.edf.org/AssetLink/1sf1n64na1m7b636rs127w4wqvs11d4e.pdf?_gl=1*14rezcp*_gcl_au*MjczNzI5MDQ0LjE3NTM3MTg4MDQ.*_ga*NzAxMjcwMzkzLjE3NTM3MTg4MDQ.*_ga_2B3856Y9QW*cze3NTM3MTg4MDMkbzEkZzEkdDE3NTM3MTg5OTUkajQ4JGwwJGgw.

¹⁸⁴ *Ibid.*

¹⁸⁵ *Ibid.*

1 Utility TEPs and distribution system plans are critical, informative tools to ensure that
2 the Company is effectively able to predict, plan, and execute necessary distribution
3 system upgrades to meet the resulting load growth attributable to EVs.^{186, 187, 188} More
4 specifically, the customer engagement driven by education and outreach (“E&O”)
5 programs, as well as the customer enrollment in rebate and TOU rates, informs utilities
6 of EV penetration trends in their service territories and where load growth is expected.
7 Delaying upgrades or artificially reducing projected load growth risks impairing utilities’
8 visibility into future EV-related load growth, potentially resulting in suboptimal upgrade
9 decisions, longer energization timelines for new load, and grid constraints. In other
10 words, while postponing upgrades required to meet EV adoption growth may yield short-

¹⁸⁶ Morash, S., Lawrence Berkeley National Laboratory, “Charging Ahead: Grid Planning for Vehicle Electrification,” January 2024, available at <https://www.esig.energy/wp-content/uploads/2024/01/ESIG-Grid-Planning-Vehicle-Electrification-report-2024.pdf>.

¹⁸⁷ Shapiro, B. and Pesta, N., RMI, “Six Building Blocks to Prepare the Grid for EVs,” October 2024, available at <https://rmi.org/six-building-blocks-to-prepare-the-grid-for-evs/>.

¹⁸⁸ Taylor, P., American Public Power Association, “Proactive Grid Build for Transportation Electrification,” January 2025, available at <https://www.publicpower.org/resource/proactive-grid-build-transportation-electrification>.

term savings, the long-term financial and operational liabilities, as well as customer service impacts, could be far greater.

Q. What is the value of enabling EV adoption in the Company's service territory?

A. Experts assert that the existence of public charging infrastructure directly enables customers to purchase EVs,^{189, 190, 191, 192} leading to significant at-home charging and revenue from electricity sales.^{193, 194, 195, 196, 197} In its 2024 TEP, the Company projected

¹⁸⁹ Osaka, S., *The Washington Post*, “For each public charger, here’s how many EVs are looking to plug in,” May 2024, available at <https://www.washingtonpost.com/climate-solutions/2024/05/20/charging-stations-lag-ev-sales/>.

¹⁹⁰ Center for Sustainable Energy, “The State of Electric Vehicle Adoption in the U.S. and the Role of Incentives in Market Transformation,” September 2023, available at <https://energycenter.org/thought-leadership/blog/stateelectric-vehicle-adoption-us-and-role-incentivesmarket#:~:text=Publicly%20available%20EV%20charging%20inspires,apartments%2C%20to%20charge%20an%20EV.>

¹⁹¹ U.S. Department of Energy, Alternative Fuels Data Center, “Charging Electric Vehicles in Public,” June 2024, available at <https://afdc.energy.gov/fuels/electricity-charging-public>.

¹⁹² International Energy Agency, “Global EV Outlook 2024: Moving towards increased affordability,” 2024, available at <https://iea.blob.core.windows.net/assets/a9e3544b-0b12-4e15-b407-65f5c8ce1b5f/GlobalEVOutlook2024.pdf>.

¹⁹³ Nadel, S., American Council for an Energy-Efficient Economy (ACEEE), “Charging Ahead: How EVs Could Drive Down Electricity Rates,” January 2024, available at <https://www.aceee.org/blog-post/2024/01/charging-ahead-how-evs-could-drive-down-electricity-rates>.

¹⁹⁴ Metz, L. et al., Synapse Energy Economics, Inc., “Distribution System Investments to Enable Medium- and HeavyDuty Vehicle Electrification: A Case Study of New York,” April 2023, available at <https://acrobat.adobe.com/id/urn:aaid:sc:US:3ef62d18-a652-4848-a2a5-15eb2771d8cc>.

¹⁹⁵ Synapse Energy Economics, Inc., “EVs Are Driving Rates Down for All Customers: State-by-State Cumulative EV Net Rate Impact Summary,” June 2024, available at https://www.synapse-energy.com/sites/default/files/EV%20All%20State%20List%20PDF_0.pdf.

¹⁹⁶ Satchwell, A. et al., Prepared for the U.S. Department of Energy, “Quantifying the Financial Impacts of Electric Vehicles on Utility Ratepayers and Shareholders,” February 2023, available at https://etapublications.lbl.gov/sites/default/files/ev_financial_impacts_final_report_final_draft_02092023.pdf.

¹⁹⁷ California Public Utilities Commission, “Utility Cost and Affordability of the Grid of the Future: An Evaluation of Electric Costs, Rates, and Equity Issues Pursuant to P.U. Code Section 913.1. 2021,” available at https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/office-of-governmental-affairs-division/reports/2021/senate-bill-695-report-2021-and-en-bancwhitepaper_final_04302021.pdf.

1 that while initially the TEP portfolio applies rate pressure, it is offset by future rate relief,
2 netting \$56 million for all customers in its service territory between 2025 and 2067, and
3 that it would start yielding positive ratepayer benefits of \$3 million in 2032.¹⁹⁸ However,
4 the Company also noted that this was likely a conservative estimate, as it only accounted
5 for increased load attributed to rebated chargers and did not account for network
6 effects¹⁹⁹ of EV sales.²⁰⁰ As previously discussed, to account for the network effects of
7 deploying utility-rebated EV charging, in 2025 the Commission ordered the Company to
8 account for *all* revenue attributable to EV charging within its service territory in its next
9 TEP BCA.²⁰¹ In its 2026 TEP and as indicated by witness Kabashi, this expanded and
10 more holistic BCA approach indicates that even with the Company's moderately reduced
11 EV forecasts, the TEP will actually yield \$1.8 billion in load-related net rate relief
12 benefits to all of the Company's customers.^{202, 203} This represents 32 times the benefit
13 calculated in the Company's 2024 TEP, marking an increase of over 3,100 percent.
14 Furthermore, the Company indicates that this more complete accounting of EV charging

¹⁹⁸ Foley, N., DTE Electric Company, "DTE Electric Transportation Electrification Plan - Filed," Exhibit A29, Schedule S1, April 2025, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000lnYS8AAM>.

¹⁹⁹ By definition, direct network effects occur when the value of a good increases because the number of users of that good increases. *Source*: Stobierski, T., Harvard Business School, "What are Network Effects?" November 12, 2020, accessed June 9, 2026, available at <https://online.hbs.edu/blog/post/what-are-network-effects>.

²⁰⁰ *Ibid.*

²⁰¹ Michigan Public Service Commission, Case No. U-21860, "Order in the matter of the application of DTE Electric Company for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority," February 19, 2026, p. 434, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001kHayeAAC>.

²⁰² Kabashi Direct, pp. 54-56.

²⁰³ DTE Electric Company, Case No. U-21538, "2027-2031 Transportation Electrification Plan," April 2026, p. 84, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

1 across its service territory also expedites the realization of downward rate pressure and
2 at a larger magnitude – increasing by nearly 867 percent four years sooner in the 2026
3 TEP than predicted in the 2024 TEP.

4
5 Similar impacts have been observed in other states. For example, in a Synapse Energy
6 Economic study, from 2012-2019, California utilities Pacific Gas and Electric (“PG&E”) and
7 Southern California Edison (“SCE”) managed EV programs of about \$220 million
8 and \$150 million, respectively.^{204, 205} This encouraged EV adoption, leading to increased
9 revenue from charging amounting to nearly \$700 million in PG&E’s territory and \$500
10 million in SCE’s territory.^{206, 207} In 2026, Synapse Energy Economics also conducted a
11 study of Michigan utilities, examining the difference between revenues (i.e., increased
12 electricity sales) and costs (i.e., increased distribution, transmission, capacity, and
13 energy) associated with EVs between 2011 and 2024. Even assuming higher levels of
14 on-peak charging, the study found that battery EV and plug-in hybrid EV drivers in
15 Michigan contributed nearly \$188 million more in revenues than costs from 2011 to

²⁰⁴ Alliance for Transportation Electrification and Plug In America, *The Missing Piece on Meeting Transportation Electrification Goals: Utility Education and Outreach Programs*, December 2020, available at <https://evtransportationalliance.org/wp-content/uploads/2021/11/2020-Education-Outreach-White-Paper.pdf>.

²⁰⁵ Frost, J. et al., Synapse Energy Economic, Inc. “Electric Vehicles Are Driving Electric Rates Down,” June 2020, available at https://www.synapse-energy.com/sites/default/files/EV_Impacts_June_2020_18-122.pdf.

²⁰⁶ Alliance for Transportation Electrification and Plug In America, *The Missing Piece on Meeting Transportation Electrification Goals: Utility Education and Outreach Programs*, December 2020, available at <https://evtransportationalliance.org/wp-content/uploads/2021/11/2020-Education-Outreach-White-Paper.pdf>.

²⁰⁷ Frost, J. et al., Synapse Energy Economic, Inc. “Electric Vehicles Are Driving Electric Rates Down,” June 2020, available at https://www.synapse-energy.com/sites/default/files/EV_Impacts_June_2020_18-122.pdf.

1 2024.²⁰⁸ When utility expenditures on EV programs are included in costs, the net revenue
2 still exceeds costs by approximately \$166.9 million.²⁰⁹ These findings align with recent
3 studies of other utilities in 2026, which found that EV drivers have contributed about
4 \$94.2 million more than their associated costs in Ohio,²¹⁰ \$135.5 million more in
5 Illinois,²¹¹ \$101.9 million more in Virginia,²¹² \$186 million more in Colorado,²¹³ and \$280.5
6 million more in New Jersey.²¹⁴ Synapse Energy Economics also conducted deeper studies
7 in Virginia²¹⁵ and New Jersey,²¹⁶ and found that when utility expenditures on EV
8 programs are included in costs, the net revenue still exceeds costs by approximately \$91.4
9 and \$171.3 million, respectively. It is clear that, as utilities continue to invest in EV
10 programs, the resulting increases in EV adoption leads to significant downward rate
11 pressure for all ratepayers.

²⁰⁸ Shenstone-Harris, S. et al., Synapse Energy Economics, Inc., “Driving Affordable Rates with EVs, State Factsheet: Michigan,” April 2026, available at https://www.synapse-energy.com/sites/default/files/25-136%20Michigan%20Factsheet_2.pdf.

²⁰⁹ *Ibid.*

²¹⁰ Synapse Energy Economics, Inc., “EVs Driving Affordable Rates For All: Customers State-by-State Cumulative EV Net Rate Impact Summary,” June 2026, available at <https://www.synapse-energy.com/sites/default/files/EV%20All%20State%20List%202026%20June%20Updated%2025-136.pdf>.

²¹¹ *Ibid.*

²¹² *Ibid.*

²¹³ *Ibid.*

²¹⁴ *Ibid.*

²¹⁵ Shenstone-Harris, S. et al., Synapse Energy Economics, Inc., “Driving Affordable Rates with EVs, State Factsheet: Virginia,” February 2026, available at https://www.synapse-energy.com/sites/default/files/25-136%20Virgina%20Factsheet_2.pdf.

²¹⁶ Shenstone-Harris, S. et al., Synapse Energy Economics, Inc., “Driving Affordable Rates with EVs, State Factsheet: New Jersey,” April 2026, available at https://www.synapse-energy.com/sites/default/files/25-136%20New%20Jersey%20Factsheet_2.pdf.

1 **Q. Are there additional network effects that the Company did not account for in its**
2 **BCA?**

3 A. Yes. In addition to the revenue attributable to charging, the Company should also ensure
4 that its BCAs are accounting for the associated network effects, including societal
5 benefits, provided by its programs. By failing to address the societal benefits associated
6 with charging that increase over time as EV adoption and EV charging increase, the
7 Company’s analysis fails to address all of the network effects associated with its
8 programs.

9
10 Societal benefits associated with increased transportation electrification include reduced
11 greenhouse gas emissions, reduced criteria pollutant emissions, reduced noise pollution,
12 reduced transportation fuel costs, improved physical and mental health, job creation, and
13 economic impacts.^{217, 218} As exhibited in Commonwealth Edison²¹⁹ and Ameren’s²²⁰

²¹⁷ American Council for an Energy-Efficient Economy, “Cost-Effectiveness Tests: Overview of State Approaches to Account for Health and Environmental Benefits of Energy Efficiency,” December 2018, available at <https://www.aceee.org/sites/default/files/he-ce-tests-121318.pdf>.

²¹⁸ Armstrong, S., “Killing the Roar: Electric Vehicles Can Calm Us Down,” *The London Evening Standard*, July 2022, available at <https://www.standard.co.uk/optimist/plug-it-in/electric-vehicles-duncan-williams-noise-soundb1010886.html>.

²¹⁹ Illinois Commonwealth Edison, “ComEd Beneficial Electrification Plan,” 2022, available at <https://icc.illinois.gov/docket/P2022-0432/documents/325766/files/567114.pdf>.

²²⁰ Ameren Illinois Company, “Beneficial Electrification Plan,” 2022, available at <https://www.icc.illinois.gov/docket/P2022-0431/documents/325722/files/567031.pdf>.

1 Beneficial Electrification Plans, as well as Xcel Energy’s Minnesota²²¹ and Colorado²²²
2 TEPs, reduced greenhouse gas emissions and reduced criteria pollutant emissions can be
3 accurately quantified by using the Federal Social Cost of Carbon (“SCC”).²²³ Developed
4 by a federal interagency working group to calculate the benefits of carbon dioxide
5 (“CO₂”) reductions in 2010 and updated in 2016, the SCC represents an estimate of the
6 monetized net economic damages associated with one metric ton of CO₂ emissions. As
7 discussed in the Direct Testimony of Dr. Laura Sherman in DTE’s 2024 general electric
8 rate case (Case No. U-21534),

9 Greenhouse gas emissions reductions can be quantified by comparing the
10 difference between emissions from EV charging (i.e., based on emissions
11 related to electricity generation) and emissions from internal-combustion
12 engine vehicles.^{224, 225} This difference can then be converted into a cost of
13 avoided emissions using an SCC.²²⁶
14

²²¹ Minnesota Xcel Energy, “Petition of Northern States Power Company for Approval of a Public Charging Network, an Electric School Bus Pilot, and Program Modifications,” 2022, available at <https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={90B25F820000-C32B-B70E-1C25A3E2A491}&documentTitle=20228-188061-07>.

²²² Xcel Colorado Energy, “Benefit-Cost Analysis of Transportation Electrification in the Xcel Energy Colorado Service Territory,” May 2020, available at https://www.dora.state.co.us/pls/efi/efi.show_document?p_dms_document_id=926529&p_session_id=.

²²³ Interagency Working Group on Social Cost of Greenhouse Gases, “Social Cost of Carbon, Methane, and Nitrous Oxide-Interim Estimates Under Executive Order 13990,” February 2021, available at <https://www.energy.gov/sites/default/files/2023-04/57.%20Social%20Cost%20of%20Carbon%202021.pdf>.

²²⁴ California Public Utilities Commission, “Pacific Gas and Electric Company 2017 General Rate Case Phase II Updated and Amended Prepared Testimony,” Exhibit (PG&E-9) Volume 1 Marginal Costs, 2016, available at <https://docs.cpuc.ca.gov/PublishedDocs/SupDoc/A1606013/319/170773573.pdf>.

²²⁵ Energy & Environmental Economics, “Technical Potential for Local Distributed Photovoltaics in California,” 2012, available at https://www.cpuc.ca.gov/-/media/cpuc-website/files/uploadedfiles/cpuc_website/content/utilities_and_industries/energy/reports_and_white_papers/ldpvpotentialreportmarch2012.pdf.

²²⁶ Direct Testimony of Dr. Laura S. Sherman on behalf of The Michigan Energy Innovation Business Council and Institute for Energy Innovation, Case No. U-21534, p. 27, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000EmMIXAA3>.

1 In addition to several state legislatures (e.g. New Jersey,²²⁷ Illinois,²²⁸ and Colorado²²⁹)
2 and public utility commissions (California,²³⁰ Minnesota,²³¹ Nevada,²³² New York,²³³
3 and Illinois²³⁴) that have identified the SCC as the best mechanism to quantify the social

²²⁷ See NJ REV. STAT. § 48:3-87.3(8).

²²⁸ See 220 ILCS 3855/1-75(d-5)(1)(B)(i).

²²⁹ 2019 Colo. Sess. Laws 3290, available at https://leg.colorado.gov/sites/default/files/documents/2019A/bills/sl/2019a_sl_359.pdf.

²³⁰ Public Utilities Commission of the State of California, “Decision 19-05-019, Decision Adopting Cost-Effectiveness Analysis Framework Policies for all Distributed Energy Resources,” May 2019, available at <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M293/K833/293833387.PDF>.

²³¹ Minnesota Public Utilities Commission, E-999/CI-14-643, “In the Matter of the Further Investigation into Environmental and Socioeconomic Costs Under Minnesota Statutes Section 216B.2422, Subdivision 3,” January 2018, available at https://costofcarbon.org/files/MPUC_E-999_CI-14-643.pdf.

²³² Public Utilities Commission of Nevada, Docket No. 17-07020, “Investigation and rulemaking to implement Senate Bill 65 (2017),” August 2018, available at https://pucweb1.state.nv.us/PDF/AxImages/DOCKETS_2015_THRU_PRESENT/2017-7/32153.pdf.

²³³ New York Independent System Operator (NYISO), “Carbon Pricing Draft Recommendations: A Report Prepared for the Integrating Public Policy Task Force,” August 2018, available at <https://www.nyiso.com/documents/20142/2179214/carbon%20pricing%20draft%20recommendations%2020180802.pdf/575a6d2b-ad09-d8f8-e566-39a0c04f9a43>.

²³⁴ See 220 ILCS 3855/1-75(d-5)(1)(B)(i).

1 cost of CO₂ emissions and, therefore, the social benefits of reduced emissions, several
2 utilities have effectively incorporated the SCC into their TEP BCAs.^{235, 236, 237, 238, 239}

3
4 The adoption and use of the SCC clearly shows that societal costs and benefits can be
5 quantified and monetized, and as demonstrated by many utilities, those benefits can be
6 applied to utility TEP BCAs when evaluating TEP portfolios. In the case of transportation
7 electrification, as EV adoption and EV charging increase, the societal benefits of reduced
8 emissions across the Company's service territory will also increase. Consequently,
9 societal benefits, such as CO₂ emissions reductions are a quantifiable, monetizable effect
10 of the growing EV charging network in the Company's service territory.

11
12 **Q. Are there additional savings opportunities that the Company could be taking**
13 **advantage of to improve ratepayer benefits of its TEP programs?**

14 A. Yes. As discussed below in Section II, Subsection F ("Managed Charging and V2G Pilot
15 Programs"), in addition to the ratepayer relief resulting from increased EV charging

²³⁵ Direct Testimony of Dr. Laura S. Sherman on behalf of The Michigan Energy Innovation Business Council and Institute for Energy Innovation, Case No. U-21534, pp. 30-32, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000EmMIXAA3>.

²³⁶ Illinois Commonwealth Edison, "ComEd Beneficial Electrification Plan," 2022, available at <https://icc.illinois.gov/docket/P2022-0432/documents/325766/files/567114.pdf>.

²³⁷ Illinois Commerce Commission, Direct Testimony of Andrew Cottrell, Applied Energy Group, Inc., June 2022, available at <https://www.icc.illinois.gov/docket/P2022-0431/documents/325722/files/567037.pdf>.

²³⁸ Minnesota Xcel Energy, Petition of Northern States Power Company for Approval of a Public Charging Network, an Electric School Bus Pilot, and Program Modifications," 2022, available at <https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={90B25F820000-C32B-B70E-1C25A3E2A491}&documentTitle=20228-188061-07>.

²³⁹ Xcel Colorado Energy, "Benefit-Cost Analysis of Transportation Electrification in the Xcel Energy Colorado Service Territory," May 2020, available at https://www.dora.state.co.us/pls/efi/efi.show_document?p_dms_document_id=926529&p_session_id=.

1 revenue, EV deployment also represents an opportunity to maximize the benefits of EVs
2 to the local distribution system. For the distribution company, deployment and use of
3 bidirectional capable EVs and EV chargers creates an available demand response tool to
4 balance grid conditions (in the case of vehicle-to-home charging) and allows utilities to
5 defer investment in other more intensive grid-scale options (in the case of vehicle-to-grid
6 (“V2G”) capable systems).²⁴⁰ According to a study by EPRI, California ratepayers with
7 V2G-enabled EVs realized an annual relative savings of between \$407 and \$1,018,
8 compared to ratepayers using standard EV charging.²⁴¹ In 2022, customers in California’s
9 San Diego County school district experienced these benefits during a 10-day heat wave,
10 wherein the school district was able to send energy back to the grid and power 452 homes
11 every day.^{242, 243} Consequently, EVs represent a largely untapped grid resource that
12 would benefit ratepayers and energy providers alike.

13
14 **Q. What do you recommend with respect to the Company’s BCA?**

15 **A.** While the Company should be applauded for its continued investment in EV deployment
16 across its service territory, it is clear that the Company could be investing significantly
17 more in its EV programs to ensure that ratepayers realize greater benefits more quickly.

²⁴⁰ Michigan Energy Innovation Business Council and Clean Fuels Michigan, *Transportation Electrification in Michigan: A Roadmap to State Policy Actions*, October 2024, available at <https://www.mieibc.org/wp-content/uploads/2024/10/Transportation-Electrification-in-Michigan.pdf>.

²⁴¹ *Ibid.*

²⁴² CalMatters, “Here’s how California’s electric cars can feed the grid and help avoid outages,” September 2023, available at <https://calmatters.org/environment/2023/07/california-electric-cars-bidirectional-charging/>.

²⁴³ Sheja, C., Center for Sustainable Energy, “Grid Integration of EV Batteries Can Benefit Drivers and Energy Providers,” February 2024, available at <https://energycenter.org/thought-leadership/blog/grid-integration-ev-batteries-can-benefit-drivers-and-energy-providers>.

1 In addition, to ensure that all network effects of EV charging in the Company’s service
2 territory are accounted for in the Company’s BCA, the Commission should require the
3 Company to incorporate societal benefits into future BCAs. Furthermore, to ensure more
4 consistent TEP program investment and that the net positive ratepayer benefits of
5 increased EV charging are realized more quickly, the Commission should also require
6 the Company to propose an accounting scheme, after incorporating stakeholder feedback,
7 that would ensure that an appropriate percentage of revenue from EV charging is
8 reinvested into TEP programs.

9
10 **E. PROPOSED EV CHARGER REBATE PROGRAMS**

11
12 **Q. Turning to the proposed rebate programs, what does the Company propose with**
13 **respect to its TEP rebate programs?**

14 **A.** Witness Kabashi summarizes the Company’s proposed TEP rebate program in Table 5
15 of her direct testimony.²⁴⁴ Rebates of differing amounts are proposed for low-income
16 (“LI”), middle-income (“MI”), and non-LI SFHs, LI and non-LI MUDs, public DCFC in
17 rural or disadvantaged communities (“DACs”) and other on-route public chargers,
18 workplace and public L2 chargers, and fleet chargers, including both transit and school
19 bus fleets, and other fleets. The total cost of these proposed rebate programs over the
20 TEP period (2027-2031) is expected to be \$136 million from 2027-2031, approximately
21 83% of the Company’s TEP budget.²⁴⁵ This marks an \$11 million proposed increase to

²⁴⁴ Kabashi Direct, p. 32.

²⁴⁵ DTE Electric Company, “2027-2031 Transportation Electrification Plan,” April 22, 2026, p. 4, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

1 support the Company’s customer rebate programs from the Company's previous TEP
2 filed in January 2024.²⁴⁶

3
4 *SFH Rebate Proposal*

5 **Q. What does the Company propose in terms of SFH rebates?**

6 A. The Company proposes to spend \$23.3 million to support the installation of nearly 28,000
7 home chargers at LI, MI, and non-LI households:²⁴⁷

- 8 • *LI rebates* –These rebates would cover the full cost of an L2 charger (up to \$2,000)
9 plus the full cost of installation for 100 percent of the targeted LI household market
10 share.²⁴⁸ These rebates would be available to LI households with an income of up to
11 200 percent of the federal poverty limit (approximately \$64,000 for a four-person
12 household). Eligibility requires proof of EV purchase or lease, as well as installation
13 of an ENERGY STAR-certified or manufacturer-approved charger of at least 11.5
14 kW.²⁴⁹
- 15 • *MI rebates* – These rebates would cover up to \$1,500 of the cost of an L2 charger for
16 100 percent of the targeted MI household market share.²⁵⁰ These rebates would be
17 available to MI households with an income 201 percent to 400 percent of the federal

²⁴⁶ DTE Electric Company, “2025-2028 Transportation Electrification Plan,” January 11, 2024, p. 3, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000BUT09AAH>.

²⁴⁷ DTE Electric Company, Case No. U-21538, “2027-2031 Transportation Electrification Plan,” April 22, 2026, pp. 40-42, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

²⁴⁸ *Id.*, p. 41.

²⁴⁹ *Ibid.*

²⁵⁰ *Ibid.*

poverty limit (approximately \$128,000 for a four-person household). Eligibility requires proof of EV purchase or lease, as well as installation of an ENERGY STAR-certified or manufacturer-approved charger of at least 11.5 kW.²⁵¹

- *Non-LI rebates* – These rebates would cover up to \$500 of the cost of an L2 charger for 15 percent of the targeted non-LI household market share.²⁵² Eligibility requires proof of EV purchase or lease, as well as installation of an ENERGY STAR-certified or manufacturer-approved charger of at least 11.5 kW.²⁵³

Historically, the Company’s residential rebates have focused solely on LI households.²⁵⁴

However, the Company notes that:

Through 2025, the program covered the full costs for 294 qualified customers out of the available funding for 1,421 rebates, with income exceeding the eligibility threshold identified as the primary driver for application rejection. This participation outcome represents an initial data point suggesting that the current income eligibility structure constrained program reach, with just under 16 percent of available funding reaching qualified participants.²⁵⁵

In a discovery response, the Company indicated that of the \$24 million approved for LI SFH customer rebates in its 2024 TEP, \$5.1 million, or approximately 20%, remains unspent (Exhibit MEIU-2.12). Consequently, and as suggested by the Company,

²⁵¹ *Ibid.*

²⁵² *Ibid.*

²⁵³ *Ibid.*

²⁵⁴ DTE Electric Company, “2025-2028 Transportation Electrification Plan,” January 11, 2024, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000BUT09AAH>.

²⁵⁵ DTE Electric Company, Case No. U-21538, “2027-2031 Transportation Electrification Plan,” April 22, 2026, p. 40, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

1 expanding the residential charger rebate by allowing MI and non-LI residents to apply
2 would likely improve program subscriptions and lead to a more efficient realization of
3 the NPV benefits projected in the Company's BCA.

4
5 **Q. Do you support the Company's SFH rebate proposal?**

6 A. Yes, I am strongly supportive of the Company's continued use of rebates to support
7 build-out of private and public EV charging infrastructure and of its proposal to expand
8 the eligibility requirements of its SFH rebates. As noted above, given the number of used
9 EVs expected to become available in the next year, EVs will become more accessible to
10 LI and MI ("LMI") residents. As such, ensuring these populations have adequate support
11 to install appropriate charging to enable their EV transition will be vital.

12
13 I also encourage the Company to make its SFH rebate kW eligibility requirement more
14 flexible, as the Company proposes to do for its MUD rebate (discussed below).
15 According to the Michigan State Housing Development Authority, Michigan's LMI
16 residents are far more likely to own or rent housing that was built before 1970.²⁵⁶
17 Installing EV charging in older homes can lead to higher installation costs due to required
18 panel upgrades.²⁵⁷ At the current 11.5 kW requirement, a panel upgrade, which can cost
19 upwards of \$2,000, is therefore far more likely to be necessary, especially for LMI
20 customers. To the extent that DTE proposes to limit its LI rebate to \$2,000 (see Table 14

²⁵⁶ Allen, D. Michigan State Housing Development Authority, "Michigan Statewide Housing Needs Assessment," April 2019, available at <https://www.michigan.gov/-/media/Project/Websites/mshda/developers/Statewide-Housing-Plan/MSHDAStatewideHousingNeedsweb.pdf?rev=91271d4107a14f0695c929d9399044f4>.

²⁵⁷ Tingwall, E., "Everything You Need to Know about Charging an EV at Home: How much does it cost? How much power do you need? What's the best home EV charger? We have answers.," *MotorTrend*, March 2023, available at <https://www.motortrend.com/features/home-ev-charging-installation-guide/>.

1 within the Company’s TEP), this panel upgrade cost could take up the entire rebate
2 amount, thus potentially still leaving LI customers responsible for the cost of the
3 charger. To the extent that DTE does not propose to limit each rebate, however, a similar
4 problem occurs but on a larger scale: to the extent that installation costs are driven higher
5 by the requirement for a higher power-rated charger, fewer LI rebates can be issued under
6 the Company’s proposed budget. As such, flexibility within the SFH rebate program with
7 respect to the kW requirement would enable EV adoption, especially for LMI residents.
8 Instead of requiring the charger to be at least 11.5 kW, the Company should consider
9 allowing a 240V L2 of any power to better serve these customer segments.

10
11 *MUD Rebate Proposal*

12 **Q. What are some of the unique challenges that MUD customers face regarding the**
13 **installation of EV chargers?**

14 A. The Company indicates that approximately 32 percent of its customers reside in MUDs
15 and that these customers will account for over 10 percent of the incremental chargers
16 needed for this TEP period from 2027-2031.²⁵⁸ However, lack of charging access is a
17 primary obstacle that prevents many MUD households from switching to an EV. While
18 access to public charging can partly alleviate this concern, public charging is generally
19 more expensive than at-home charging. According to the American Automobile
20 Association, the average cost of all L1, L2, and DCFC public charging in Michigan is

²⁵⁸ DTE Electric Company, Case No. U-21538, “2027-2031 Transportation Electrification Plan,” April 22, 2026, p. 43, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

1 approximately \$0.396 per kilowatt hour²⁵⁹ compared with an average of \$0.151 to \$0.246
2 per kilowatt hour for at-home charging, depending on off-peak versus on-peak
3 charging.²⁶⁰ This means that customers dependent on public charging could pay more
4 than double those who have access to at-home charging, amounting to an additional \$500
5 a year in fuel costs for the average Michigan driver (Exhibit MEIU-2.6). This makes it
6 difficult for MUD residents, who typically fall into lower income brackets,²⁶¹ to fully
7 take advantage of the fuel savings benefits that EVs have to offer.²⁶² Furthermore, the
8 realizable fuel cost savings for MUD customers heavily depends on their building's meter
9 configuration. While MUD customers on a separate meter can take service under a more
10 favorable EV residential rate (e.g., D1.9), customers living in MUDs with a single master
11 meter are often served under a small C&I rate (e.g., D3 or D4).²⁶³ The latter are therefore
12 disadvantaged in achieving equivalent fuel cost savings. Consequently, continued
13 support for charging rebate programs is critical to ensure that there is an equitable
14 deployment of EV chargers across the Company's service territory. Unfortunately, MUD

²⁵⁹ AAA, "Fuel Prices: EV Charging Prices," accessed July 10, 2026, available at <https://gasprices.aaa.com/ev-charging-prices/>.

²⁶⁰ DTE Electric, "Time of Day 11 a.m. - 7 p.m.," accessed July 10, 2026, available at <https://solutions.dteenergy.com/dte/en/Products/Time-of-Day-11-a-m---7-p-m-/p/TOD-11-7>.

²⁶¹ Belhaj, M., et al., Michigan State Housing Development Authority, "Michigan Statewide Housing Needs Assessment," 2024, available at https://c9737800-326f-4c8f-9fd8-3f266717d0f2.filesusr.com/ugd/9d463d_02fdfe4f619f4adf885a96677c710479.pdf.

²⁶² Schuster, S., "Opinion | Michigan can't control war-driven oil prices. We can control our transportation future," *Bridge Michigan*, May 7, 2026, available at <https://bridgemi.com/guest-commentary/opinion-michigan-cant-control-war-driven-oil-prices-we-can-control-our-transportation-future/>.

²⁶³ DTE Electric Company, "Rate Book for Electric Service," May 6, 2026, accessed June 22, 2026, available at <https://www.dteenergy.com/content/dam/dteenergy/deg/website/common/service-and-price/rate-cards/DTEElectricRateBook.pdf>.

property owners face several unique challenges to the installation of EV charging on premises for their residents, including:

- *Fact-finding to determine project feasibility and tenants' needs* – It can be daunting for property owners to know where to turn for information about choosing the right chargers, understanding the building's electrical capacity, and choosing between business models.
- *Identifying and applying for appropriate funding* – Between local utility rebate programs and any state or local rebates programs targeting MUDs, knowing what funding they are eligible to apply for and how to apply for it can serve as a barrier for some property owners.
- *Facing higher costs* – Commercial-grade L2 chargers typically cost between \$1,000 to \$2,000 per charging port, but variables such as equipment costs, labor costs, network costs, permitting fees, and costs from electrical system and utility-side grid upgrades can lead to total project costs upwards of \$10,000 per port.^{264, 265} In fact, the Company reports an average installation cost of \$13,780 per port and points to significant site-specific variability.²⁶⁶

²⁶⁴ Smart Columbus, “Smart Columbus Kickstarts EV Charging Deployments at Multi-Unit Dwellings: Case Study on Multi-Unit Dwelling Charging Infrastructure,” 2018, available at <https://d2rfd3nxvhnf29.cloudfront.net/legacy/uploadedfiles/playbook-assets/electric-vehicle-charging/mud-case-study-final.pdf>.

²⁶⁵ Dunskey Energy and Climate Advisors, “Futureproofing Multifamily Buildings for EV Charging,” 2024, available at <https://media.fcm.ca/sites/GMF/resources/Report/futureproofing-multifamilybuildings-for-ev-charging.pdf>.

²⁶⁶ DTE Electric Company, Case No. U-21538, “2027-2031 Transportation Electrification Plan,” April 22, 2026, p. 43, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

- *Interoperability challenges* – The lack of open interoperability standards may cause EV charging stations to become stranded assets by preventing equipment from switching between different software networks.^{267, 268, 269} When a proprietary software provider goes out of business or terminates service, functionally sound hardware can be left unable to operate, and upgrading closed-system chargers can be cost prohibitive for site hosts.^{270, 271} Given the fluidity of the EV charging market, which has seen the exit of several hardware and software companies in the last two years,^{272, 273, 274} the lack of interoperability requirements for utility-rebated EV charging could leave site hosts and drivers in a difficult position.

²⁶⁷ Ghaznavi, S., BTC Power, “The Hidden Risk in EV Charging Infrastructure – And the Importance of Interoperability,” May 27, 2025, available at <https://btcpower.com/blog/the-hidden-risk-in-ev-charging-infrastructure-and-the-importance-of-interoperability/>.

²⁶⁸ EVConnect, “How OCPP Powers a Smarter, More Accessible EV Charging Network,” January 25, 2026, available at <https://www.evconnect.com/blog/how-ocpp-powers-a-smarter-ev-charging-network/>.

²⁶⁹ Open Charge Alliance, “Are you talking OCPP to me?: Three questions you should ask your charging solutions provider,” June 2025, available at <https://openchargealliance.org/whitepaper-published-are-you-talking-ocpp-to-me-three-questions-you-should-ask-your-charging-solutions-provider/>.

²⁷⁰ Ghaznavi, S., BTC Power, “The Hidden Risk in EV Charging Infrastructure – And the Importance of Interoperability,” May 27, 2025, available at <https://btcpower.com/blog/the-hidden-risk-in-ev-charging-infrastructure-and-the-importance-of-interoperability/>.

²⁷¹ SWTCH Energy Inc., “Comments, Docket No. E,G002/CIP-23-98 In the Matter of Xcel Energy’s 2024-2026 ECO Modification Request,” April 24, 2026, available at <https://efiling.web.commerce.state.mn.us/documents/%7B1048C19D-0000-CE1D-B8AC-5F7DD9481F71%7D/download?contentSequence=0&rowIndex=20>.

²⁷² Lewis, M., “Shell Recharge exits the US EV charger software market,” *Electrek.com*, December 30, 2024, available at <https://electrek.co/2024/12/30/shell-recharge-exits-us-ev-charger-software-market/>.

²⁷³ St. John, J., “Enel X Way abandoned its US EV charging customers. What happens next?,” *Canary Media*, October 23, 2024, available at <https://www.canarymedia.com/articles/ev-charging/enel-x-way-abandoned-its-us-ev-charging-customers-what-happens-next>.

²⁷⁴ Barry, K., “What Should You Do if You Own a JuiceBox EV Charger?,” *Consumer Reports*, October 23, 2025, available at <https://www.consumerreports.org/cars/hybrids-evs/enel-x-way-closing-what-to-do-if-you-own-a-juicebox-charger-a1912800096/>.

1
2 The Company reports that of the 154 rebate applications approved in 2025 for the LI
3 MUD sub-segment, only 22 were issued, marking a less than 15 percent completion rate.
4 For non-LI MUDs, of the 1,222 rebate applications approved, only 98 were issued,
5 marking a less than 10 percent completion rate.²⁷⁵ According to the Company, timing
6 issues with EGLE’s CFCI grant program, which typically progressed within a five-month
7 time frame, and unexpected installation delays were the most commonly cited reasons
8 for failing to implement an approved rebate application.²⁷⁶
9

10 **Q. What does the Company propose in terms of MUD rebates?**

11 A. To alleviate these burdens and ensure MUD residents and property owners have adequate
12 access and support to install EV chargers, the Company proposes to spend \$58.4 million
13 to support the installation of nearly 9,300 L2 chargers at LI and non-LI MUD
14 properties.²⁷⁷ More specifically, it proposes the following changes to its MUD program
15 to improve rebate subscription success and alignment with state partners:

- 16 • *Reduce the kW output requirement for program eligibility* – The Company found
17 when benchmarking with other utilities that no surveyed utilities mandate a minimum
18 charger capacity of 11.5 kW for L2 chargers, and only one requires a minimum of
19 9.6 kW for L2 chargers.²⁷⁸ In response, the Company proposes to reduce the kW

²⁷⁵ *Id.*, pp. 44-45.

²⁷⁶ *Ibid.*

²⁷⁷ *Id.*, p. 45.

²⁷⁸ *Id.*, p. 26.

1 output requirement for program eligibility from 11.5 kW to 9.6 kW. Both Michigan
2 EIBC/United (Exhibit MEIU-2.3) and ACEEE (Exhibit MEIU-2.6) strongly
3 supported this recommendation in their respective TEP comments, indicating that this
4 adjustment would allow more chargers to be deployed at a lower installation cost.

- 5 • *Maintain current rebate programs* – The Company proposes to maintain its existing
6 \$14,400 per port LI MUD rebate and \$5,000 per port non-LI MUD rebate.²⁷⁹
7 Targeting 100 percent of the LI MUD sub-segment, the former is designed to cover
8 the full cost of installation at LI MUDs.²⁸⁰ The Company is targeting to cover 42
9 percent of the non-LI MUD sub-segment.²⁸¹

- 10 • *Align funding cycles* – The Company indicates that the EGLE CFCI grant funding
11 cycle typically ran within a five-month timeframe. While it is unclear based on the
12 Company’s testimony exactly how this will be done, the Company proposes to better
13 align its MUD rebate funding cycles to mirror state grant funding cycles to ensure
14 applications and installations move more efficiently.²⁸²

- 15 • *Strengthen advisory services* – To ensure that property managers are equipped with
16 the resources they need to identify charging needs, apply for funding, and install
17 charging, the Company also proposes to strengthen its MUD advisory services.²⁸³

²⁷⁹ *Id.*, p. 45.

²⁸⁰ *Ibid.*

²⁸¹ *Ibid.*

²⁸² *Ibid.*

²⁸³ *Ibid.*

1 However, it is unclear exactly how the Company proposes to accomplish this and
2 what outcome(s) are targeted.

3
4 The Company asserts that these proposals will improve communication of accurate
5 information to MUD property owners, better align the MUD rebates with existing grant
6 programs, enable more ports to be installed on existing services, and broaden tenant
7 access to EV charging.²⁸⁴

8
9 **Q. Do you support the Company's MUD rebate proposals?**

10 A. In general, I am supportive of the Company's continued use of rebates to support EV
11 charging infrastructure deployment to MUD properties in its service territory. Not only
12 will expanding the rebate eligibility ensure that funds allocated to the MUD segment are
13 deployed more efficiently, but it will also enable more equitable EV charging deployment
14 across the Company's service territory and improve communication with critical
15 partners, such as property owners and state agencies.

16
17 **Q. Do you have any recommendations to improve the Company's MUD rebate**
18 **proposals?**

19 A. Yes, I have some specific recommendations to further strengthen the Company's efforts
20 to engage with MUD property owners and tenants. Specifically, I recommend that the
21 Company consider:

²⁸⁴ *Id.*, pp. 45-46.

- 1 ● *Implementing supplementary tenant guidance* – Program outreach is typically
2 exclusive to building managers and property owners. However, tenants remain an
3 important touchpoint to communicate building occupant interests. As such, it could
4 be beneficial for the Company to have supplementary resources available to tenants
5 who want to approach their rental property management about EV charging. This
6 could also include signage indicating parking spaces that are meant only for actively
7 charging EVs or encouraging tenant off-peak charging behavior.
- 8 ● *Strengthening engagement with apartment and condominium associations* –
9 According to its Annual Progress Report, the Company’s MUD advisory services
10 worked to accelerate EV charging deployment in MUD settings through “stakeholder
11 meetings” with three “supporting organizations” and 29 third-party stakeholders in
12 2025.²⁸⁵ While it is not clear who the “supporting organizations” or third-party
13 stakeholders are, apartment and condominium associations represent a critical
14 stakeholder group that are not mentioned in the Company’s progress report. These
15 organizations serve as centralized touch points to engage with a larger number and
16 wider variety of property managers and owners. Therefore, stronger coordination
17 with and education for them could likely improve the efficiency of the MUD advisory
18 services and other MUD-specific E&O efforts.
- 19 ● *Establishing a dedicated tariff or submetering rules for EV charging at MUD*
20 *properties with a single master meter* – With an appropriate rate in place that
21 effectively encourages off-peak charging, property owners would be able to pass on
22 equitable fuel cost savings to residents, ensuring EV drivers at MUD properties

²⁸⁵ DTE Electric Company, “2025 Transportation Electrification Plan Annual Progress Report,” May 26, 2026, p. 22, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000023eoEmAAI>.

1 receive the same financial benefits as homeowners or renters with separate meters.
2 As such, MUD residents would then be able to take advantage of rates more similar
3 to SFH residents, who have more opportunity to enjoy the incentive of charging off
4 peak, thus helping to close a glaring equity gap in charging deployment. Such a rate
5 could:

- 6 o Replicate the existing SFH TOU rate and allow it to apply to a parking lot with a
7 separate meter; or
- 8 o Serve as a specialized TOU tariff designed for separately metered EV charging
9 at MUD residences, like apartments and condominiums. The Potomac Energy
10 Power Company (“Pepco”), for example, implemented its multi-dwelling unit
11 service – plug-in vehicle charging schedule (“MDU-PIV”), which features peak
12 and off-peak pricing to encourage overnight charging, avoids costly commercial
13 demand charges, and offers an opt-in green energy rider.^{286, 287}

14 To this end, the Commission should require the Company to convene an external
15 stakeholder working group, bringing together charging providers, MUD property
16 managers, and other industry experts, to discuss appropriate tariffs and incentive
17 mechanisms that effectively balance increased EV adoption among MUD residents
18 with the need to encourage off-peak charging.

²⁸⁶ Carr, A., Government of the District of Columbia – Department of Energy and Environment, “Electric Vehicles and Charging in the District of Columbia,” March 13, 2024, available at https://climatecommission.dc.gov/sites/default/files/dc/sites/climatecommission/EV%20Presentation_DC-CCCR.pptx.

²⁸⁷ The Potomac Energy Power Company (Pepco: an Exelon Company), “Rate Schedules for Electric Service in the District of Columbia,” May 14, 2025, available at https://www.pepco.com/cdn/assets/v3/assets/bltbb7c204688a1a6a8/blt1592c0ff5185f738/6838a59f7476148e7ae7d25a/DC_PCA_SOS_Current_Tariff_Eff_6.1.2025.pdf?branch=prod_alias.

1

2 *Public On-Route DCFC Rebate Proposal*

3 **Q. What does the Company propose in terms of public on-route DCFC rebates?**

4 A. The Company reports that nearly 20 percent of the on-route public DCFC rebate
5 applications in DACs and 14 percent of the on-route public DCFC rebate applications in
6 non-DACs were completed by the end of the year in 2025, with remaining projects still
7 in progress.²⁸⁸ Over the course of the 2025-2028 TEP, the average installation cost for a
8 DCFC station was roughly \$188,000.²⁸⁹ For the 2027-2031 period, the Company
9 proposes to spend \$43.8 million to support the deployment of 730 public DCFC rebates
10 across its service territory, maintaining its tiered rebate structure, which offers \$70,000
11 per port for DAC and rural DCFC sites and \$50,000 per port for non-DAC, non-rural
12 DCFC sites.²⁹⁰

13

14 **Q. How does the subscription rate to the public on-route DCFC rebate program**
15 **compare to the Company's other rebate segments?**

16 A. The proposed public DCFC rebates account for approximately 32.2 percent of the total
17 TEP rebate investment budget. However, in discovery responses, the Company indicated
18 that for the 2025 reporting year through May 31, 2026, the Company received 653
19 applications (Exhibit MEIU-2.13) requesting approximately \$106.8 million for public

²⁸⁸ DTE Electric Company, Case No. U-21538, "2027-2031 Transportation Electrification Plan," April 2026, p. 47, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

²⁸⁹ *Ibid.*

²⁹⁰ *Id.*, p. 48.

1 on-route DCFC installations (Exhibit MEIU-2.14). As such, of the \$127.7 million
2 requested across all rebate segments over the same time period, public on-route DCFCs
3 account for approximately 83.6 percent of the total requested rebate amounts (Exhibit
4 MEIU-2.14).

5
6 **Q. Do you have concerns about the Company’s current public on-route DCFC rebate?**

7 A. Yes. The Company’s public on-route DCFC website indicates that “to be eligible, [an
8 applicant must propose a site] located more than two miles from an existing fast charging
9 site or a site with an approved rebate application.”²⁹¹ Conceptually, this is a reasonable
10 requirement. However, at this time, applicants do not have access to any resource to
11 indicate where approved rebated DCFC are located (i.e., those applications that have
12 been approved but where DCFC installations are pending). In a discovery response, the
13 Company reported an average energization timeline for new DCFC stations of 160 days
14 (Exhibit MEIU-2.15). Given that the Company does not publish approved sites, this
15 means that an applicant would likely have no idea whether the site they are proposing is
16 within two miles of a DCFC location approved for a rebate for an average of nearly six
17 months. As more EV charging continues to deploy across the state, I expect this lack of

²⁹¹ DTE Energy, “Public DC Fast Charger Rebate,” accessed July 31, 2026, available at <https://www.dteenergy.com/us/en/business/service-request/pev/public-dc-fast-charger-rebate.html>.

1 transparency to cause increased participant frustration and potentially deter applicants
2 from engaging in the program.

3
4 **Q. What do you recommend with respect to this issue?**

5 A. To ensure full transparency, the Commission should require the Company to publish a
6 resource that indicates the locations of approved public DCFC sites. This resource could
7 be a map or simply a list with an address or GPS coordinates, but it should be updated at
8 least monthly. Aside from the site location, this map or list would not need to include
9 information about approved site hosts, costs, project size, or other relevant site details,
10 thus mitigating concerns about site host anonymity or proprietary information.

11
12 **Q. Do you otherwise support the Company's public on-route DCFC rebate proposal?**

13 A. Yes, I strongly support the Company's proposal to continue to offer its current public
14 DCFC rebate program.

1 **Q. Do you have additional recommendations with respect to the Company’s public on-**
2 **route DCFC rebate proposal?**

3 A. Given the critical role that public charging has in enabling equitable EV adoption,^{292, 293,}
4 ^{294, 295} the evident popularity of this program, and the known benefits awaiting all
5 ratepayers as EV adoption increases, I also urge the Company to expand this rebate
6 program by approximately 70 percent to a new investment total of \$75 million to better
7 align with customer demand. This recommended budget increase is strongly supported
8 by the overwhelmingly positive projected benefits to ratepayers of the Company’s TEP
9 programs presented in the Company’s BCA. Furthermore, beyond mobility, public
10 DCFC also creates economic opportunities. For example, drivers typically spend time
11 on-site while charging, increasing foot traffic and boosting local business revenue by 3-
12 5 percent for nearby retailers, restaurants, and service businesses.^{296, 297} DCFC also
13 support ride share drivers and MUD residents who lack access to at-home charging.

²⁹² Osaka, S., The Washington Post, “For each public charger, here’s how many EVs are looking to plug in,” May 2024, available at <https://www.washingtonpost.com/climate-solutions/2024/05/20/charging-stations-lag-ev-sales/>.

²⁹³ Center for Sustainable Energy, “The State of Electric Vehicle Adoption in the U.S. and the Role of Incentives in Market Transformation,” September 2023, available at <https://energycenter.org/thought-leadership/blog/stateelectric-vehicle-adoption-us-and-role-incentivesmarket#:~:text=Publicly%20available%20EV%20charging%20inspires,apartments%2C%20to%20charge%20an%20EV.>

²⁹⁴ U.S. Department of Energy, Alternative Fuels Data Center, “Charging Electric Vehicles in Public,” June 2024, available at <https://afdc.energy.gov/fuels/electricity-charging-public>.

²⁹⁵ International Energy Agency, “Global EV Outlook 2024: Moving towards increased affordability,” 2024, available at <https://iea.blob.core.windows.net/assets/a9e3544b-0b12-4e15-b407-65f5c8ce1b5f/GlobalEVOutlook2024.pdf>.

²⁹⁶ Consumer Reports, “Consumer Reports study finds retailers could be key to expanding EV charging,” March 6, 2024, available at https://advocacy.consumerreports.org/press_release/consumer-reports-study-finds-retailers-could-be-key-to-expanding-ev-charging/.

²⁹⁷ Zheng, Y. et al., “Effects of electric vehicle charging stations on the economic vitality of local businesses,” *Nature Communications*, September 24, 2024, 15; 7437, available at <https://www.nature.com/articles/s41467-024-51554-9>.

Workplace and Retail Rebate Proposal

Q. Please provide a brief overview of the Company’s current workplace and retail EV charger rebate program.

A. The Company currently offers a rebate of \$2,500 per L2 port for between two to twenty ports at a workplace or retail location. Each port must be maintained by the customer for at least five years with an uptime of at least 97 percent and be served by a separate dedicated meter.²⁹⁸ Sites must also meet minimum lighting, public accessibility, and Americans with Disabilities Act (“ADA”) compliance requirements where applicable.²⁹⁹ The Company reports that of the 67 approved ports, only 4 have been installed, and finds that installation costs average \$12,000 and range between \$2,000 and \$19,350 per site.³⁰⁰ While not explicitly stated, this variability in cost is likely driven by the number of ports being installed and the unique service upgrades required to support them. The Company notes that several prospective applicants suggested that the current rebate amount is insufficient to offset installation costs.³⁰¹

Q. What does the Company propose in terms of its workplace and retail EV charger rebate program?

A. In its 2027-2031 TEP, the Company proposes to spend \$4.2 million to support the deployment of 1,125 L2 chargers in the workplace or retail space across its service

²⁹⁸ DTE Electric Company, Case No. U-21538, “2027-2031 Transportation Electrification Plan,” April 2026, p. 50, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

²⁹⁹ *Ibid.*

³⁰⁰ *Ibid.*

³⁰¹ *Ibid.*

territory.³⁰² To support this deployment, the Company recommends the following revisions to its Workplace and Retail EV Charger rebate program:

- *Remove the minimum kW requirement* – When benchmarking with 13 other utilities, the Company found other major utilities had largely moved away from stringent kW requirements to allow their customers more flexibility.³⁰³ In fact, the Company reports that only two had minimum charger output requirements for their public or workplace L2 charging programs.³⁰⁴
- *Increase the rebate amount* – The Company also proposes to increase its rebate amount from \$2,500 to \$3,750 per port.³⁰⁵ It bases this recommendation on feedback from prospective applicants as well as benchmarking with other utilities, which indicated that more L2 workplace and retail charger rebates are focused on offering higher flat per-port rebates that cover a larger portion of make-ready costs without a kW minimum requirement.³⁰⁶ In fact, the Company pointed to Illinois’ ComEd, which offers an L2 make-ready rebate of \$5,000 per port in non-DAC and \$7,500 per port in DAC areas.^{307, 308}

³⁰² *Id.*, p. 51.

³⁰³ *Id.*, p. 50.

³⁰⁴ *Ibid.*

³⁰⁵ *Id.*, pp. 50-51.

³⁰⁶ *Id.*, p. 50.

³⁰⁷ *Ibid.*

³⁰⁸ Commonwealth Edison, “Beneficial Electrification Plan 2, 2026-2028,” July 2024, p. 43, available at <https://icc.illinois.gov/docket/P2024-0484/documents/366102/files/641295.pdf#PAGE=43>.

1 **Q. Do you support the Company’s workplace and retail EV charger rebate proposal?**

2 A. Yes, I strongly support the proposed revisions to expand the accessibility of the
3 workplace and retail EV charger rebate program by eliminating the kW output
4 requirement and increasing the rebate amount. In fact, to better align this program with
5 other similar utility programs (as indicated in the Company’s own benchmarking), I
6 would also urge the Company to consider further increasing the rebate and establishing
7 a tiered rebate structure for workplace and retail sites to \$7,500 per port in DAC and
8 \$5,000 per port in non-DAC areas, which is in line with peer utilities. This also aligns
9 with Consumers Energy’s workplace EV charger rebate program, which offers a \$7,500
10 rebate per 100 amps of L2 service, which typically allows for two 9.6 kW L2 chargers,³⁰⁹
11 or up to \$10,000 if the business location is adjacent to neighborhoods or MUD properties
12 and opens up charging to the community during non-business hours.³¹⁰ Given the slow
13 uptake in this rebate program cited by the Company, these enhancements would likely
14 draw more interest in the workplace and retail rebate program.

15
16 *Fleet Rebate Proposal*

17 **Q. Please provide a brief overview of the Company’s current fleet charger rebate**
18 **program.**

19 A. The Company’s fleet EV charger rebates are divided among four major sub-segments:
20 DCFC for school buses, DCFC for transit buses, and DCFC and L2 charger rebates for

³⁰⁹ Consumers Energy, Case No. U-21538, “Transportation Electrification Plan & Annual Report 2026,” June 2026, p. 23, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000024ndTGAAY>.

³¹⁰ *Id.*, p. 29.

1 other private and commercial fleets.³¹¹ By the end of the 2025, of the 146 approved L2
2 fleet rebates, 115 installations were completed, marking a roughly 79 percent completion
3 rate.³¹² The DCFC rebate for other fleets, which could include municipal, county, state,
4 or commercial fleets, saw a 100 percent completion rate.³¹³ The Company suggests that
5 the strong subscription to both of these sub-segments is indicative of the continued need
6 for support for fleets.³¹⁴ Furthermore, while the federal and state funding landscape has
7 shifted school bus fleet funding, applications for DCFC to support school buses still saw
8 a 20 percent installation completion rate.³¹⁵ Unfortunately, the Company did not receive
9 any DCFC public transit rebate applications in 2025. Across the fleet sub-segments,
10 prospective applicants, customers, and participants in the Company's stakeholder
11 engagement process pointed to rising installation costs and make-ready costs as persistent
12 roadblocks to fleet electrification.³¹⁶

13
14 **Q. What does the Company propose in terms of its fleet EV charger rebate program?**

15 **A.** To address these concerns, the Company proposes to spend \$6.2 million to support the
16 deployment of 785 fleet rebates across its service territory.³¹⁷ The Company plans to

³¹¹ DTE Electric Company, Case No. U-21538, "2027-2031 Transportation Electrification Plan," April 2026, p. 53, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

³¹² *Id.*, p. 52.

³¹³ *Ibid.*

³¹⁴ *Ibid.*

³¹⁵ *Id.*, p. 51.

³¹⁶ *Ibid.*

³¹⁷ *Id.*, p. 53.

support 45 DCFC rebates for the transit and school bus sub-segment, 10 DCFC rebates for the other fleet subsegment, and 730 L2 rebates across the fleet sub-segment.³¹⁸ The

Company proposes the following revisions to its 2027-2031 TEP:

- *Increase the DCFC rebate amount per kW output tier for school buses* – While the Company seeks to maintain the tiered structure of its school bus DCFC fleet rebate program, it recommends an adjusted rebate amount for each tier.³¹⁹ The Company suggests increasing the rebate for DCFC with a 24 kW output capacity from \$12,000 to \$17,000, for DCFC with a 50 kW output capacity from \$18,000 to \$26,000, for DCFC with a 62.5 kW capacity from \$25,000 to \$36,000, for DCFC with a 100 kW output capacity from \$30,000 to \$46,000, and for DCFC with a 150 kW output capacity from \$70,000 to \$100,000.³²⁰

- *Increase the DCFC rebate amount for transit buses* – The Company proposes to increase the DCFC rebate amount for transit buses from \$70,000 to \$100,000.³²¹

- *Increase the L2 rebate for other private and commercial fleets* – The Company proposes to increase the L2 rebate amount for other fleets from \$2,500 to \$5,000 per port.³²²

The Company hopes that these adjustments will address customer concerns over increased costs and the loss of critical federal and state funding streams.³²³

³¹⁸ *Ibid.*

³¹⁹ *Id.*, p. 52.

³²⁰ *Ibid.*

³²¹ *Id.*, p. 53.

³²² *Ibid.*

³²³ *Id.*, p. 52.

1
2 **Q. Are there other key considerations that would indicate growth in the MHD EV**
3 **commercial and transit markets?**

4 A. While the Company points to several challenges in federal and state funding availability
5 that could slow momentum for increased fleet electrification, it is equally important to
6 point to improved funding opportunities expected to become available by the end of
7 2026, as well as new market forces, that could improve the total cost of ownership for
8 fleet vehicles. For example:

- 9 • *New state funding opportunities* – The final tranche of EGLE’s CFCI grant program,
10 which will offer grants to support fleet charging, is expected by the end of the year.³²⁴
11 Furthermore, on May 19, 2026, EGLE announced the launch of a \$28 million RFP
12 within its Fuel Transformation Program (“FTP”).³²⁵ Funded through the Volkswagen
13 Environmental Mitigation Trust, the FTP will prioritize projects that significantly
14 reduce emissions from gas- and diesel-powered vehicles and accelerate the adoption
15 of zero-emission vehicles, like EVs.³²⁶ Individual awards will range from \$50,000 to
16 \$5 million.³²⁷

³²⁴ Department of Environment, Great Lakes, and Energy, “Clean Fuel and Charging Infrastructure Program,” accessed June 10, 2026, available at <https://www.michigan.gov/egle/about/organization/materials-management/energy/rfps-loans/clean-fuel-and-charging-infrastructure-program>.

³²⁵ Department of Environment, Great Lakes, and Energy, “Fuel Transformation Program,” accessed June 10, 2026, available at <https://www.michigan.gov/egle/about/organization/materials-management/fuel-transformation-program>.

³²⁶ Department of Environment, Great Lakes, and Energy, “EGLE announces up to \$28 million in grants to reduce diesel emissions, advance clean energy tech,” May 19, 2026, available at <https://content.govdelivery.com/accounts/MIDEQ/bulletins/417f214>.

³²⁷ *Ibid.*

- *New Heavy-Duty EV models coming on the market* – As previously described above, in March 2026, Tesla opened its first electric semi-truck factory in Nevada, which is expected to greatly increase the availability of new heavy-duty EV models. These factors, coupled with the ongoing war in Iran driving up fuel costs, could have a positive effect on the total cost of ownership analysis for electrified fleet vehicles.³²⁸
³²⁹ As such, it is reasonable to expect increased electrification across the commercial sector, especially among heavy-duty fleet operators.

Q. Are there other rebate opportunities the Company could consider to improve the efficiency and effectiveness of its fleet rebate programs?

A. Yes. Fleet operators, particularly those with MHD vehicles (e.g., delivery trucks, municipal buses, and garbage trucks), face unique challenges as the high upfront costs for both the vehicle and the necessary charging equipment can be prohibitive, despite the long-term cost savings potential.³³⁰ However, MHD vehicles produce the highest amount of toxic emissions per mile and tend to be concentrated in LI and urban areas.^{331, 332}

³²⁸ *Ibid.*

³²⁹ Schuster, S., “Opinion | Michigan can’t control war-driven oil prices. We can control our transportation future,” *Bridge Michigan*, May 7, 2026, available at <https://bridgemi.com/guest-commentary/opinion-michigan-cant-control-war-driven-oil-prices-we-can-control-our-transportation-future/>.

³³⁰ Nazir, N. et al., “Transit Fleet Electrification Barriers, Resolutions and Costs,” *Energy Findings*, October 12, 2023, available at <https://doi.org/10.32866/001c.87942>.

³³¹ Interstate Renewable Energy Council, “How Electrifying Medium- and Heavy-Duty Vehicles Can Advance Environmental Justice and a Zero-Emission Future,” April 20, 2025, available at <https://irecusa.org/blog/regulatory-engagement/how-electrifying-medium-and-heavy-duty-vehicles-can-advance-environmental-justice-and-a-zero-emission-future/>.

³³² Nadel, S., ACEEE, “The Road Less Polluted: Electric Trucks Can Steer Us toward Environmental Justice,” December 11, 2023, available at <https://www.aceee.org/blog-post/2023/12/road-less-polluted-electric-trucks-can-steer-us-toward-environmental-justice>.

1 Consequently, electrifying them removes harmful tailpipe pollutants exactly where
2 people live and breathe.³³³ To address these challenges, as part of its 2025 Beneficial
3 Electrification Plan, ComEd prioritized offering tiered fleet vehicle rebates to LI and non-
4 LI fleet customers to improve the efficiency of its fleet charging rebate program
5 deployment and increase the overall ratepayer benefits yielded by its fleet program.³³⁴
6 These rebates are available for light-duty fleet vehicles in LI communities, as well as for
7 MHD vehicles, school buses, and transit buses in both non-LI and LI communities.³³⁵
8 Rebates ranged between \$2,500 for a Class 3 vehicle in a non-LI community to \$200,000
9 for a school bus in an LI community.³³⁶

10
11 Consumers Energy has also had success deploying EVs to non-profits serving income
12 qualified customers.³³⁷ In Consumers’ 2024 general electric rate case (Case No. U-
13 21585), the Commission approved its proposed budget of \$3 million to help non-profit
14 organizations purchase EVs for their fleet and install the necessary charging, which the
15 Company pulled from unused dollars set aside for fleet make-ready investments.³³⁸ Of
16 the 20 nonprofit organizations and potential candidates for this funding, five have

³³³ Farnsworth, D. et al., Regulatory Assistance Project, “How Electrifying Trucks Can Help Roadside Neighborhoods Breathe Easier,” May 21, 2021, available at <https://www.raonline.org/blog/how-electrifying-trucks-can-help-roadside-neighborhoods-breathe-easier/>.

³³⁴ Commonwealth Edison, “ComEd Beneficial Electrification Plan 2,” ICC Consolidated Docket 24-0484 and 24-0577, available at <https://icc.illinois.gov/docket/P2024-0484/documents/352350/files/616618.pdf>.

³³⁵ *Id.*, p. 61.

³³⁶ *Ibid.*

³³⁷ Consumers Energy, Case No. U-21538, “Transportation Electrification Plan & Annual Report 2026,” June 2026, p. 37, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000024ndTGAAY>.

³³⁸ *Ibid.*

1 received rebates.³³⁹ To illustrate, a \$40,000 rebate could enable a non-profit organization
2 like Meals on Wheels to purchase two used Chevrolet Bolt EVs.³⁴⁰ Additionally, the first
3 KIA EV9s, which was KIA’s first bidirectional vehicle model,³⁴¹ with leases starting in
4 2024 will be coming off leases in 2027. Consequently, small fleets in underserved areas
5 could also present an opportunity for testing bidirectional charging through another use
6 case (i.e., other than electric school buses) in the Company’s service territory. As such,
7 the Company would not need to be prescriptive about the types of vehicles that would be
8 eligible for the vehicle rebate. A vehicle rebate opportunity paired with an L2 rebate,
9 would not only ensure that rebated chargers are being used immediately, but it would
10 also allow a broad range of new charging opportunities not only to the light duty fleet,
11 but also to employees and, potentially, other members of the community.

12
13 **Q. Do you support the Company’s fleet EV charger rebate proposal?**

14 A. I support the Company’s proposed revisions to its fleet EV charger rebate programs.
15 These adjustments will alleviate burdens associated with fleet electrification, such as
16 higher installation costs and the loss of critical federal and state funding streams.
17 Furthermore, the flexibility in eligible applicants allows for entry of more prospective
18 customers. However, recognizing that anticipated funding streams and new market forces
19 could have a balancing effect on fleet electrification in the Company’s service territory,

20

³³⁹ *Ibid.*

³⁴⁰ Carvana, “Used Chevrolet Bolt EV,” accessed July 30, 2026, available at <https://www.carvana.com/cars/chevrolet-bolt-ev>.

³⁴¹ KIA, “Vehicle-to-Home,” accessed July 30, 2026, available at <https://www.kia.com/us/en/vehicle-to-home>.

1 I also caution the Company from being overly conservative in its rebate forecasts for the
2 2027-2031 TEP. Given this and the proven NPV benefits that EV adoption has for all
3 ratepayers, I also urge the Company to consider further expanding this program by
4 increasing the total fleet rebate budget to \$10 million to allow for a larger number of fleet
5 rebates. In addition, in any TEP revisions requested in 2027 or no later than its next TEP,
6 the Company should propose a fleet vehicle rebate, similar to Commonwealth Edison
7 and Consumers Energy, to ensure a more efficient deployment of fleet charging funding.

8
9 *Reallocation of Funding to Enhance Program Flexibility*

10 **Q. Has funding reallocation been discussed in a previous rate case?**

11 A. Yes. In its 2025 general electric rate case (Case No. U-21860), the Company requested
12 that the Commission approve its ability to move funding from one TEP program to
13 another without seeking Commission approval to ensure that its TEP rebate offerings
14 were meeting customer demand.³⁴² Conceptually, MEIU, along with several other parties
15 including Commission Staff, supported allowing the Company more flexibility as long
16 as reasonable, Commission-approved guardrails were developed to guide any future
17 reallocation.

18

³⁴² Direct Testimony of Neal Foley on behalf of DTE Electric Company, Case No. U-21860, April 28, 2026, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000lnIwAAI>.

1 **Q. How did the Commission rule on this issue in the Company’s 2025 general electric**
2 **rate case (Case No. U-21860)?**

3 A. In its Order, the Commission allowed the Company to reallocate \$4.39 million from its
4 business charger rebate program to its public L2 rebate program.³⁴³ However, the
5 Commission determined that the issue of future guardrails was a procedural matter and
6 indicated that “process issues...and design issues will be dealt with in separate
7 proceedings, and cost recovery will be addressed in rate cases.”³⁴⁴ As such, the
8 Commission

9 decline[d] to rule on the issue of who should propose guardrails with
10 respect to future cost shifting between rebate programs [and] urge[d]
11 interested parties to address these issues in the appropriate docket.³⁴⁵

12
13 **Q. Would allowing the Company more flexibility to reallocate funds from one TEP**
14 **program to another impact the deployment efficiency of the Company’s**
15 **recommended rebate proposals?**

16 A. In my opinion, yes. The start–stop cadence of these programs disrupts underlying market
17 signals, creating uncertainty for developers, contractors, and customers. This instability
18 likely weakens participation, reduces investment confidence, and ultimately dampens
19 program uptake. A streamlined approval or administrative review pathway for
20 reallocations or adjustments would therefore help preserve continuity without requiring

³⁴³ Michigan Public Service Commission, Case No. U-21534, “Order in the matter of the application of DTE Electric Company for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority,” January 23, 2025, pp. 260-261, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000X23rkAAB>.

³⁴⁴ *Id.*, p. 262.

³⁴⁵ *Ibid.*

1 full regulatory proceedings. Absent this, delays associated with formal filings can hinder
2 market actors' ability to respond in real time, compounding confusion and limiting
3 program effectiveness.

4
5 Furthermore, funding cycles for state and federal grant programs can move very rapidly.
6 Braiding utility programs with and making them more responsive to available state and
7 federal funding opportunities enables both utility and public funding to be deployed more
8 rapidly and in concert with one another.

9
10 Having a threshold or guardrails in place makes it easier to respond to market dynamics
11 quickly while also having some oversight for bigger changes. Establishing such
12 complementary procedural pathways thus ensures that authorized flexibility can be
13 exercised in a consistent, transparent, and timely manner.

14
15 **Q. If the Commission were to implement guardrails for potential reallocation of**
16 **program funding, what are some approaches the Commission should consider?**

17 A. If guardrails under which the Company could reallocate funds were established and
18 implemented, the following issues could be considered:

- 19 • *The outreach efforts committed to each subsegment.* Most importantly, it must be
20 evident that the Company has taken the appropriate amount of effort to advertise and
21 engage prospective customers to apply for the TEP program subsegment away from
22 which the Company is proposing to reallocate funds. What is defined as “appropriate

1 amount of effort” could vary based on the segment or sub-segment or on whether the
2 target customer is LI or non-LI, but some measures of effort could include:

- 3 ○ The number of direct communication touchpoints with prospective customers and
4 how that relates to the conversion rate (i.e. how many prospective customers
5 complete an application and the associated installation) or changes to volume of
6 program applications; or
- 7 ○ Proven adjustments to education & outreach methods that exhibit the Company’s
8 attempt to improve means of communication to improve prospective customer
9 engagement, etc.

10 This would help to ensure that the lack of participation is not falsely attributed to a
11 lack of interest when the real issue may be a lack of awareness. Additionally, the
12 Company should be required to provide an assessment detailing the reasons for low
13 program demand in the subsequent general electric rate case to allow feedback for
14 future program improvements and recommendations.³⁴⁶

- 15 ● *The adoption levels of each rebate program subsegment.* In considering this metric,
16 the Commission could define a percentage of the maximum capacity, based on
17 informed stakeholder input, that would trigger a program assessment for reallocation.
18 For example, if a program has only issued 5 percent of the total issuance goal of 100
19 rebates, this could suggest that funds could be moved from this subsegment to another
20 subsegment that has higher demand. Conversely, if a program subsegment has
21 reached 90 percent of its rebate issuance target, this would indicate that it may be

³⁴⁶ Direct Testimony of Sophia Schuster on behalf of The Michigan Energy Innovation Business Council and Institute for Energy Innovation, Case No. U-21860, p. 67, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000016pyuNAAQ>.

1 eligible to draw funds from another subsegment with lower demand.³⁴⁷ Such a
2 defined adoption level should also consider other factors, such as the amount of time
3 that the program has been implemented and any revisions introduced since program
4 approval, as low participation could indicate that more time is needed to build market
5 awareness, conduct education, and engage a more diverse stakeholder network to
6 drive participation.

7
8 To allow as much flexibility as possible, it could also be appropriate to set a standard
9 maximum reallocation allowance. This concept was implemented by the Massachusetts
10 Department of Public Utilities in reference to the state’s utilities’ 2022-2025 Grid
11 Modernization Plans, which includes EV program funding.³⁴⁸ This Order permitted the
12 Massachusetts utilities

13 to shift not more than 15 percent of their total grid modernization budget
14 between each investment category to respond to evolving market
15 conditions. The Department also allowed the Companies to shift spending
16 between years over the four-year term of the program, subject to the 15
17 percent budget cap variance for each investment category.³⁴⁹
18

³⁴⁷ *Id.*, pp. 67-68.

³⁴⁸ The Commonwealth of Massachusetts, Department of Public Utilities, D.P.U. 21-90, 21-91, 21-92; “Petition of NSTAR Electric Company d/b/a Eversource Energy for approval of its Phase II Electric Vehicle Infrastructure Program and Electric Vehicle Demand Charge Alternative Proposal; Petition of Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid, for approval of its Phase III Electric Vehicle Market Development Program and Electric Vehicle Demand Charge Alternative Proposal; Petition of Fitchburg Gas and Electric Light Company d/b/a Unitil for approval of its Electric Vehicle Infrastructure Program, Electric Vehicle Demand Charge Alternative Proposal, and Residential Electric Vehicle Time-of-Use Rate Proposal,” December 30, 2022, available at <https://260434.fs1.hubspotusercontent-na1.net/hubfs/260434/Final%20Order%20EV%20Dockets%20December%202022%20D.P.U.%2021-90%20D.P.U.%2021-91%20D.P.U.%2021-92.pdf>.

³⁴⁹ *Id.*, p. 130.

1 The Massachusetts Department of Public Utilities found that “allowing the companies a
2 certain level of flexibility to adjust their program segment budgets in response to EV
3 market trends and customer preferences will improve overall program
4 implementation.”³⁵⁰ Similar program budget flexibility was implemented in Illinois,
5 allowing ComEd to move funding across approved budget programs without additional
6 approval from the Illinois Commerce Commission, subject to six conditions
7 recommended by their Staff.³⁵¹ These conditions included that (1) the Company must
8 continue to adhere to the statutory retail rate cap of 1% per year of the annual revenue
9 requirement, (2) no funding be shifted from LI to non-LI recipients, (3) no funding should
10 be transferred from approved transportation programs to non-transportation programs,
11 (4) no funding be shifted into the pilot programs, (5) the overall Beneficial Electrification
12 Plan spend be equal to or less than the Commission-approved overall budget, and (6) the
13 annual plan report include a budget to actual cost comparison that explains adjustments
14 made to each program and sub-program.³⁵²

15
16 **Q. Did the Company propose to reallocate funds in this case?**

17 **A.** Not to my knowledge.

³⁵⁰ *Ibid.*

³⁵¹ Illinois Commerce Commission, Case No. 22-0432 and 22-0442, “Order: Commonwealth Edison Company Petition for Approval of Beneficial Electrification Plan under the Electric Vehicle Act, 20 ILCS 627/45 and New EV Charging Delivery Classes under the Public Utilities Act, Article IX; Illinois Commerce Commission On Its Own Motion-vs-Commonwealth Edison Company Investigation into Commonwealth Edison Company Beneficial Electrification Plan Filing pursuant to 20 ILCS 627/45,” March 23, 2023.

³⁵² *Ibid.*

1

2 **Q. Why are you bringing this issue before the Commission again?**

3 A. Given the timeline and stakeholder engagement process issues expounded upon above in
4 Section II, Subsection A of my testimony, and despite MEIU addressing these issues in
5 comments filed on the Company's 2026 TEP (Exhibit MEIU-2.3), I am very concerned
6 that absent a Commission Order to develop appropriate guardrails, the Company will
7 continue to miss opportunities to improve the efficiency and effectiveness of its rebate
8 programs by failing to meet customer demand where it is most needed in the EV charging
9 market. This would inevitably delay promised NPV benefits to all ratepayers, thus
10 rendering the TEP programs less valuable over time. Subsequently, any improvements
11 to the efficiency and effectiveness of rebate deployments would serve as an improvement
12 to responsible use of ratepayer funds and to the realization of ratepayer benefits.

13

14 **Q. What do you recommend with respect to this issue?**

15 A. I strongly urge the Commission to establish clear guardrails enabling prudent, efficient
16 and nimble reallocation of TEP rebate funding from one program to another. Establishing
17 a defined framework is necessary for ensuring that any flexibility granted to the Company
18 improves program effectiveness while maintaining appropriate regulatory oversight and
19 transparency.

20

21 At a minimum, such guardrails should define:

- 22 • The permissible scope and magnitude of reallocations (e.g., limits on the percentage
23 of funding that may be shifted);

- 1 ● The conditions under which reallocations may occur, such as demonstrated over- or
- 2 under-subscription of specific program segments;
- 3 ● A required demonstration of good-faith program implementation, including sufficient
- 4 outreach and engagement efforts in underperforming segments; and
- 5 ● Appropriate notice, transparency, and reporting requirements to ensure stakeholders
- 6 and the Commission can evaluate proposed changes.

7

8 To develop a robust and informed set of guardrails, the Commission could direct the

9 Company or Commission Staff, in consultation with interested stakeholders, to develop

10 and propose specific guardrail parameters consistent with this framework for

11 Commission review and approval in either the TEP filing requirements docket (Case No.

12 U-21492) or the TEP docket (Case No. U-21538). This approach ensures that guardrails

13 are informed by implementation experience and technical expertise while maintaining

14 Commission authority over the structure and intent of the policy.

15

16 Additionally, if the Commission implements a reallocation threshold that would allow

17 the Company to move a certain portion of funding without requiring Commission review

18 (as in, for example, Massachusetts and Illinois, discussed above), the Commission should

19 also require the Company or Commission Staff to develop a defined process for

20 implementing reallocations requests within an approved TEP that exceeds the defined

21 threshold in the interim years between new TEP filings. Under such a complementary

22 process, the Company should be permitted to provide public notice describing the

23 proposed reallocation of approved program funding, including: (1) the magnitude and

1 direction of the proposed shift, (2) the programs or subsegments affected, (3) the extent
2 to which the proposal complies with Commission-established guardrails, and (4) the
3 underlying rationale based on observed program performance, customer demand, or
4 market conditions. Following notification, the proposed reallocation could become
5 effective after a defined review period (e.g., 30–60 days), unless the Commission or its
6 Staff determines that additional review is warranted. During this period, interested parties
7 should have the opportunity to review and submit comments for Commission
8 consideration. The Commission would thus retain full discretion to allow the proposed
9 change to take effect, to suspend the proposed change, request additional information, or
10 require that the proposal be evaluated through a more formal proceeding if it raises
11 material concerns.

12
13 These frameworks recognize that program performance and customer demand may
14 evolve over time and that enabling limited, transparent adjustments within an approved
15 budget can improve overall program effectiveness without undermining regulatory
16 oversight. Therefore, establishing both substantive guardrails and a complementary
17 procedural mechanism will better position the Company to efficiently deploy TEP
18 program funds, respond to real-world program performance, and ensure that ratepayer-
19 supported investments achieve the intended outcomes. However, importantly, these
20 recommendations do not alter the Commission’s authority over program design or total
21 authorized investment levels. Rather, they provide a structured mechanism for
22 implementing targeted adjustments within an approved framework, reducing the need for

1 incremental contested case proceedings to address implementation-level changes while
2 preserving appropriate regulatory safeguards.

3
4 **Q. Please summarize your recommendations on the TEP rebates.**

5 A. With respect to the Company's proposed TEP rebate program adjustments, I recommend
6 that the Commission:

- 7 • Approve the Company's proposal to spend \$23.3 million to support the installation
8 of EV chargers at SFH residents, as well as its proposal to create a tiered SFH rebate
9 to expand rebate eligibility to MI and non-LI customers;
- 10 • Approve the Company's proposal to maintain current MUD rebate programs and
11 spend \$58.4 million to support EV charging deployment at MUD residences, as well
12 as its proposal to reduce the kW output requirement for MUD rebate program;
- 13 • Require the Company to expand the rebate program supporting the installation of
14 DCFC EV chargers at on-route, public sites to \$75 million to better meet exhibited
15 market demand;
- 16 • Approve the Company's proposal to spend \$4.2 million to support the deployment of
17 L2 chargers in workplace or retail spaces across its service territory, as well as its
18 proposal to remove the minimum kW requirement.
- 19 • Require the Company to increase the workplace/retail charging rebates to \$5,000 per
20 port in non-DAC and \$7,500 per port in DAC areas;
- 21 • Require the Company to increase the total fleet rebate budget to \$10 million;
- 22 • Require the Company to propose a fleet vehicle rebate in its next TEP; and

- Require the Company or Commission Staff to develop Commission-approved guardrails that would allow the Company flexibility to reallocate funding from one TEP program to another as well as a notice-based approach to allow the Company to request larger funding shifts between TEP programs outside of the contested rate case process.

F. MANAGED CHARGING AND V2G PILOT PROGRAMS

Managed Charging Pilot

Q. Please describe the Company’s current managed charging pilot program.

A. The Company recognizes that effective managed charging programs represent a critical opportunity to maximize grid utilization while reducing costs associated with increased EV load by shifting EV charging load away from high cost, on-peak hours.³⁵³ The Company’s managed charging portfolio combines passive managed charging (primarily through TOU rates and customer education) with active managed charging programs that directly influence charging schedules through telematics and smart-charging platforms.³⁵⁴ Because the Company converted all residential customers to TOU rates in 2023, passive managed charging was naturally embedded into EV customer bills before the first TEP was filed in 2024.³⁵⁵ The Company offers five TOU rates from which customers can choose and reports that in 2024, 92 percent of EV charging occurred

³⁵³ DTE Electric Company, Case No. U-21538, “2027-2031 Transportation Electrification Plan,” April 2026, p. 59, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

³⁵⁴ *Id.*, p. 60.

³⁵⁵ *Ibid.*

1 outside the peak hours of 3pm - 7pm.³⁵⁶ The TEP highlights two passive managed
2 charging approaches that it studied between 2020-2023:

- 3 • *EV Data Sharing Pilot with WeaveGrid* – Using vehicle telematics from 610 EV
4 drivers to evaluate the EV customers' charging behaviors across each TOU segment,
5 the Company found that customers overwhelmingly charged during off-peak hours
6 regardless of pilot participation status.³⁵⁷
- 7 • *Bring Your Own Charging ("BYOC") Pilot with Sagewell* – From 2020-2022, the
8 BYOC pilot enrolled more than 510 residential customers in TOU rates and, using
9 Sagewell SageSight's advanced meter analytics and the EV Identification Model
10 algorithm to identify positive EV charging behavior, rewarded customers \$24 per
11 quarter for charging outside peak periods.³⁵⁸ The pilot achieved 96 percent off-peak
12 charging.³⁵⁹ While the pilot successfully demonstrated that incentives and analytics
13 could influence customer behavior, the Company shifted all residential customers to
14 a TOU rate, which it determined would be more cost-effective.³⁶⁰

15
16 The Company also points to Smart Charge, its active managed charging pilot, which it
17 runs with two charging management technology partners, ChargeScape and
18 WeaveGrid.³⁶¹ In addition to routine load shifting, the program can dispatch demand

³⁵⁶ *Ibid.*

³⁵⁷ *Id.*, p. 61.

³⁵⁸ *Ibid.*

³⁵⁹ *Ibid.*

³⁶⁰ *Ibid.*

³⁶¹ *Id.*, pp. 61-65.

1 response events during periods of high system demand, temporarily delaying or reducing
2 charging while ensuring vehicles reach customer-selected state-of-charge targets by
3 desired departure times. By mid-2025, Smart Charge had enrolled more than 2,700
4 participants - 1,400 through ChargeScape and over 1,300 through WeaveGrid – and
5 consistently achieved approximately 93 percent off-peak charging.³⁶² Current customers
6 are rewarded \$5 per month for participation.³⁶³ The Company reports that despite the
7 successful shift of EV charging to off-peak hours, there was only a 10 percent demand
8 response event participation rate to a single called event across enrolled ChargeScape
9 customers, avoiding just 989 kWh of energy, in 2025.³⁶⁴ The total Smart Charge program
10 costs amounted to \$931,087 in 2025.³⁶⁵ Despite recommendations from its stakeholder
11 engagement process in Q4 2025 encouraging the Company to tie the non-LI residential
12 rebate to Smart Charge program enrollment, the Company plans to rely solely on its f to
13 reinforce the importance and benefits of off-peak charging.³⁶⁶ The Company reports that
14 it will evaluate the future role of any active managed charging program within its
15 residential offerings, especially its non-LI offering, in future TEP filings or other
16 Commission approved proceedings.³⁶⁷ To address challenges with Smart Charge

³⁶² *Id.*, pp. 62-63.

³⁶³ *Id.*, p. 62.

³⁶⁴ *Id.*, pp. 63-64.

³⁶⁵ *Id.*, p. 64.

³⁶⁶ *Id.*, p. 67.

³⁶⁷ *Ibid.*

1 customer participation, the Company notes that it is developing a more flexible customer-
2 centric platform.³⁶⁸

3
4 **Q. Do you have any concerns about the Company’s Smart Charge Program and how**
5 **it is being managed?**

6 A. Yes. Given that the pilot called only one demand response event and excluded
7 bidirectional charging, which would have enabled load shedding from the home rather
8 than a small number of EVs actively charging on-peak, the merits of the Smart Charge
9 program cannot be comprehensively assessed. In fact, a recent report from the Smart
10 Electric Power Alliance and Vehicle-Grid Integration Council (“VGIC”) notes that small
11 demonstrations cannot adequately capture peak impacts or customer behavior to inform
12 the cost effectiveness of future programs at scale.³⁶⁹ Furthermore, it is often much easier
13 to train new EV adopters on managed charging at the time of purchase, rather than
14 waiting to enroll them at a later date, because it helps establish default habits.³⁷⁰ As such,
15 it would be useful to study several events under various conditions, including
16 bidirectional charging for load shedding, and leverage a variety of partnerships, including
17 managed charging software firms and car dealerships, prior to arriving at any

³⁶⁸ *Id.*, p. 65.

³⁶⁹ Smart Electric Power Alliance and the Vehicle-Grid Integration Council, “Valuing Vehicle-Grid Integration Programs: A Tool for Improving Energy Affordability through EV Grid Services,” May 2026, available at <https://static1.squarespace.com/static/5dcde7af8ed96b403d8aeb70/t/6a171cb1842cf378953b310a/1779899582477/SEPA324VGICVehicleGridIntegrationProgramsReportFinal.pdf>.

³⁷⁰ Dalgle, C., and Heuther, P., American Council for an Energy-Efficient Economy, “Utility-Managed EV Charging Can Lower Electric Rates. Here Are Four Ways to Grow Enrollment,” July 8, 2026, available at <https://www.aceee.org/blog-post/2026/07/utility-managed-ev-charging-can-lower-electric-rates-here-are-four-ways-grow>.

1 conclusions. This would allow the Company to better understand the value of the pilot
2 and the most impactful customer engagement methods to maximize participation,
3 creating a stronger evidence base for long-term program integration.
4

5 **Q. What are the benefits of active managed charging?**

6 A. Active managed charging represents a significant opportunity to capitalize on all the
7 benefits that EVs have to offer, and pilots across the country have shown great promise.
8 In fact, a 2024 United States Department of Energy study of five states’ (California,
9 Illinois, New York, Oklahoma, and Pennsylvania) EV charging infrastructure and
10 associated distribution system upgrade requirements found that the cost savings from
11 optimized EV charging through managed charging can decrease needed incremental
12 distribution grid investments by 30 percent.³⁷¹ According to a 2026 study by the Brattle
13 Group, an evaluation of an active managed charging program in the State of Washington
14 showed that active management can “[improve] utilization of the existing grid in EV
15 adoption hotspots and reduce[] distribution grid costs by up to \$230 per EV per year in
16 the long run,”³⁷² and that it can even “allow distribution grid assets to host 1.3 to 3.2
17 times more EVs”³⁷³ than they could absent managed charging. Depending on the existing

³⁷¹ United States Department of Energy, “Multi-State Transportation Electrification Impact Study: Preparing the Grid for Light-, Medium-, and Heavy-Duty Electric Vehicles,” March 2024, available at <https://www.energy.gov/sites/default/files/2024-03/2024.03.18%20NREL%20LBNL%20Kevala%20DOE%20Multi-State%20Transportation%20Electrification%20Impact%20Study%20FINAL%20DOCKET.pdf>.

³⁷² The Brattle Group, “Demonstrating the Full Value of Managed Electric Vehicle Charging: Based on a Real-World Trial of EnergyHub’s EV Solution,” January 2026, p. 8. available at <https://www.brattle.com/wp-content/uploads/2026/01/Demonstrating-the-Full-Value-of-Managed-Electric-Vehicle-Charging-1.pdf>.

³⁷³ *Id.*, p. 7.

1 grid conditions, this could defer grid upgrades by up to 10 years even in areas facing
2 existing EV-related capacity constraints.³⁷⁴ Consequently, enabling robust and
3 meaningful managed programs in Michigan would likely allow all ratepayers in the
4 Company's service territory to realize the benefits associated with its TEP programs more
5 efficiently than currently projected.

6
7 **Q. Did MEIU submit comments in the 2026 TEP docket (Case No. U-21538) with**
8 **respect to the Company's Smart Charge managed charging pilot?**

9 A. Yes. MEIU's (represented as Michigan EIBC/United in Case No. U-21538) comments
10 in the TEP docket are included as Exhibit MEIU-2.3. The discussion above is reflective
11 of the arguments made by Michigan EIBC/United in the TEP docket.

12
13 **Q. Did other parties file comments in the TEP docket (Case No. U-21538) with respect**
14 **to the Company's Smart Charge managed charging pilot?**

15 A. Yes. The Alliance for Automotive Innovation ("Auto Innovators") also submitted
16 comments in the TEP docket (Exhibit MEIU-2.8). Like Michigan EIBC/United, Auto
17 Innovators also pointed to studies across the country that have proven the benefits of
18 managed charging programs, including:

- 19 • AES Indiana found that optimized charging deferred 30 percent of
20 feeder upgrades an average of 4.3 years and 24 percent of service

³⁷⁴ *Ibid.*

1 transformer upgrades an average of 9.1 years, totaling \$75 million
2 in annual deferred investments[;] and

- 3 • The Brattle Group and ev.energy found that optimized charging
4 can avoid up to \$575 in ratepayer costs annually per EV.³⁷⁵
5

6 **Q. What did Auto Innovators recommend with respect to the Company’s Smart**
7 **Charge managed charging pilot?**

8 A. In its 2026 TEP comments, Auto Innovators encouraged the Company to extend the
9 Smart Charge program through 2031 and establish meaningful enrollment milestones
10 that will allow the Company to better assess the program at scale. Auto Innovators also
11 called on the Commission to expand upon the reporting requirements for the Company’s
12 Smart Charge pilot to enable access to more granular data that could inform program
13 adjustments, improve enrollment and cost effectiveness, and unlock new value streams.
14 Furthermore, it asserts that any cost-effectiveness analysis conducted by the Company
15 should be made publicly available to also allow external stakeholders to evaluate the
16 pilot. Finally, Auto Innovators supported the Company’s collaboration with automakers
17 on the Smart Charge program as well as the Company’s proposals to improve program
18 cost-effectiveness but suggested that aggregators should be required to “develop a data
19 framework necessary to analyze EV charging impacts between Smart Charge participants
20 and non-participants [so that] DTE can better understand charging behaviors and the
21 associated grid impacts.”³⁷⁶
22

³⁷⁵ Exhibit MEIU-2.8, p. 1.

³⁷⁶ *Id.*, p. 4.

1 **Q. Are there additional opportunities to weave bidirectional charging into the**
2 **Company’s current or future managed charging pilot?**

3 A. Yes, especially in times of high energy demand when LMPs go well above what was
4 predicted in the rate model. To illustrate, high energy demand frequently correlates with
5 severe weather events, such as summer heatwaves, which drive regional LMPs
6 significantly above a utility's forecasted baseline.^{377, 378} For example, if the Company’s
7 rate model assumes a summer average LMP of \$50 per megawatt-hour (“MWh”),
8 extreme weather can spike real-time market prices to \$1,000 per MWh or higher,
9 dramatically exceeding the Company’s procurement projections. By incorporating
10 bidirectional charging into the Company’s managed charging portfolio, the Company can
11 utilize vehicle-grid integration (“VGI”)³⁷⁹ as a flexible demand-side resource. During
12 peak market spikes, targeted load shedding and power from bidirectional vehicles would
13 allow the Company to curtail high-priced energy purchases from MISO. This localized
14 peak-shaving helps suppress upward pressure on LMPs, bringing procurement costs
15 closer to assumed averages and generating systemic fuel and purchase power savings for
16 all ratepayers within the service territory.³⁸⁰

³⁷⁷ McLaughlin, T., “Electric prices spike amid hot weather in US Midwest,” *Reuters*, July 28, 2026, available at <https://www.reuters.com/business/energy/electric-prices-spike-amid-hot-weather-us-midwest-2026-07-28/>.

³⁷⁸ Taylor, W. and Dickerson, J., *Acadia Center, Grid Action Report – July 4th Heat Wave*, July 9, 2026, available at <https://acadiacenter.org/resource/grid-action-report-july-4th-heat-wave/>.

³⁷⁹ VGI is the umbrella term that encompasses all opportunities for EVs to charge and draw power in a way that does not overly tax and benefits. This includes managed charging (unidirectional), as well as bidirectional Vehicle-to-Home (“V2H”) and V2G. These mechanisms can be used in tandem. *Source*: San Diego Gas and Electric, “Vehicle Grid Integration,” accessed August 5, 2026, available at <https://sdge.com/business/electric-vehicles/power-your-drive-for-fleets/current-VGI-projects>.

³⁸⁰ Driscoll, W., “GM Energy calls for vehicle-to-grid collaboration to cut grid costs by up to \$7 billion per year,” *PV Magazine*, July 30, 2026, available at <https://pv-magazine-usa.com/2026/07/30/gm-energy-urges-vehicle-to-grid-collaboration-to-cut-grid-costs-by-up-to-7-billion-per-year/>.

1 **Q. What do you recommend with respect to the Company’s Smart Charge managed**
2 **charging pilot?**

3 A. I recommend that the Company continue to explore opportunities to improve its active
4 managed charging efforts based on the learnings from the Smart Charge pilot and keep
5 the pilot open at least until 2031. With several managed charging and V2G pilot programs
6 being implemented across the country, there is a wealth of resources, such as from
7 industry experts and peer utilities, to tap into to develop a stronger pilot.

8
9 Furthermore, to transition successfully from traditional, one-way managed charging to a
10 robust VGI framework, the Commission should require the Company to propose an
11 appropriate VGI tariff no later than June 1, 2027 or the Company’s next rate case,
12 whichever comes first. This tariff should be informed by stakeholder input and approved
13 by the Commission. This tariff must fairly compensate EV participants for the quantified
14 grid services they provide—specifically, the avoided capacity and wholesale energy
15 purchases that keep system-wide costs down. Formalizing this compensation structure
16 will incentivize participant enrollment, optimize the utility's DER portfolio, and unlock
17 the full stack of VGI benefits for both EV drivers and the broader grid.

18
19 Like Auto Innovators, I also urge the Commission to require the Company to expand the
20 reporting requirements for its Smart Charge pilot to allow interested parties to better
21 understand the pilot’s overall performance, opportunities to improve enrollment,
22 establish to value streams, and increase the pilot’s cost-effectiveness.

23

1 Finally, I recommend that the Commission require the Company to host a stakeholder
2 engagement event to evaluate the future of the Smart Charge pilot or the development of
3 an active managed charging successor. Subsequently, the Company should present
4 learnings from this stakeholder engagement event and its experience with the Smart
5 Charge program in its 2027 TEP Annual Progress Report.

6
7 *V2G Pilot Program*

8 **Q. Please describe the Company’s current V2G pilot program.**

9 A. In anticipation of the development of more advanced grid-integration features from major
10 U.S. automakers, such as bidirectional charging, the Company also built upon the
11 vehicle-to-home (“V2H”) pilot that it launched with Ford Motor Company in December
12 2025 by adding General Motors (“GM”) employees in May 2026.³⁸¹ The V2H pilot,
13 which was an Emerging Technology Fund award recipient in 2024, is set to run through
14 2026.³⁸²

15
16 Separately, the Company’s School Bus Chargers pilot seeks to advance V2G readiness
17 by installing V2G-ready EV chargers that meet specific bidirectional interconnection
18 standards.³⁸³ In 2024, one participating school district successfully installed V2G
19 chargers and is nearing completion of the interconnection process, while the other three

³⁸¹ DTE Electric Company, Case No. U-21538, “2027-2031 Transportation Electrification Plan,” April 2026, p. 66, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

³⁸² *Ibid.*

³⁸³ *Id.*, p. 68

1 schools returned to standard one-way charging solutions.³⁸⁴ The Company identified
2 several challenges during the pilot, including limited school staff capacity,
3 interconnection barriers, high equipment and installation costs, and a lack of available
4 V2G-ready charger options.³⁸⁵ Based on these findings, the Company plans to test
5 bidirectional energy flow between EVs and the grid with the one school that is actively
6 preparing for V2G operations and will continue offering fleet rebates for V2G
7 chargers.³⁸⁶

8
9 **Q. Can you respond specifically to the challenges identified by the Company?**

10 A. Yes. While I recognize the difficulties the Company has faced, newer technological
11 developments and availability may alleviate some of those existing constraints to
12 improve the Company's experience. Such factors include, but are not limited to:

- 13 • *A larger number of school districts with electric school buses ("ESB")* – Since 2024,
14 the Michigan Department of Education has awarded over \$125 million to deploy 322
15 ESBs across 100 Michigan school districts.^{387, 388} For example, in January 2024,
16 Pontiac School District allocated \$15.65 million in federal grant funding for the

³⁸⁴ *Ibid.*

³⁸⁵ *Ibid.*

³⁸⁶ *Ibid.*

³⁸⁷ Michigan Department of Education, "More Than Two Dozen School Districts Get Clean Bus Energy Grants," February 27, 2026, available at <https://www.michigan.gov/mde/news-and-information/press-releases/2026/02/27/clean-bus-energy-grants>.

³⁸⁸ Electrification Coalition, "Charged Up and On Time: How Michigan Disbursed Over \$100 Million for Electric School Buses in Under Two Years," April 7, 2026, available at <https://electrificationcoalition.org/resource/charged-up-and-on-time-how-michigan-disbursed-over-100-million-for-electric-school-buses-in-under-two-years/>.

1 purchase of 40 ESBs, with chargers covered by the Company’s Charging Forward
2 program.³⁸⁹ In April 2025, Dearborn Public Schools announced it was adding 18 new
3 ESBs to its fleet.³⁹⁰ In fact, according to the Environmental Law and Policy Center,
4 of the over 580 state- and federally-funded buses awarded in Michigan, at least 250
5 across 33 school districts are or will be deployed in the Company’s electric service
6 territory.³⁹¹ To date, 193 ESBs are currently registered in Michigan.³⁹² The sheer
7 volume of buses points to clear partnership opportunities beyond the four school
8 districts originally enrolled in the Company’s pilot. Moreover, these school districts
9 represent a diverse range of communities, which would allow the Company to further
10 test V2G under a variety of geographic and demographic circumstances.

- 11 • *A larger number of V2G chargers on the market* – While the Company’s reference to
12 setbacks with a single V2G charging brand has merit,³⁹³ the growing list of V2G
13 chargers and fleet management services reaching the market suggests that a wider
14 variety of offerings are now available for schools and the Company to choose from.

³⁸⁹ Fahr, M., “Pontiac, Mich., Schools Buy 40 Electric Buses,” *GovTech.com*, January 25, 2024, available at <https://www.govtech.com/education/k-12/pontiac-mich-schools-buy-40-electric-buses>.

³⁹⁰ School Bus Fleet Magazine, “Michigan District Adds 18 New Electric School Buses,” April 28, 2025, available at <https://www.schoolbusfleet.com/news/michigan-district-adds-18-new-electric-school-buses>.

³⁹¹ Environmental Law and Policy Center, “Michigan Electric School Buses,” March 9, 2026, accessed June 24, 2026.

³⁹² IHS Markit Trucking Industry Profile (TIPNet), accessed July 13, 2026, available at <http://tipnet.polk.com/tipnet/#!/main-view>.

³⁹³ DTE Electric Company, Case No. U-21538, “2027-2031 Transportation Electrification Plan,” April 2026, p. 68, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

394, 395, 396, 397, 398, 399 Moving forward, this should mitigate the previous concerns with limited optionality.

- *A variety of service providers to manage old or abandoned chargers* – Several businesses service abandoned and legacy EV charging equipment.^{400, 401} As such, the Company and remaining participating school district have options to continue operating the existing chargers that have been deployed, regardless of the original manufacturer.

³⁹⁴ Dnistran, I., “Heliox’s New DC Fast Charger Can Send Power Back To The Grid,” *InsideEVs*, November 11, 2025, available at <https://insideevs.com/news/778565/heliox-dc-fast-charger-v2g-america/>.

³⁹⁵ Morris, C., “San Francisco Unified School District to deploy 104 electric school buses with bidirectional charging,” *ChargedEVs*, May 28, 2026, available at <https://chargedevs.com/newswire/san-francisco-unified-school-district-to-deploy-104-electric-school-buses-with-bidirectional-charging/>.

³⁹⁶ Huggett, A., “The New Era of Electric School Buses: V2G, Bidirectional Chargers & More,” *School Bus Fleet Magazine*, May 15, 2026, available at <https://www.schoolbusfleet.com/videos/the-new-era-of-electric-school-buses-v2g-bidirectional-chargers-more>.

³⁹⁷ Mattalian, S., “Illinois Utility Pilots Vehicle-to-Grid Program with Electric School Buses,” *Inside Climate News*, October 3, 2025, available at <https://insideclimatenews.org/news/03102025/illinois-electric-school-bus-vehicle-to-grid-program/>.

³⁹⁸ Martucci, B., “Massachusetts to deploy 100 bidirectional EV chargers in first-of-its-kind ‘V2X’ pilot,” *Utility Dive*, March 4, 2025, available at <https://www.utilitydive.com/news/massachusetts-bidirectional-ev-chargers-v2g-v2x/741525/>.

³⁹⁹ Marsh, J., “What is V2G? A Guide to Vehicle-to-Grid Technology,” *Emporia*, January 29, 2026, available at <https://www.emporiaenergy.com/blog/what-is-v2g/>.

⁴⁰⁰ Lovrak, T., “Alta eMobility to service, distribute BorgWarner DC fast chargers,” *Fleet Equipment Magazine*, January 20, 2023, available at <https://www.fleetequipmentmag.com/alta-emobility-borgwarner-chargers/>.

⁴⁰¹ Lewis, M., “Broken EV chargers? This program replaces them for free,” *Electrek*, April 6, 2026, available at <https://electrek.co/2026/04/06/broken-ev-chargers-this-program-replaces-them-for-free/>.

1 **Q. Please provide examples of successful V2G pilots and programs in other parts of the**
2 **country and elaborate on the benefits that V2G has to offer local communities.**

3 A. Despite the challenges cited by the Company, enabling grid-parallel V2G represents a
4 critical opportunity for utilities and their customers to fully leverage bidirectional EV
5 technology. For EV owners who opt in to provide power during times the grid is
6 constrained, EVs with bidirectional charging features can not only help reduce the impact
7 of grid power outages for those EV owners and their communities, but they can also offer
8 significant cost savings for all ratepayers. For example, the Massachusetts Clean Energy
9 Center (“MassachusettsCEC”) reports that the state’s ConnectedSolutions virtual power
10 plant through National Grid allows certain light-duty bidirectional EVs to earn roughly
11 \$3,000 in revenue per summer.^{402, 403} MassachusettsCEC also indicates that school
12 districts have the opportunity to earn up to \$12,000 in revenue per bidirectional ESB per
13 summer.⁴⁰⁴ In fact, a study by Converge Strategies and the VGIC indicates that a single
14 school bus in Beverly, Massachusetts discharged 10.78 MWh to National Grid’s electric
15 system and generated \$23,500 in revenue over two summers.^{405, 406}

⁴⁰² Martucci, B., “Massachusetts ‘vehicle-to-everything’ demonstration hints at EV batteries’ grid potential,” *Utility Dive*, June 2, 2026, available at <https://www.utilitydive.com/news/massachusetts-vehicle-to-everything-demonstration-hints-at-ev-batteries/821621/>.

⁴⁰³ The Mobility House, “Resource Innovations and The Mobility House Tapped to Lead Massachusetts Statewide Vehicle-to-Everything (V2X) Demonstration Program,” February 25, 2026, available at https://www.mobilityhouse.com/int_en/our-company/newsroom/article/resource-innovation-the-mobility-house-v2x.

⁴⁰⁴ Martucci, B., “Massachusetts ‘vehicle-to-everything’ demonstration hints at EV batteries’ grid potential,” *Utility Dive*, June 2, 2026, available at <https://www.utilitydive.com/news/massachusetts-vehicle-to-everything-demonstration-hints-at-ev-batteries/821621/>.

⁴⁰⁵ *Ibid.*

⁴⁰⁶ Converge Strategies and Vehicle-Grid Integration Council, “Vehicle-to-Everything Research Report,” March 2026, available at https://www.masscec.com/sites/default/files/documents/v2x-research-report_masscec-v2x-demonstration-program.pdf.

1 MassachusettsCEC also announced the next phase in its ConnectedSolutions program,
2 which is an initiative that will install 60 bidirectional charging systems in residential
3 homes.⁴⁰⁷ Contrary to current behavior, this pilot will encourage customers to plug in
4 their EVs between 5:00pm and 8:00pm on weeknights to be able to respond to peak
5 events whenever possible.⁴⁰⁸ While passenger EV batteries are smaller in capacity (40 to
6 100 kWh) compared to extended range ESBs (250 to 660 kWh),⁴⁰⁹ passenger EVs greatly
7 outnumber ESBs on the road – 5.5 million⁴¹⁰ compared to nearly 8,500.⁴¹¹ As such,
8 expanding the pilot(s) to SFH passenger vehicles will allow local utilities to better
9 understand how to capture all of the benefits that EVs can provide and appropriately scale
10 V2G programs to take advantage of the significantly larger pool of vehicles within the
11 residential market.

12
13 Bidirectional EVs thus provide opportunities for their owners (including school districts)
14 to earn money by offering their EVs as grid assets when they would otherwise be sitting
15 idle. As such, they have the capability to aid grid-operators in balancing grid conditions,
16 therefore maximizing grid utilization, particularly during times when the grid is

⁴⁰⁷ Brigham, K., “Exclusive: Massachusetts EV Owners Can Now Get Paid to Power the Grid,” *Heatmap*, July 23, 2026, available at <https://heatmap.news/electric-vehicles/massachusetts-vehicle-to-grid>.

⁴⁰⁸ *Ibid.*

⁴⁰⁹ United States Department of Transportation, “Electric Bus Basics,” accessed July 29, 2026, available at <https://www.transportation.gov/rural/electric-vehicles/ev-toolkit/electric-bus-basics>.

⁴¹⁰ Montoya, R., and O’Dell, J., Edmunds, “What Is the Percentage of Electric Cars in the U.S.?,” April 3, 2026, available at [https://www. https://www.edmunds.com/electric-car/articles/percentage-of-electric-cars-in-us.html](https://www.edmunds.com/electric-car/articles/percentage-of-electric-cars-in-us.html).

⁴¹¹ World Resources Institute, Electric School Bus Initiative, “The Electric School Bus Data Dashboard,” accessed July 29, 2026, updated July 1, 2026, available at <https://electricschoolbusinitiative.org/electric-school-bus-data-dashboard>.

1 constrained, and potentially delaying the need for grid upgrades.⁴¹² According to a study
2 by EPRI, California’s goal of 5 million EVs on the road by 2030 could translate to \$1
3 billion in annual benefits to the electric grid.⁴¹³ Furthermore, an Ernst & Young report
4 indicates that with the right smart charging and V2G policies and programs in place, EVs
5 could contribute enough to power 30 million homes per year and drive 4 billion Euros in
6 annual savings to European utilities.⁴¹⁴ These examples clearly illustrate the value that
7 EVs offer to EV drivers, local communities, and grid operators alike.

8
9 Fortunately, additional programs similar to National Grid’s are taking shape across the
10 country. For example:

- 11 • *Maryland* – In 2024, Sunrun and Baltimore Gas and Electric launched a V2G pilot
12 program with several Ford F-150 Lightning vehicles.^{415, 416}
- 13 • *California* – Following California’s 2020 blackouts, the California Public Utilities
14 Commission rolled out an emergency reliability offering that offered EV drivers

⁴¹² The Institute for Energy Innovation, “Transportation Electrification in Michigan: A Roadmap of State Policy Actions,” October 2024, available at <https://www.mieibc.org/wp-content/uploads/2024/10/Transportation-Electrification-in-Michigan.pdf>.

⁴¹³ Electric Power Research Institute, “Vehicle-to-Grid: \$1 Billion in Annual Grid Benefits?,” EPRI Journal, 2019, available at <https://eprijournal.com/vehicle-to-grid-1-billion-in-annual-grid-benefits/>.

⁴¹⁴ Sankaran, A., Ernst & Young, “Smart-charging and V2G critical for cost savings, grid stability and renewables integration,” March 5, 2025, available at https://www.ey.com/en_gl/newsroom/2025/03/smart-charging-and-v2g-critical-for-cost-savings-grid-stability-and-renewables-integration.

⁴¹⁵ Converge Strategies and Vehicle-Grid Integration Council, “Vehicle-to-Everything Research Report,” March 2026, p. 19, available at https://www.masscec.com/sites/default/files/documents/v2x-research-report_masscec-v2x-demonstration-program.pdf.

⁴¹⁶ Walton, R., “Sunrun, BGE launch first US electric vehicle-to-home virtual power plant,” *Utility Dive*, July 25, 2024, available at <https://www.utilitydive.com/news/sunrun-bge-launch-first-us-vehicle-to-home-ev-charging-program/722367/>.

1 \$2/kWh in load reduction for participating in demand response events during critical
2 grid emergencies.⁴¹⁷ This was developed in conjunction with the California Energy
3 Commission’s Replicable V2X Deployment for Schools program, which offered
4 funding to four California public schools to install bidirectional EV charging
5 systems.⁴¹⁸

- 6 ● *Midwest and Southeast United States* – In 2020, the North Carolina Utilities
7 Commissions approved a V2G pilot program for up to 30 ESBs in Duke Energy’s
8 electric service territory.⁴¹⁹ In 2022, Duke Energy also announced a demand response
9 pilot for Ford F-150 Lightning lessees, in which drivers could reduce their lease
10 payments in return for allowing their bidirectional EVs to serve energy back to the
11 grid.⁴²⁰

⁴¹⁷ Converge Strategies and Vehicle-Grid Integration Council, “Vehicle-to-Everything Research Report,” March 2026, p. 24, available at https://www.masscec.com/sites/default/files/documents/v2x-research-report_masscec-v2x-demonstration-program.pdf.

⁴¹⁸ *Id.*, p. 23.

⁴¹⁹ Bolin, J., “Early Lessons Learned from Duke Energy’s Electric School Bus Pilot,” *Advanced Energy*, May 19, 2025, available at <https://www.advancedenergy.org/news/early-lessons-learned-from-duke-energys-electric-school-bus-pilot>.

⁴²⁰ Morris, C., “Duke Energy to use Ford F-150 Lightning electric trucks in V2G pilot,” *Charged EVs*, September 16, 2022, available at <https://chargedevs.com/newswire/duke-energy-to-use-ford-f-150-lightning-electric-trucks-in-v2g-pilot/>.

1 **Q. Is bidirectional charging functionality available broadly enough to make V2G pilots**
2 **scalable?**

3 A. Yes. As stated above, meaningful learnings are driven by larger vehicle-grid integration
4 demonstrations across a wider variety of use cases,⁴²¹ and America’s automakers are
5 ready to participate in scaled V2G programs to support the nation’s grid as it faces
6 increasing constraints. For example, on June 9, 2026, GM announced that it would
7 integrate bidirectional features as a foundational standard across its EV portfolio and
8 even activate the technology for existing customers without the need for any hardware
9 upgrades.^{422, 423} GM also issued an “open letter” to the nation’s utilities urging them to
10 streamline interconnection, redesign rate structures, and allow EVs to serve as distributed
11 energy resources for to provide needed grid support.^{424, 425, 426, 427} The next week, Rivian

⁴²¹ Smart Electric Power Alliance and the Vehicle-Grid Integration Council, “Valuing Vehicle-Grid Integration Programs: A Tool for Improving Energy Affordability through EV Grid Services,” May 2026, available at <https://static1.squarespace.com/static/5dcde7af8ed96b403d8aeb70/t/6a171cb1842cf378953b310a/1779899582477/SEPA324VGICVehicleGridIntegrationProgramsReportFinal.pdf>.

⁴²² GM News, “GM Empower 2026: Scaling the future of electrification, batteries, and energy,” June 9, 2026, available at <https://news.gm.com/home.detail.html/Pages/news/us/en/2026/jun/0609-electrification-batteries-energy.html>.

⁴²³ Fosse, P., “GM Activates Vehicle To Grid (V2G) Capability For Existing Customers, With No New Hardware Required,” *CleanTechnica*, June 10, 2026, available at <https://cleantechnica.com/2026/06/09/gm-activates-vehicle-to-grid-v2g-capability-for-existing-customers-with-no-new-hardware-required/>.

⁴²⁴ GM News, “Bidirectional EVs are here. Let’s invest in them together.,” June 9, 2026, available at <https://news.gm.com/home.detail.html/Pages/news/us/en/2026/jun/0609-bidirectional-evs.html>.

⁴²⁵ Martucci, B., “Managed, bidirectional EV charging advances with utility, automaker support,” *Utility Dive*, June 17, 2026, available at <https://www.utilitydive.com/news/managed-bidirectional-ev-charging-advances-with-utility-automaker-support/823171/>.

⁴²⁶ Lichtenberg, N., “America’s grid is reeling. General Motors offers itself as a distributed utility in disguise,” *Fortune*, June 9, 2026, available at <https://fortune.com/2026/06/09/general-motors-utility-in-disguise-sodium-ion-batteries/>.

⁴²⁷ Lee, L., “GM wants your EV to help power the grid,” *Yahoo! Finance*, June 9, 2026, available at <https://finance.yahoo.com/sectors/energy/articles/gm-wants-ev-help-power-213915542.html>.

1 announced a new partnership with ChargeScape to support nationwide bidirectional
2 charging programs.^{428, 429} Not only do announcements and calls to action like those from
3 GM and Rivian indicate that the automotive industry is eagerly embracing this
4 technology, but also, the utility pilots and commitment from public utility commissions
5 across the country clearly suggest that other programs are launching successfully. Thus,
6 the Company should be encouraged and motivated to continue working with key
7 stakeholders to develop impactful V2G pilots that offer scalable growth opportunities
8 across the state. Failure to do so risks lagging behind leading states that are working to
9 leverage this technology to benefit all ratepayers.

10
11 **Q. Did MEIU submit comments in the TEP docket (Case No. U-21538) with respect to**
12 **the Company's V2G pilot?**

13 A. Yes. MEIU's (represented as Michigan EIBC/United in Case No. U-21538) comments
14 in the TEP docket are included as Exhibit MEIU-2.3. The discussion above is reflective
15 of the arguments made by Michigan EIBC/United in that docket.

16
17 **Q. Did other parties file comments in the TEP docket (Case No. U-21538) with respect**
18 **to the Company's V2G pilot?**

19 A. Yes. As discussed above, the CEO (Exhibit MEIU-2.4), the Electrification Coalition
20 (Exhibit MEIU-2.5), and Ann Arbor Public Schools (Exhibit MEIU-2.7) also submitted

⁴²⁸ Martucci, B., "Managed, bidirectional EV charging advances with utility, automaker support," *Utility Dive*, June 17, 2026, available at <https://www.utilitydive.com/news/managed-bidirectional-ev-charging-advances-with-utility-automaker-support/823171/>.

⁴²⁹ Binns, T., "Rivian and ChargeScape to partner on bidirectional charging and V2G," *Electric Drives*, June 16, 2026, available at <https://electricdrives.tv/rivian-and-chargescape-to-partner-on-bidirectional-charging-and-v2g/>.

1 comments regarding the Company’s V2G pilot in the TEP docket. In summary, those
2 comments stated:

- 3 • *CEO* – Encouraged the Company to establish a more robust pilot program to explore
4 the opportunities of V2G, particularly for school districts, within its service territory
5 (Exhibit MEIU-2.4);
- 6 • *Electrification Coalition* – Pointed to successful V2G pilots and programs
7 implemented throughout the country as evidence that the Company can and should
8 be doing more to accelerate V2G opportunities within its service territory (Exhibit
9 MEIU-2.5); and
- 10 • *Ann Arbor Public Schools (“AAPS”)* – AAPS, which is the only remaining school
11 district in the Company’s V2G School Bus Chargers pilot, pointed to several
12 challenges of working with the Company, specifically its interconnection team.
13 AAPS requested stronger clarity and collaboration from the Company moving
14 forward and also made several recommendations to the Commission to ensure more
15 successful V2G development within the company’s service territory, including
16 “establish[ing] a permanent V2G tariff or rider,” “standardiz[ing] interconnection
17 requirements,” “publish[ing] a V2G design and engineering guide,” “increas[ing]
18 rebates for bidirectional chargers,” and “creat[ing] V2G infrastructure preparation
19 grants” (Exhibit MEIU-2.7).

20
21 **Q. What do you recommend with respect to the Company's V2G pilot?**

22 **A.** To make much-needed improvements to the Company’s existing V2G pilot and ensure
23 that Michigan does not lag further behind other states, I recommend that the Commission:

- 1 ● Require the Company, in its 2027 Annual TEP Progress Report, to provide a
2 comprehensive report of the Company’s learnings based on its ongoing work with
3 the remaining school district in its School Bus Chargers V2G pilot, as well as a
4 thorough benchmarking of the pilot compared to other V2G pilots and programs
5 nationwide. Furthermore, this report should also include, at minimum, a discussion
6 of (1) what specifically the Company seeks to learn from existing and future pilots,
7 (2) how the existing pilot(s) would support the pursuit of a more scalable long-term
8 program for all DTE customers and customer segments, and (3) possible export
9 compensation mechanisms for customers that could be implemented under various
10 scale conditions;
- 11 ● Require the Company to host a series of stakeholder meetings to inform
12 improvements to future pilots and identify potential target customer segments (e.g.
13 school districts, transit agencies, private fleets, neighborhoods, etc.), inviting industry
14 experts to provide insights and lessons learned;
- 15 ● Require the Company to propose a new V2G pilot (or pilots), informed by feedback
16 provided by industry experts and interested parties, no later than the next TEP refresh,
17 expected to be filed no later than July 1, 2028;
- 18 ● Require the Company to propose a V2G-specific tariff, informed by stakeholder
19 engagement, for Commission approval no later than December 1, 2027; and
- 20 ● Strongly encourage the Company to solicit V2G applications for its Emerging
21 Technology Fund.

1 I also strongly urge the Company to consider developing a rebate level for its SFH
2 customer segment for bidirectional charger installations. As shown, much of the
3 Company's efforts to shed new load from EVs has been focused on stopping on-peak
4 charging through TOU rates and encouraging customer behavioral changes. However,
5 load-shedding the home via bidirectional chargers as opposed to just focusing on
6 stopping on-peak charging could greatly increase the value and cost-effectiveness of the
7 V2G pilot. This would also create an opportunity to test V2G in a different use case and
8 evaluate its broader benefits and longer-term viability.

9
10
11 **III. CONCLUSIONS AND RECOMMENDATIONS**

12
13 **Q. Please summarize your recommendations to the Commission.**

14 **A.** I recommend that the Commission:

- 15 • Establish a clear TEP filing timeline that allows adequate time for interested parties
16 to engage on TEP issues prior to any subsequent cost recovery request;
- 17 • Engage in the TEP docket to rule on matters of programmatic design and process
18 issues, or allow intervenor testimony related to these issues and rule on them in the
19 general electric rate case;
- 20 • Approve the Company's EV adoption forecast;
- 21 • Approve the Company's BCA;
- 22 • Require the Company to incorporate societal benefits into future BCAs to
23 appropriately capture all the network effects of EV charging in its service territory,
24 as ordered by the Commission in the Company's 2025 general electric rate case (Case
25 No. U-21860);

- 1 • Require the Company to propose an accounting scheme, open to stakeholder and
2 Staff engagement and subject to Commission approval, that would ensure a certain
3 percentage of revenue from EV charging is reinvested in TEP programs;
- 4 • Approve the Company’s SFH EV charging rebate proposal and require the Company
5 to allow more program flexibility by reducing its kW eligibility requirement;
- 6 • Require the Company to develop a rebate level for bidirectional charger installations
7 for SFH;
- 8 • Approve the Company’s MUD EV charging rebate proposal and require the
9 Company to implement supplementary tenant guidance, strengthen engagement with
10 apartment and condominium associations, and establish a dedicated tariff or
11 submetering rules for EVs charging at MUD properties with a single master meter;
- 12 • Require the Company to publish a resource that gives visibility to the approved
13 rebated public on-route DCFC sites;
- 14 • Approve the Company’s public on-route DCFC proposal and require the Company
15 to expand this program by 70 percent to a new investment total of \$75 million;
- 16 • Approve the Company’s workplace and retail EV charging rebate proposal and
17 require the Company to increase its rebate amount to \$7,500 and \$5,000 per port for
18 businesses in DAC and non-DAC areas, respectively, and to \$10,000 for business
19 locations that opens up charging to the community and is within one to three walkable
20 blocks from a neighborhood or MUD;
- 21 • Approve the Company’s fleet EV charger rebate proposals, and require the Company
22 to further expand this program by increasing the total fleet rebate budget to \$10

1 million and propose a fleet vehicle rebate in any TEP revisions requested in 2027, or
2 no later than its next TEP;

- 3 • Require the Company or Commission Staff, with stakeholder engagement, to develop
4 Commission-approved guardrails governing the reallocation of TEP rebate funding
5 from one program to another that allows more program flexibility while maintaining
6 appropriate regulatory oversight and transparency;

- 7 • Require the Company to continue exploring opportunities to improve its active
8 managed charging Smart Charge pilot through 2031, to expand the reporting
9 requirements for its Smart Charge pilot, and to host a series of stakeholder
10 engagement events to evaluate the future of the Smart Charge pilot, or an active
11 managed charging successor;

- 12 • Require the Company in its 2027 Annual TEP Progress Report to provide a
13 comprehensive report of the Company's learnings from its ongoing School Bus
14 Chargers V2G pilot as well as a thorough benchmarking of its pilot compared to other
15 V2G pilots across the country;

- 16 • Require the Company to host a series of stakeholder meetings to inform
17 improvements to future V2G pilots and identify target customer segments;

- 18 • Require the Company to propose a V2G-specific tariff, informed by stakeholder
19 engagement, for Commission approval no later than December 1, 2027;

- 20 • Require the Company to propose a new V2G pilot (or pilots) no later than the next
21 TEP refresh; and

- 22 • Require the Company to solicit V2G applications for its Emerging Technology Fund.

1 **Q.** **Does that conclude your testimony?**

2 **A.** Yes.

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the Application of **DTE**)
Electric Company for authority to raise its)
rates, amend its rate schedules and rules)
governing the distribution and supply of electric)
energy, and for miscellaneous accounting)
authority.)
_____)

Case No. U-22046

EXHIBITS OF SOPHIA SCHUSTER
ON BEHALF OF
THE MICHIGAN ENERGY INNOVATION BUSINESS COUNCIL,
INSTITUTE FOR ENERGY INNOVATION,
AND
ADVANCED ENERGY UNITED

Sophia Schuster, MBA & MSCM

(610) 207-0344 | sophia.schuster12@gmail.com | www.linkedin.com/in/sophia-schuster

RELEVANT EXPERIENCE

Michigan Energy Innovation Business Council (EIBC) and the Institute for Energy Innovation (IEI)

Lansing, MI

Policy Principal

October 2023 – Present

- Direct advanced mobility and electric vehicle ecosystem strategy for a 15-member coalition, aligning business leaders on regulatory and legislative priorities to accelerate transportation electrification.
- Lead transportation electrification regulatory strategy and expert engagement before the Michigan Public Service Commission, including authoring testimony, leading external presentations, and shaping outcomes on utility investment, rate design, and charging infrastructure programs.
- Advance transportation electrification policy by influencing Executive and Legislative branches to advocate for member positions, including on road funding, EV fees, grid integration, and competitive fuels.
- Serve as a public spokesperson on advanced mobility policy, representing organizational priorities in media, industry forums, and public panels.
- Produce strategic analyses on EV adoption, charging infrastructure, grid impacts, and economic competitiveness, translating data and market insights into actionable guidance for stakeholders.

The Pennsylvania State University

University Park, PA

Strategic Procurement Intern

January 2023 – May 2023

- Led financial analysis of University assets for a high-profile RFP, securing a \$58M, 10-year contract.
- Built deep procurement and leadership expertise by implementing strategic sourcing tools (marketplace research, supply segmentation, portfolio analysis) and driving process improvements in IT purchasing.

SCM406 Strategic Procurement Instructor

August 2022 – December 2022

- Strengthened students' research, negotiation, financial analysis, and vendor evaluation skills.
- Cultivated communication and negotiation skills among 24 students, enabling effective leadership, team relationship management, and problem-solving.

Sustainability Market Research Consultant

May 2018 – May 2019

- Developed customer network of 80 local businesses to support experiential learning opportunities.
- Consulted with 20 faculty members to integrate sustainability issues as a key factor into 15 core courses.

ADDITIONAL EXPERIENCE

Lowe's Home Improvement

Sinking Spring, PA

Department Manager

September 2014 – February 2016

- Trained customer associates in loss prevention management, resulting in 30% reduction in store losses
- Tracked over \$500K of inventory and more than 150 customer internet orders per week

Barnes & Noble Booksellers, Inc.

Wyomissing, PA

Community Relations Manager & Bookseller

December 2013 – October 2014

- Managed 30 local non-profit partnership accounts and coordinated local events, achieving 10% sales growth, and increasing customer traffic by 30% per event
- Served as store liaison with local school districts leading to a 40% increase in educator membership

Sophia Schuster, MBA & MSCM

(610) 207-0344 | sophia.schuster12@gmail.com | www.linkedin.com/in/sophia-schuster

SELECTED REGULATORY ENGAGEMENTS

DTE Electric Company general electric rate case (U-22046), <i>Expert Witness</i>	2026
Consumers 2026 Transportation Electrification Plan Comments (U-21538), <i>Content Specialist</i>	2026
DTE 2026 Transportation Electrification Plan Comments (U-21538), <i>Content Specialist</i>	2026
Consumers Energy Company general electric rate case (U-21870), <i>Expert Witness</i>	2025
DTE Electric Company general electric rate case (U-21860), <i>Expert Witness</i>	2025
Consumers Energy Company general electric rate case (U-21585), <i>Content Specialist</i>	2024
DTE Electric Company general electric rate case (U-21534), <i>Content Specialist</i>	2024
Transportation Electrification Plan filing requirements (U-21492), <i>Content Specialist</i>	2024

SELECTED PUBLIC ENGAGEMENTS

Michigan Healthy Climate Conference, <i>Panelist</i>	April 2026
The Metro on MDET, <i>Guest</i>	April 2026
Detroit Auto Show, <i>Panel Moderator</i>	January 2026
Forth Mobility Conference, <i>Panel Moderator</i>	October 2025
kWh Summit, <i>Panelist</i>	April 2025
Atlas Public Policy EV Hub Live Podcast, <i>Guest</i>	April 2025
Vehicle-Grid Integration Council's EVolve annual event, <i>Panelist</i>	October 2024

SELECTED PUBLICATIONS

"Michigan can't control war-driven...can control our transportation future," <i>Bridge Michigan</i>	May 2026
"Stop Blaming EVs, and start leveraging them," <i>Lansing State Journal</i>	September 2025
<i>Legacy, Innovation, and the Race Against China</i>	May 2025
<i>Transportation Electrification in Michigan: A Roadmap of State Policy Actions</i>	October 2024
"A strategy for electrification of transportation in Michigan," <i>Bridge Michigan</i>	October 2024

EDUCATION

The Pennsylvania State University , <i>Smeal College of Business</i>	University Park, PA
Master of Supply Chain Management, GPA: 3.69	
The Pennsylvania State University , <i>Smeal College of Business</i>	University Park, PA
Master of Business Administration, GPA: 3.61	
Albright College	Reading, PA
Bachelor of Arts—Environmental Studies & Political Science, GPA: 3.59	

2025 General Electric Rate Case
Case No. U-21860

Organization	Witness	Transportation Electrification-related Comments	Citation
MEIU		Direct: Supported the Company's forecasts and pointed to market-level and state-level balancing forces that could serve as a counterweight to eremic federal policies and highlighted the downward rate pressure benefits experienced by all ratepayers as a result of increased EV adoption to highlight the importance of consistent and continued investment in transportation election programs to realize those benefits; Applied the Company's efforts while providing extensive commentary on the importance of impactful utility TEP E&O programs in ensuring the efficient and effective deployment of ratepayer funded programs and pointed to several opportunities for improvement that have been successful in other utilities' TEP programs; and Supported allowing the Company more flexibility provided the development of reasonable guardrails, proposed by the Company or Commission Staff and approved by the Commission.	Direct Testimony of Sophia Schuster on behalf of The Michigan Energy Innovation Business Council, Institute for Energy Innovation, and Advanced Energy United, Case No. U-21860, August 22, 2025, available at https://mi-pec.ny2.ate.com/servlet.shepherd/version/download/068c000016qy8AAQ .
	Sophia Schuster	Rebuttal: Rebutted Commission Staff witness Krane's claim that the next rate case would likely provide the Company's December 1, 2026 deadline to propose a DCFE-specific tariff, as ordered by the Commission in its 2024 general electric rate case, and that as such, the next rate case was not the appropriate venue for this proposal, and recommended that the so-called demand charge holiday be extended; and Rebutted Association of Businesses Advocating Tariff Equity (ABATE) witness Brian C. Andrews, pointing to the conservative approach that the Company had taken to arrive at its NPV, only accounting for 10 percent of the revenue attributable to EV charging in its service territory and again recommended that the Company be required to account for 100 percent of the revenue from EV charging in future BCAs to better reflect the customer benefits;	Rebuttal Testimony of Sophia Schuster on behalf of The Michigan Energy Innovation Business Council, Institute for Energy Innovation, and Advanced Energy United, Case No. U-21860, August 22, 2025, https://mi-pec.ny2.ate.com/servlet.shepherd/version/download/068c00001ATb3AAD .
	Walmart, Inc.	Questioned the Commission from establishing a DCFE tariff that could impose third party investment and thereby deter customers interested in installing public EV charging stations.	Direct Testimony of Matthew Lyon on behalf of Walmart, Inc., Case No. U-21860, August 22, 2025, available at https://mi-pec.ny2.ate.com/servlet.shepherd/version/download/068c000016oBZAAI .
	Association of Businesses Advocating Tariff Equity	Raised concerns about the Company's BCA and suggested that the span of time between when TEP costs are incurred and when their benefits are realized is too long to justify the costs; and Suggested that TEP costs be allocated only to the customer classes benefiting from the TEP.	Direct Testimony of Liliako R. Segall on behalf of EVgo Services, LLC, Case No. U-21534, July 26, 2025, available at https://mi-pec.ny2.ate.com/servlet.shepherd/version/download/068b90000Em9T7AAZ .
Commission Staff	Allen D. Freeman	Recommended that the Company not be allowed to reallocate previously approved program funding to other TEP programs without Commission review; Suggested the Company account for significant external forces, such as H.R. 1, impacting EV adoption in its service territory in its next rate case; and Supported each of the Company's recommended TEP rebate and pilot program proposals.	Direct Testimony of Allen D. Freeman on behalf of the Michigan Public Service Commission, Case No. U-21860, August 22, 2025, pp. 5-6, available at https://mi-pec.ny2.ate.com/servlet.shepherd/version/download/068c000016n6kAAQ .
	Commission Staff	Expressed concerns about the reallocation of funding request; and Proposed that the Commission ensure no future changes to the sunset of the so-called demand charge holiday, set a firm sunset regardless of time of state energyization; and require the Company to propose a DCFE-specific tariff in its next rate case.	Direct Testimony of Kevin Krane on behalf of the Michigan Public Service Commission, Case No. U-21860, August 22, 2025, pp. 5-6, available at https://mi-pec.ny2.ate.com/servlet.shepherd/version/download/068c000016p4TCAAY .
Attorney General	Sebastian Coppola	Claimed that perceived declining EV sales suggests the Company should decrease its 2025 and 2026 forecasts; and Recommended that the Commission disallow \$1.34 million from the capital expenditures in ORM in the test year and that the incremental increases of \$9.2 million and \$16.6 million in 2025 and 2026, respectively, be removed from the Company's forecasted capital expenditures	Direct Testimony of Sebastian Coppola on behalf of Attorney General Dana Nessel, Case No. U-21860, August https://mi-pec.ny2.ate.com/servlet.shepherd/version/download/068c000016p4TCAAY .
	Citizens Utility Board of Michigan, Sierra Club, Michigan Environmental Council, and Natural Resource Defense Council (collectively "MNSC")	Highlighted the narrow, conservative nature of the Company's BCA;	Direct Testimony of Graham Woolley on behalf of Citizens Utility Board of Michigan, Sierra Club, Michigan Environmental Council, Natural Resources Defense Council, Sierra Club, and Citizens Utility Board of Michigan, Case No. U-21860, August 22, 2026, available at https://mi-pec.ny2.ate.com/servlet.shepherd/version/download/068c000016p4TCAAY .
Electricity America, LLC	Jigar Shah	Recommended that the amortization for TEP costs be amortized over 10 years, as opposed to five, to better reflect the useful life of the equipment, that societal benefits be included, and the MEIU, that the total network effects of all EV charging in the Company's service territory be accounted for, in its BCA.	Direct Testimony of Jigar Shah, Case No. U-21860, August 22, 2025, available at https://mi-pec.ny2.ate.com/servlet.shepherd/version/download/068c000016mPBJAAU .
		Raised concerns about a proposal for utility-owned DCFE in the Company's service territory, mainly around the implementation of a new rate schedule that would include a volumetric rate at the market price of energy and a fixed charge to cover all power supply capacity charges, delivery charges, and surcharges, suggesting such a rate schedule would strongly favor utility owned chargers and would undercut third party, private entities offering EV charging services to DTE customers.	
Commission Order			
With respect to these recommendations, the Commission ordered that: The Company should provide an analysis of how it expects H.R. 1 will impact EV adoption and load growth in its service territory moving forward (as recommended by Commission Staff); The Company's Information Technology and ORM proposals, including E&O, should be approved (as recommended by Commission Staff and MEIU); The Company's request to record rebate program expenses as a regulatory asset beyond the test year, and the shift of \$4.39 million from the business charger rebate program to the public L2 charger rebate program to be approved (as recommended by Commission Staff and MEIU); The Company's request to have external authority to move previously approved rebate funding from one program to another should be rejected (as recommended by Commission Staff and MEIU); The Company begin "charging CHAC if a residential customer exceeds 9.6 kW of charging demand, or 10 kW of total connected load, and report how much and how often fees are being assessed" (as recommended by MNSC); The Company should use the BCA collaborative tool in its next rate case (as recommended by the Company), but that the Company should provide an update in its 2026 TEP (as recommended by MNSC); The Company, in its next rate case, shall "(1) identify the total paid rebates and voltage levels by customer class; (2) propose an accounting scheme that accurately captures the full NPV benefits, including all revenue attributable to charging and associated network effects, provided by its programs across customer classes; and (3) propose an amortization schedule that more appropriately reflects the true useful life of EV charging equipment" (as recommended by MEIU and MNSC) The Company's demand charge holiday for DCFE stations in its service territory should remain in place (as recommended by the Administrative Law Judge and MEIU). Notably, the Commission did not rule on whether the Company should propose a DCFE-specific tariff in its next rate case, which would have comatened with its own 2024 DTE general electric rate case Order.			Michigan Public Service Commission, Case No. U-21860, August 22, 2025, available at https://mi-pec.ny2.ate.com/servlet.shepherd/version/download/068c00001H4yeAAC .
Michigan Public Service Commission	2/19/2026	In response to MEIU's recommendations to improve the Company's E&O efforts, the Commission indicated that "the rate case process is unable to accommodate the additional TEP design and programmatic issues that are appropriate for Case No. U-21538," and that "[t]he Commission will analyze requests for cost recovery on the record presented to the currently approved TEP in a rate case." In a later discussion on the topic of guardrails that would dictate if and how the Company has the freedom to move funds from one previously approved program to another, the Commission stated that "the Commission will not rule on whether the Company should propose a DCFE-specific tariff in its next rate case, which would have comatened with its own 2024 DTE general electric rate case Order."	

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission’s own motion,	)	
to open a docket for certain regulated electric	)	
utilities to file transportation electrification plans	)	Case No. U-21538
and for other related matters.	)	
_____	)	

COMMENTS OF THE
MICHIGAN ENERGY INNOVATION BUSINESS COUNCIL
AND
ADVANCED ENERGY UNITED

Introduction

In the Michigan Public Service Commission’s (“Commission”) December 1, 2023 Order in Case No. U-21297 (“December 1 Order”), the Commission recognized the additional planning required to prepare for increased transportation electrification across DTE Electric’s service territory and “found that meaningful discussion of the development of the [transportation electrification plan] (“TEP”) and [electric vehicle] (“EV”)-related investments would be best conducted in a forum other than a rate case, due to the size, complexity, and deadline-driven nature of rate cases.”¹ To that end, the Commission opened the instant docket for the receipt of DTE Electric’s (“DTE” or the “Company”) TEP and ordered the Company to file a TEP in this docket by January 11, 2024. Concurrently, following technical conferences on electric vehicle (“EV”) issues held in January

¹ Michigan Public Service Commission, Case No. U-21538, “Order opening docket in the matter, on the Commission’s own motion, to open a docket for certain regulated electric utilities to file transportation electrification plans and for other related matters,” December 21, 2023, pp. 1-2, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000BD1w7AAD>.

2024, on March 15, 2024, the Commission issued an Order in Case No. U-21492, which reviewed learnings from the technical conferences and directed Staff to develop minimum filing requirements for utility TEPs.² On July 2, 2024, the Staff filed proposed TEP Filing Requirements in this docket.³ Following a stakeholder comment and reply period, on January 23, 2025, the Commission approved TEP filing requirements.⁴ The final filing requirements state that “on July 1, 2025, and at least every two years thereafter unless otherwise ordered by the Commission, an electric utility must file a TEP with the Commission in Case No. U-21538”⁵ and allows interested persons 45 business days to submit initial comments and 30 days to submit reply comments evaluating a TEP.⁶

In accordance with the Commission’s Order in Case No. U-21538, on April 22, 2026, DTE Electric filed its 2027-2031 TEP in the instant docket.⁷ The Michigan Energy Innovation Business Council (“Michigan EIBC”)⁸ and Advanced Energy United (“United”; collectively “Michigan

² Michigan Public Service Commission, Case No. U-21492, “Order in the matter, on the Commission’s own motion, to open a docket that will be used to collaboratively consider and address issues and concerns related to use and deployment of electric vehicles in a Commission-sponsored technical conference,” March 15, 2024, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000CW7TZAA1>.

³ Michigan Public Service Commission Staff, Case No. U-21492, “Michigan Transportation Electrification Plan Filing Requirements,” July 2, 2024, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000EP4nWAAT>.

⁴ Michigan Public Service Commission, Case No. U-21492, “Order in the matter, on the Commission’s own motion, to open a docket that will be used to collaboratively consider and address issues and concerns related to use and deployment of electric vehicles in a Commission-sponsored technical conference,” January 23, 2025, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000X2NGsAAN>.

⁵ Id., p. 2.

⁶ Id., p. 5.

⁷ DTE Electric Company, “2027-2031 Transportation Electrification Plan,” April 22, 2026, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

⁸ The Michigan Energy Innovation Business Council is a trade organization tasked with growing Michigan’s advanced energy economy by fostering opportunities for innovation and business growth and offering a unified voice in creating a business-friendly environment for the advanced energy industry in Michigan.

EIBC/United”)⁹ and their member companies have been engaged in EV policy issues for many years including through public convenings, research and report writing, Commission workshops (including the January 2024 technical conferences), and contested cases. Michigan EIBC/United appreciate the opportunity to provide comments in response to the Company’s 2027-2031 TEP.

General Comments

Stakeholder Engagement Process

As noted above, Section 2 of the final filing requirement indicates that “by 5:00 p.m. (Eastern time) on July 1, 2025, and at least every two years thereafter unless otherwise ordered by the Commission, an electric utility must file a TEP with the Commission in Case No. U-21538.”¹⁰ Section 8(a) and (b) of the TEP filing requirements allows interested persons 45 business days to submit initial comments and 30 days to submit reply comments evaluating a TEP.¹¹ While the amount of time allotted for the stakeholder comment period is reasonable to Michigan EIBC/United, the temporal proximity of the TEP filings and the utility rate cases, in which cost recovery for TEP programs is decided, makes it nearly impossible for any stakeholder comments to be adequately incorporated into the TEP and utility rate case filings. This is partly a result of the proximity of the current timeline for rate case filings (which can be filed as frequently as every 12 months) and partly a result of the remaining fact that cost recovery for TEP programs is determined in a rate case.

⁹ Advanced Energy United is a national business association representing leading companies in the advanced energy industry. United supports a broad portfolio of technologies, products, and services that enhance U.S. competitiveness and economic growth through an efficient, high-performing energy system that is clean, secure, and affordable.

¹⁰ Michigan Public Service Commission Staff, Case No. U-21492, “Michigan Transportation Electrification Plan Filing Requirements,” January 24, 2025, p. 2, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000XDvn6AAD>.

¹¹ *Id.*, p. 2.

For example, in 2024, Consumers Energy filed its TEP in Case No. U-21538 on June 25, 2024.¹² Prior to this filing, Consumers Energy filed for approval of the programs and proposals included in the TEP in its general rate case (Case No. U-21585) on May 31, 2024.¹³ Petitions to intervene in that general rate case were due on June 20, 2024. Hypothetically, changes could have been made to the TEP in response to comments in the Case No. U-21538 docket after June 25, 2024. However, without specific direction from a Commission Order, it is highly unlikely that the Company would have elected to make changes to programs for which they were already seeking cost recovery in an active rate case. As such, any stakeholder comments filed after that date would have effectively served no practical purpose and resulted in no change to the funding, and therefore execution, of the programs.

In 2025, DTE Energy did not file a TEP progress report in Case No. U-21538, but requested recovery for minor program adjustments in its 2025 general electric rate case, Case No. U-21860, which was filed on April 24, 2025.¹⁴ As far as Michigan EIBC/United are aware, these minor revisions were not discussed with external stakeholders prior to their presentation in the rate case, making it impossible for stakeholders to provide feedback on the proposed recommendations, much less see those recommendations incorporated into the rate case filing. That same year, Consumers Energy filed its TEP annual progress report on June 27, 2025 in Case No. U-21538.¹⁵

¹² Consumers Energy, Case No. U-21538, “Transportation Electrification Plan 2024,” June 2024, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000EFQgtAAH>.

¹³ Direct Testimony of Jeffrey A. Myrom on behalf of Consumers Energy, Case No. U-21585, May 31, 2024, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000Dn0uNAAR>.

¹⁴ Direct Testimony of Neal T. Foley on behalf of DTE Electric Company, Case No. U-21860, April 24, 2025, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000lnIwAAI>.

¹⁵ Consumers Energy, Case No. U-21538, “Transportation Electrification Plan: Annual Progress Report 2025,” June 2025, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000wdxWAAQ>.

Prior to this filing, Consumers Energy filed for approval of the programs and proposals included in the TEP in its general electric rate case (Case No. U-21870) on June 2, 2025.¹⁶ Petitions to intervene in that general rate case were due on June 25, 2025. Given this timeline, there was again no opportunity to provide feedback that could be expected to be incorporated into the TEP.

Finally, in 2026, DTE Energy filed its TEP in Case No. U-21538 on April 22,¹⁷ and filed for approval of the programs included in the TEP in its general electric rate case (Case No. U-22046) four business days later on April 28, 2026.¹⁸ Similarly, Consumers Energy filed its TEP in Case No. U-21538 on June 1, 2026,¹⁹ and filed for approval of the programs included in the TEP in its general electric rate case (Case No. U-22070) the following business day on June 2, 2026.²⁰ While both utilities held stakeholder engagement workshops prior to filing their TEPs and rate cases in 2026, it is unclear from both filings what feedback was incorporated and if or how these workshops helped reshape the utilities' TEP strategy.

Presumably, as it relates to the official 45-business day comment period open to stakeholders in Case No. U-21538, TEP comments would be most useful to inform any needed changes to the TEP *prior* to a utility requesting approval for its transportation electrification programs in the *subsequent* relevant rate case. However, as shown in the above examples, since 2024, the utility

¹⁶ Direct Testimony of Jeffrey A. Myrom on behalf of Consumers Energy, Case No. U-21585, June 2, 2024, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000s6UQyAAM>.

¹⁷ DTE Electric Company, Case No. U-21538, "2027-2031 Transportation Electrification Plan," April 2026, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

¹⁸ Direct Testimony of Milena Kabashi on behalf of DTE Electric Company, Case No. U-22046, April 28, 2026, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001xwP3ZAAU>.

¹⁹ Consumers Energy, Case No. U-21538, "Transportation Electrification Plan & Annual Report 2026," June 2026, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000024ndTGAAy>.

²⁰ Direct Testimony of Alex Gast on behalf of Consumers Energy Company, Case No. 22070, June 2, 2024, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs0000258C3KAAU>.

TEPs were either filed within less than a week of or, in the case of Consumers Energy, directly after the rate case in which the utility was seeking approval for related programs. In either instance, there is currently no viable path to proposing changes to the utilities' TEPs and having those changes reflected in the filings in the general electric rate cases. In theory, comments proposed during an ongoing general electric rate case (through the process herein in Case No. U-21538) that do not impact cost allocation could be incorporated by the utility during or after the rate case. However, Michigan EIBC/United are not aware of any such changes being made to a utility TEP.

Michigan EIBC/United raised concerns about this timing issue in 2024 during the stakeholder engagement process for establishing the TEP filing requirements in Case No. U-21492, stating that "it is unclear what value or purpose there would be for stakeholders to submit comments in the open docket when the only place where changes can actually be made to the TEP proposals and programs is the already ongoing general rate case."²¹ To address this concern and to ensure that stakeholder comments meant to improve the TEPs are assessed and incorporated prior to when the utility finalizes and files its next general rate case in which TEP programs are evaluated, Michigan EIBC/United recommended at that time "that the Commission ensure that TEP filings are required at least 180 days prior to a utility general rate case filing."²²

²¹ Michigan Energy Innovation Business Council and Advanced Energy United, Case No. U-21492, "In the matter, on the Commission's own motion, to open a docket that will be used to collaboratively consider and address issues and concerns related to use and deployment of electric vehicles in a Commission-sponsored technical conference," July 22, 2024, p. 14, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000EgvDMAAZ>.

²² *Ibid.*

Recommendation

Now that the concerns regarding the timing of the TEP and rate case filings that Michigan EIBC/United raised two years ago have been realized, Michigan EIBC/United again recommend “that the Commission establish an appropriate filing schedule to ensure that comments filed on the TEPs help to inform utility filings in general rate cases.”²³ Specifically, Michigan EIBC/United recommend that a utility be required to file its TEP 180 days prior to its subsequent general electric rate case filing. This would allow the utilities time to adequately assess and incorporate relevant stakeholder comments provided in the required 45-business day comment period and the subsequent 30-day reply period into the TEP programs filed for cost recovery in the general rate case. This would also provide the Commission with ample time to review the TEP and direct necessary modifications before the Company formally requests TEP program cost recovery in its rate case. Even without Commission action, the Company should voluntarily submit future TEPs at least 180 days prior to any rate case filing, ensuring stakeholders have ample time to provide meaningful input.

EV Adoption Forecasts

The Company reports that there are currently 114,000 EVs in its service territory.²⁴ From 2021-2025, EV registration experienced a 57 percent compound annual growth rate.²⁵ Notably, 86 percent of EVs sold in Michigan are in the Company’s service territory, 80 percent of which are all-electric and 20 percent are plug-in hybrid EVs.²⁶ Using data from S&P Global to assess

²³ *Ibid.*

²⁴ DTE Electric Company, “2027-2031 Transportation Electrification Plan,” April 22, 2026, pp. 1-2, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

²⁵ *Id.*, p. 8.

²⁶ *Ibid.*

historical adoption trends and from the Electric Power Research Institute (“EPRI”) to determine future market share projections for each vehicle segment within the Company’s service territory,²⁷ the Company projects that EV registrations, including medium- and heavy-duty vehicles, will increase to over 423,000 in its service territory by 2031.²⁸

In accordance with the Commission’s Order in the Company’s 2025 rate case (Case No. U-21860), the Company evaluated the impact of H.R. 1,²⁹ which repealed several tax credits included in the Inflation Reduction Act, such as the 30C Alternative Fuel Vehicle Refueling Property Credit and the 30D Clean Vehicle Credit,³⁰ on its EV adoption forecasts in the instant case. The Company indicates that the total cost of ownership modeled over ten years for an EV model increased from \$77,194 to \$85,694 with the loss of the federal tax credits, resulting in a “52 percent decline in total projected EV registrations during the TEP Refresh timeframe relative to the previous TEP forecast.”³¹ While the Company acknowledges the impact that H.R. 1 has had on production at automotive manufacturing plants and on the growth rate of EV deployment across its service territory, the Company assumes that the impact will largely be felt in the near term.³²

The Company also points to other positive and negative influences at the state level that could impact EV adoption in its service territory, such as the increase to the state registration fees

²⁷ *Id.*, p. 11.

²⁸ *Id.*, pp-1-2.

²⁹ United States Congress, “H.R. 1 - An act to provide for reconciliation pursuant to title II of H. Con. Res. 14.,” 119th congress, 2025-2026, July 4, 2025, Available at <https://www.congress.gov/bill/119th-congress/house-bill/1>.

³⁰ Evergreen Action, “Republican Megabill Is a Disaster for Energy Costs, Jobs, and Clean Energy,” June 2025, available at <https://www.evergreenaction.com/blog/senate-gops-updated-megabill-isis-still-a-disaster-foraffordability-jobs-and-clean-energy>.

³¹ DTE Electric Company, “2027-2031 Transportation Electrification Plan,” April 22, 2026, p. 20. Available at <https://mi-pse.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

³² Direct Testimony of Markus B. Leuker on behalf of DTE Electric Company (“Leuker Direct”), Case No. 22046, p. 25.

resulting from the increase state gas tax passed in October 2025 (negative),³³ the launch of the final round of the Clean Bus Energy Grant funding (positive),³⁴ and the continuation of the Clean Fuel and Charging Infrastructure (“CFCI”) grant program managed by the Michigan Department of Environment, Great Lakes, and Energy (“EGLE”) (positive).³⁵

³³ Michigan Legislature, “Public Act No. 20,” October 7, 2025, available at <https://www.legislature.mi.gov/documents/2025-2026/publicact/htm/2025-PA-0020.htm>.

³⁴ *Id.*, p. 19

³⁵ *Ibid.*

Broadly, EVs' improving range^{36, 37, 38, 39} and price competitiveness,^{40, 41, 42, 43, 44, 45, 46} the growth of the used EV market,^{47, 48, 49, 50} and supportive state actions^{51, 52, 53} will enable continued EV

³⁶ Elliott, D., World Economic Forum, "5 developments that could make owning an EV more convenient," October 2024, available at <https://www.weforum.org/stories/2024/10/electric-vehicles-batteries-charging/>.

³⁷ Shakir, U., "Heat pumps in EVs are making a big difference in cold-weather driving," *The Verge*, January 2025, available at <https://www.theverge.com/2025/1/23/24350602/electric-vehicle-heat-pump-better-range-tesla-etronmustang-mach-e>.

³⁸ Kothari, S., "Even Affordable EVs Are Getting Solid-State Batteries Now," *Inside EVs*, July 2025, available at <https://insideevs.com/news/766509/affordable-evev-solid-state-battery-mg4-china/>.

³⁹ Ghoshal, A., "BMW promises 30% longer range in upcoming EVs with custom batteries," *New Atlas*, March 2025, available at <https://newatlas.com/automotive/bmw-longer-range-neue-klasse-evev-batteries/>.

⁴⁰ Foote, B., "Ford CEO Jim Farley Says Next Gen EVs Will Be Cheaper Than Current Lineup," *Ford Authority*, June 2025, available at <https://fordauthority.com/2025/06/ford-ceo-jim-farley-says-next-gen-evs-will-be-cheaper-than-current-lineup/>.

⁴¹ Slowik, P. et al., International Council on Clean Transportation, Assessment of light-duty electric vehicle costs and consumer benefits in the United States in the 2022–2035 time frame, October 2022, available at <https://theicct.org/publication/ev-cost-benefits-2035-oct22/>.

⁴² Stoklosa, A., "The Super-Affordable 2027 Chevrolet Bolt EV Is Coming Soon—Very Soon," *Motortrend*, June 2025, available at <https://www.motortrend.com/news/2027-chevrolet-bolt-everything-you-need-to-know>.

⁴³ Banner, J., "The Cheap Tesla Is Almost Here—and We Finally Know What It'll Look Like," *Motortrend*, July 2025, available at <https://www.motortrend.com/news/cheap-tesla-model-y-coming-2025>.

⁴⁴ Kothari, S., "General Motors Says New LMR Battery Will Deliver Major Cost Savings," *Inside EVs*, July 2025, available at <https://insideevs.com/news/766646/gm-lmr-battery-cost-savings-lfp/>.

⁴⁵ GM News, "GM and LG Energy Solution to pioneer LMR battery cell technology," May 2025, available at <https://news.gm.com/home.detail.html/Pages/news/us/en/2025/may/0513-GM-LG-Energy-Solution-pioneer-LMR-battery-cell-technology.html>.

⁴⁶ Mile, N., "Ford's Michigan EV battery plant backed by tax credits after political reboot," *Fox: WFXR*, July 2025, available at <https://www.wfxrtv.com/automotive/fords-michigan-ev-battery-plant-backed-by-tax-credits-after-political-reboot/?nxsparm=9>.

⁴⁷ Toussaint, K., "The first big batch of used EVs will hit the market in 2026. No one knows what's going to happen," *Fast Company*, January 2024, available at <https://www.fastcompany.com/91018102/the-first-big-batch-of-used-evs-will-hit-the-market-in-2026-no-one-knows-whats-going-to-happen>.

⁴⁸ Agostino, S., "Used EV sales are surging — how their ownership costs compare to gas-powered cars," *CNBC*, May 3, 2026, available at <https://www.cnbc.com/2026/05/03/ev-ownership-costs.html>.

⁴⁹ Strock, K., "The Fastest-Selling Cars in America Are Used EVs," *Bloomberg*, September 27, 2025, available at <https://www.bloomberg.com/news/articles/2025-09-27/the-us-used-electric-vehicle-market-is-taking-off-here-s-why?embedded-checkout=true>.

⁵⁰ Valdez Streaty, S., "EV Market Monitor - April 2026," *Cox Automotive*, May 15, 2026, available at <https://www.coxautoinc.com/insights/ev-market-monitor-april-2026-2/>.

⁵¹ Department of Environment, Great Lakes, and Energy, "Clean Fuel and Charging Infrastructure Program," accessed June 2026, available at <https://www.michigan.gov/egle/about/organization/materials-management/energy/rfps-loans/clean-fuel-and-charging-infrastructure-program>.

⁵² Executive Office of the Governor, "Executive Directive 2023-5: Conversion of State Fleet," December 2023, available at <https://www.michigan.gov/whitmer/news/state-orders-anddirectives/2023/12/05/executive-directive-2023-5-conversion-of-state-fleet>.

⁵³ Michigan Department of Transportation, "MDOT NEVI Design-Build-Operate-Maintain (DBOM) Project - Notification of Selection," June 2025, available at <https://www.michigan.gov/mdot/-/media/Project/Websites/MDOT/Business/Contractors/Innovative-Contracting/NEVI---2/Notification-of-Selection.pdf?rev=6451b2352ab14cd2a84a075496f62c6f&hash=12DC631641D6A886192976DBDA00C8D8>.

adoption growth through the current period of political and economic uncertainty at the federal level. Michigan EIBC/United appreciate and agree with the Company's general acknowledgement of these trends and realities. The Company, however, failed to account for several other external geopolitical and commercial trends that are likely to have an impact on its EV adoption forecasts, such as:

- *Continued National Electric Vehicle Infrastructure ("NEVI") program funding deployment:* On June 8, 2026, the Michigan Department of Transportation released a \$51 million Request for Proposal for its final round of NEVI formula funding, which is expected to support an additional 60 new charging sites across the state.^{54, 55} Experts assert that the existence of public charging infrastructure directly enables customers to purchase EVs.^{56, 57, 58, 59} As such, it is reasonable to assume that continued deployment of NEVI chargers will improve consumer visibility of new and existing charging opportunities throughout the state, instilling greater confidence that customers would be adequately supported if they purchase an EV.

⁵⁴ Michigan Department of Transportation, "MDOT Releases NEVI Round 3 RFP to Expand Michigan's EV Charging Network," June 8, 2026, available at <https://content.govdelivery.com/accounts/MIDOT/bulletins/41afcf3>.

⁵⁵ Michigan Department of Transportation, "National Electric Vehicle Infrastructure (DBOM) - Round 3," accessed June 8, 2026, available at <https://www.michigan.gov/mdot/business/contractors/innovativecontracting/national-electric-vehicle-infrastructure-3>.

⁵⁶ Osaka, S., The Washington Post, "For each public charger, here's how many EVs are looking to plug in," May 2024, available at <https://www.washingtonpost.com/climate-solutions/2024/05/20/charging-stations-lag-ev-sales/>.

⁵⁷ Center for Sustainable Energy, "The State of Electric Vehicle Adoption in the U.S. and the Role of Incentives in Market Transformation," September 2023, available at <https://energycenter.org/thought-leadership/blog/stateelectric-vehicle-adoption-us-and-role-incentivesmarket#:~:text=Publicly%20available%20EV%20charging%20inspires,apartments%2C%20to%20charge%20an%20EV.>

⁵⁸ U.S. Department of Energy, Alternative Fuels Data Center, "Charging Electric Vehicles in Public," June 2024, available at <https://afdc.energy.gov/fuels/electricity-charging-public>.

⁵⁹ International Energy Agency, "Global EV Outlook 2024: Moving towards increased affordability," 2024, available at <https://iea.blob.core.windows.net/assets/a9e3544b-0b12-4e15-b407-65f5c8ce1b5f/GlobalEVOutlook2024.pdf>.

- *Volatile fuel costs*: Global oil supply constraints have driven up national average U.S. gas prices by 40 percent, which currently sit above \$4.25 per gallon.^{60, 61} While the statewide average gas price in Michigan also hovers around \$4.25, some parts of the state, such as northern Michigan and the Upper Peninsula, are facing costs nearing \$5.00 per gallon, adding hundreds of dollars in fuel costs per year per household.^{62, 63, 64} Similarly, the statewide average cost of diesel is close to \$6.00 per gallon.⁶⁵ Today, the electricity to charge EVs costs less than half on a per-mile basis compared to gas-powered vehicles,⁶⁶ and electricity prices are historically far more stable – only increasing 8.8 percent between 2018 and 2023.⁶⁷ These fuel price increases and promises for more stability and predictability are driving increased EV interest^{68, 69, 70, 71} and EV adoption. In fact, EV

⁶⁰ Murphy, J. et al., “Graphic: Track U.S., state and county gas prices,” *CNBC*, April 8, 2026, updated June 5, 2026, accessed June 5, 2026, available at <https://www.nbcnews.com/data-graphics/gas-prices-iran-war-state-national-cost-trump-rcna265835>.

⁶¹ AAA, “Fuel Prices,” accessed June 5, 2026, available at <https://gasprices.aaa.com/>.

⁶² *Ibid.*

⁶³ Schuster, S., “Opinion | Michigan can’t control war-driven oil prices. We can control our transportation future,” *Bridge Michigan*, May 7, 2026, available at <https://bridgemi.com/guest-commentary/opinion-michigan-cant-control-war-driven-oil-prices-we-can-control-our-transportation-future/>.

⁶⁴ Harring, A., “Iran war cost: Average U.S. household paying \$450 more on gas and energy,” *CNBC*, May 29, 2026, available at <https://www.cnn.com/2026/05/29/energy-costs-inflation-iran-war-trump.html>.

⁶⁵ AAA, “Fuel Prices,” accessed June 5, 2026, available at <https://gasprices.aaa.com/>.

⁶⁶ EPRI, “The Electric Vehicle (EV) Price Stability Advantage: Electricity vs. Gasoline,” April 15, 2026, available at <https://www.epri.com/research/products/000000003002036139>.

⁶⁷ Michigan Citizens Utility Board, “Utility Performance Report – 2025 Edition,” September 4, 2025, available at https://cubofmichigan.org/wp-content/uploads/2025/09/2025-Utility-Performance-Report_20250904.pdf.

⁶⁸ Subramanian, P., “Surging gas prices have more than half of car buyers eyeing EVs and hybrids,” *Yahoo! Finance*, April 26, 2026, available at <https://finance.yahoo.com/economy/article/surging-gas-prices-have-more-than-half-of-car-buyers-eyeing-evs-and-hybrids-140000205.html>.

⁶⁹ Canal, A., “Rising gas prices have sparked fresh interest in EVs — but affordability is a major barrier,” *NBC News*, April 7, 2026, available at <https://www.nbcnews.com/business/consumer/iran-war-gas-prices-cars-evs-hybrids-rcna266971>.

⁷⁰ Garsten, E., “High Gas Prices Boosting Interest In EVs, But Will Sales Follow?,” *Forbes*, April 2, 2026, available at <https://www.forbes.com/sites/edgarsten/2026/04/02/high-gas-prices-boosting-interest-in-evs-but-will-sales-follow/>.

⁷¹ Plummer, I., “Sharp rise in EV interest on Autotrader following Middle East bombing,” *Autotrader Group*, March 24, 2026, available at <https://plc.autotrader.co.uk/news-views/press-releases/sharp-rise-in-ev-interest-on-autotrader-following-middle-east-bombing/>.

adoption increased 59 percent between February and March 2026 – reaching the highest level of national EV adoption since the loss of the federal tax credits in Q4 of 2025.^{72, 73}

- *New Heavy-Duty EV models coming on the market:* In March 2026, Tesla opened its first electric semi-truck factory in Nevada, which has a manufacturing capacity of 50,000 semi-trucks a year.⁷⁴ While the cost of a new Tesla Semi Long Range and the associated charging depot installation needed to support it is almost double a comparable diesel truck, Tesla suggests that given higher diesel costs, businesses can save between \$147,000-\$404,000 over five to ten years of ownership.^{75, 76} With contracts already in place with customers like PepsiCo,⁷⁷ DHL,⁷⁸ Walmart,⁷⁹ and Costco⁸⁰ and the national average cost of diesel up

⁷² Malhotra, I., “EV Sales Show Modest Rebound in March,” *Atlas Public Policy*, June 2, 2026, available at <https://www.atlasevhub.com/weekly-digest/ev-sales-show-modest-rebound-in-march/>.

⁷³ Meredith, S. and M. Wayland., “EV demand is getting a boost from the Iran war — just as auto giants pivot back to combustion engines,” *CNBC*, April 2, 2026, available at <https://www.cnbc.com/2026/04/02/evs-autos-energy-oil-iran-war-electric-transport-fossil-fuels.html>.

⁷⁴ Lambert, F., “Tesla Semi: first truck rolls off high-volume production line,” *Electrek*, April 29, 2026, available at <https://electrek.co/2026/04/29/tesla-semi-first-truck-high-volume-production-line/>.

⁷⁵ Lambert, F., “Tesla Semi can save over \$400K vs diesel, but there are big ‘ifs’,” *Electrek*, May 4, 2026, available at <https://electrek.co/2026/05/04/tesla-semi-tco-analysis-diesel-savings-electricity-price/>.

⁷⁶ Nichole, A., “The Tesla Semi Will Cost Double a Standard Truck—but the Math Shows It Could Kill Off Diesels: After years of limited production, Tesla is ramping up its Semi rollout while making a compelling economic case that could reshape America’s freight,” *Inc.com*, available at <https://www.inc.com/amaya-nichole/tesla-semi-math-vs-diesel-costs/91322766>.

⁷⁷ Hineman, B., “PepsiCo to add 50 Tesla electric semi-trucks to California fleet,” *Yahoo Finance*, May 23, 2024, available at https://finance.yahoo.com/news/pepsico-add-50-tesla-electric-201254098.html?guccounter=1&guce_referrer=aHR0cHM6Ly9icmlkZ2VtaS5jb20v&guce_referrer_sig=AQAAAA8u3VPSiLYY9B4qViXxQ8CKOfT0Q2d-YndqWMCX93AtLi1bckWq9kEYdYArb60TK2b3mflZmtcyXfNU80I1UUnCnEtF9zh0JuNV5PYw-7FyUmu1YbegsCsmpjRWm5BGRHwYeNHs1A1eU_-SAzmfrzYnsHrpjV__XvYHj_z3ZeW.

⁷⁸ Lambert, F., “DHL takes delivery of its first Tesla Semi electric truck, says more to come next year,” *Electrek*, December 8, 2025, available at <https://electrek.co/2025/12/08/dhl-takes-tesla-semi-electric-truck/>.

⁷⁹ Lambert, F., “Tesla Semi is getting into the hands of two more big customers,” *Electrek*, May 7, 2024, available at <https://electrek.co/2024/05/07/tesla-semi-hands-two-more-big-customers/>.

⁸⁰ *Ibid.*

53 percent,^{81, 82} it is reasonable to expect increased electrification across the commercial sector, especially among heavy-duty fleet operators.

As the evidence demonstrates, there will always be external forces pushing and pulling the EV market, and understanding those factors can provide valuable context for evaluating adoption trends. However, those short-term influences should not overshadow the need to plan for the long-term growth of transportation electrification.

While it is important to understand the impact of external factors on electric vehicle (EV) adoption within the Company's service territory, Michigan EIBC/United cautions the Commission against relying too heavily on these short-term trends as a basis for scaling back critical EV programs. Such an approach risks overlooking the broader, long-term trajectory of transportation electrification. Although near-term market conditions may influence the pace of adoption, EV ownership—and the associated electric load—is expected to continue growing over time.^{83, 84, 85,}
^{86, 87} Utilities must be prepared for this transition by maintaining investments that support EV deployment, grid readiness, and customer adoption. Reducing these programs in response to

⁸¹ Nichole, A., “The Tesla Semi Will Cost Double a Standard Truck—but the Math Shows It Could Kill Off Diesels: After years of limited production, Tesla is ramping up its Semi rollout while making a compelling economic case that could reshape America’s freight,” *Inc.com*, available at <https://www.inc.com/amaya-nichole/tesla-semi-math-vs-diesel-costs/91322766>.

⁸² AAA, “Fuel Prices,” accessed June 5, 2026, available at <https://gasprices.aaa.com/>.

⁸³ Smart Electric Power Alliance, *Preparing for an Electric Vehicle Future: How Utilities Can Succeed*, accessed June 10, 2026, available at <https://sepapower.org/resource/preparing-for-an-electric-vehicle-future-how-utilities-can-succeed/>.

⁸⁴ Bloomberg, “Despite Hurdles, Vehicle Electrification in the US Is Likely Here to Stay, Finds Bloomberg Intelligence,” April 5, 2024, available at <https://www.bloomberg.com/company/press/despite-hurdles-vehicle-electrification-in-the-us-is-likely-here-to-stay-finds-bloomberg-intelligence/>.

⁸⁵ Bloomberg New Energy Finance, “Electric Vehicle Outlook 2025 Overview,” accessed June 10, 2026, available at <https://assets.bbhub.io/professional/sites/24/202506-EVO2025-Executive-Summary.pdf>.

⁸⁶ International Energy Agency, “Global EV Outlook 2026: Trends in electric cars,” accessed June 10, 2026, available at <https://www.iea.org/reports/global-ev-outlook-2026/trends-in-electric-cars>.

⁸⁷ McCarthy, D., “Electric cars are starting to take over the world,” *Canary Media*, June 5, 2026, available at <https://www.canarymedia.com/articles/electric-vehicles/electric-cars-starting-take-over-world>.

temporary market fluctuations could leave utilities ill-equipped to meet future demand and capture the long-term benefits of transportation electrification.

Recommendation

Michigan EIBC/United strongly support the Company's EV adoption forecasts. While recognizing current market volatility and external headwinds, DTE's analysis confirms that global vehicle electrification will continue to grow. This sustained commitment will provide utilities with a clear opportunity to capitalize on customer benefits and proactively prepare the grid for anticipated new loads. In addition to the current forecast, Michigan EIBC/United recommend continued evaluation of external forces, such as but not limited to the repeal of the federal EV tax credits and fuel cost volatility, for informational purposes, but caution the Company against looking to short-term forecast shifts as justification to scale back the Company's transportation electrification programs.

Benefit-Cost Analysis ("BCA")

In the final Order in the Company's 2025 rate case (Case No. U-21860), the Commission required the Company to propose "an accounting scheme that accurately captures the full [net present value, "NPV"] NPV benefits, including all revenue attributable to charging and associated network effects, provided by its programs across customer classes."⁸⁸ In accordance with this Order, the Company's updated BCA, based on the NPV of the net revenue requirement, indicates that the proposed TEP portfolio produces over \$1.8 billion in NPV of net rate relief to all DTE customers.⁸⁹

⁸⁸Michigan Public Service Commission, Case No. U-21860, "Order: In the matter of the application of DTE Electric Company for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority," February 19, 2026, p. 434, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001kHayeAAC>.

⁸⁹ DTE Electric Company, "2027-2031 Transportation Electrification Plan," April 22, 2026, pp. 78-85, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

The Company's baseline BCA assumes 100 percent of projected EV adoption, finding that long-term benefits are provided across the segment and portfolio levels.⁹⁰ This improved methodology more accurately captures the known network effects of EV charging. Specifically, the existence of public EV charging stations directly enables customers to purchase EVs,^{91, 92, 93, 94} leading to significant at-home charging and revenue from electricity sales.^{95, 96, 97, 98, 99} In fact, according to a Synapse Energy Economics study examining the revenues and costs associated with EVs between 2011 and 2024, EV drivers have contributed approximately \$167 million more than their associated costs in Michigan.¹⁰⁰ As such, Michigan EIBC/United strongly support the expansion of the Company's BCA to evaluate not only the revenue attributable to rebated EV chargers, but all EV chargers across its service territory.

⁹⁰ *Id.*, p. 78.

⁹¹ Osaka, S., *The Washington Post*, "For each public charger, here's how many EVs are looking to plug in," May 2024, available at <https://www.washingtonpost.com/climate-solutions/2024/05/20/charging-stations-lag-ev-sales/>.

⁹² Center for Sustainable Energy, "The State of Electric Vehicle Adoption in the U.S. and the Role of Incentives in Market Transformation," September 2023, available at <https://energycenter.org/thought-leadership/blog/stateelectric-vehicle-adoption-us-and-role-incentivesmarket#:~:text=Publicly%20available%20EV%20charging%20inspires,apartments%2C%20to%20charge%20an%20EV.>

⁹³ U.S. Department of Energy, Alternative Fuels Data Center, "Charging Electric Vehicles in Public," June 2024, available at <https://afdc.energy.gov/fuels/electricity-charging-public>.

⁹⁴ International Energy Agency, "Global EV Outlook 2024: Moving towards increased affordability," 2024, available at <https://iea.blob.core.windows.net/assets/a9e3544b-0b12-4e15-b407-65f5c8ce1b5f/GlobalEVOutlook2024.pdf>.

⁹⁵ Nadel, S., American Council for an Energy Efficient Economy (ACEEE), "Charging Ahead: How EVs Could Drive Down Electricity Rates," January 2024, available at <https://www.aceee.org/blog-post/2024/01/charging-ahead-how-evs-could-drive-down-electricity-rates>.

⁹⁶ Metz, L. et al., Synapse Energy Economics, Inc., Distribution System Investments to Enable Medium- and Heavy-Duty Vehicle Electrification: A Case Study of New York," April 2023, available at <https://acrobat.adobe.com/id/urn:aaid:sc:US:3ef62d18-a652-4848-a2a5-15eb2771d8cc>.

⁹⁷ Synapse Energy Economics, "EVs Are Driving Rates Down for All Customers: State-by-State Cumulative EV Net Rate Impact Summary June 2024," available at https://www.synapse-energy.com/sites/default/files/EV%20All%20State%20List%20PDF_0.pdf.

⁹⁸ Satchwell, A. et al., Prepared for the U.S. Department of Energy, "Quantifying the Financial Impacts of Electric Vehicles on Utility Ratepayers and Shareholders February 2023," available at https://etapublications.lbl.gov/sites/default/files/ev_financial_impacts_final_report_final_draft_02092023.pdf.

⁹⁹ California Public Utilities Commission, "Utility Cost and Affordability of the Grid of the Future: An Evaluation of Electric Costs, Rates, and Equity Issues Pursuant to P.U. Code Section 913.1. 2021," available at: https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/office-of-governmental-affairs-division/reports/2021/senate-bill-695-report-2021-and-en-bancwhitepaper_final_04302021.pdf.

¹⁰⁰ Shenstone-Harris, S., Synapse Energy Economics, "Driving Affordable Rates with EVs: Michigan," April 2026, available at https://www.synapse-energy.com/sites/default/files/25-136%20Michigan%20Factsheet_2.pdf.

While the Company's updated BCA represents a vast improvement from previous BCAs, the Commission Order clearly indicated that it should capture "the full NPV benefits including all revenue attributable to charging and associated network effects, provided by its programs across customer classes."¹⁰¹ The Company effectively captures all revenue attributable to charging, but, by failing to address the societal benefits associated with charging that increase over time as EV adoption and EV charging increase, the Company's analysis fails to address all of the network effects associated with its programs.

Societal benefits associated with increased transportation electrification include reduced greenhouse gas emissions, reduced criteria pollutant emissions, reduced noise pollution, reduced transportation fuel costs, improved physical and mental health, job creation, and economic impacts.^{102, 103} As exhibited in Commonwealth Edison ("ComEd")¹⁰⁴ and Ameren's¹⁰⁵ Beneficial

¹⁰¹ Michigan Public Service Commission, Case No. U-21860, "Order: In the matter of the application of DTE Electric Company for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority," February 19, 2026, p. 434, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001kHayeAAC>.

¹⁰² American Council for an Energy-Efficient Economy, "Cost-Effectiveness Tests: Overview of State Approaches to Account for Health and Environmental Benefits of Energy Efficiency," December 2018, available at <https://www.aceee.org/sites/default/files/he-ce-tests-121318.pdf>.

¹⁰³ Armstrong, S., "Killing the Roar: Electric Vehicles Can Calm Us Down," *The London Evening Standard*, July 2022, available at <https://www.standard.co.uk/optimist/plug-it-in/electric-vehicles-duncan-williams-noise-soundb1010886.html>.

¹⁰⁴ Illinois Commonwealth Edison, "ComEd Beneficial Electrification Plan," 2022, available at <https://icc.illinois.gov/docket/P2022-0432/documents/325766/files/567114.pdf>.

¹⁰⁵ Ameren Illinois Company, "Beneficial Electrification Plan," 2022, available at <https://www.icc.illinois.gov/docket/P2022-0431/documents/325722/files/567031.pdf>.

Electrification Plans, as well as Xcel Energy’s Minnesota¹⁰⁶ and Colorado¹⁰⁷ TEPs, reduced greenhouse gas emissions and reduced criteria pollutant emissions can be accurately quantified by using the Federal Social Cost of Carbon (“SCC”).¹⁰⁸ Developed by a federal interagency working group to calculate the benefits of carbon dioxide (“CO₂”) reductions in 2010 and updated in 2016, the SCC represents an estimate of the monetized net economic damages associated with one metric ton of CO₂ emissions. As discussed in the Direct Testimony of Dr. Laura Sherman in DTE’s 2024 general electric rate case (Case No. U-21534),

Greenhouse gas emissions reductions can be quantified by comparing the difference between emissions from EV charging (i.e., based on emissions related to electricity generation) and emissions from internal-combustion engine vehicles.^{109, 110} This difference can then be converted into a cost of avoided emissions using an SCC.¹¹¹

¹⁰⁶ Minnesota Xcel Energy, “Petition of Northern States Power Company for Approval of a Public Charging Network, an Electric School Bus Pilot, and Program Modifications,” 2022, available at <https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={90B25F820000-C32B-B70E-1C25A3E2A491}&documentTitle=20228-188061-07>.

¹⁰⁷ Xcel Colorado Energy, “Benefit-Cost Analysis of Transportation Electrification in the Xcel Energy Colorado Service Territory,” May 2020, available at https://www.dora.state.co.us/pls/efi/efi.show_document?p_dms_document_id=926529&p_session_id=.

¹⁰⁸ Interagency Working Group on Social Cost of Greenhouse Gases, “Social Cost of Carbon, Methane, and Nitrous Oxide-Interim Estimates Under Executive Order 13990,” February 2021, available at <https://www.energy.gov/sites/default/files/2023-04/57.%20Social%20Cost%20of%20Carbon%202021.pdf>.

¹⁰⁹ California Public Utilities Commission, “Pacific Gas and Electric Company 2017 General Rate Case Phase II Updated and Amended Prepared Testimony,” Exhibit (PG&E-9) Volume 1 Marginal Costs, 2016, available at <https://docs.cpuc.ca.gov/PublishedDocs/SupDoc/A1606013/319/170773573.pdf>.

¹¹⁰ Energy & Environmental Economics, “Technical Potential for Local Distributed Photovoltaics in California,” 2012, available at https://www.cpuc.ca.gov/-/media/cpuc-website/files/uploadedfiles/cpuc_website/content/utilities_and_industries/energy/reports_and_white_papers/ldpvpotentialreportmarch2012.pdf.

¹¹¹ Direct Testimony of Dr. Laura S. Sherman on behalf of The Michigan Energy Innovation Business Council and Institute for Energy Innovation, Case No. U-21534, p. 27, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000EmMIXAA3>.

In addition to several state legislatures (e.g. New Jersey,¹¹² Illinois,¹¹³ and Colorado¹¹⁴) and public utility commissions (California,¹¹⁵ Illinois,¹¹⁶ Minnesota,¹¹⁷ Nevada,¹¹⁸ New York,¹¹⁹ Oregon,¹²⁰ and Washington¹²¹) that have identified the SCC as the best mechanism to quantify the social cost of CO₂ emissions and, therefore, the social benefits of reduced emissions, several utilities have effectively incorporated the SCC into their TEP BCAs.^{122, 123, 124, 125, 126}

¹¹² See NJ REV. STAT. § 48:3-87.3(8).

¹¹³ See 220 ILCS 3855/1-75(d-5)(1)(B)(i).

¹¹⁴ 2019 Colo. Sess. Laws 3290, available at https://leg.colorado.gov/sites/default/files/documents/2019A/bills/sl/2019a_sl_359.pdf.

¹¹⁵ Public Utilities Commission of the State of California, Decision 19-05-019, “Decision Adopting Cost-Effectiveness Analysis Framework Policies for all Distributed Energy Resources,” May 2019, available at <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M293/K833/293833387.PDF>.

¹¹⁶ See 220 ILCS 3855/1-75(d-5)(1)(B)(i).

¹¹⁷ Minnesota Public Utilities Commission, E-999/CI-14-643, “In the Matter of the Further Investigation into Environmental and Socioeconomic Costs Under Minnesota Statutes Section 216B.2422, Subdivision 3,” January 2018, available at https://costofcarbon.org/files/MPUC_E-999_CI-14-643.pdf.

¹¹⁸ Public Utilities Commission of Nevada, Docket No. 17-07020, “Investigation and rulemaking to implement Senate Bill 65 (2017),” August 2018, available at https://pucweb1.state.nv.us/PDF/AxImages/DOCKETS_2015_THRU_PRESENT/2017-7/32153.pdf.

¹¹⁹ New York Independent System Operator (NYISO), “Carbon Pricing Draft Recommendations: A Report Prepared for the Integrating Public Policy Task Force,” August 2018, available at <https://www.nyiso.com/documents/20142/2179214/carbon%20pricing%20draft%20recommendations%2020180802.pdf/575a6d2b-ad09-d8f8-e566-39a0c04f9a43>.

¹²⁰ Public Utility Commission of Oregon, Order No. 25-028, “In the Matter of Public Utility Commission of Oregon, Update to Staff Guidance on Transportation Electrification Planning,” February 5, 2025, available at <https://apps.puc.state.or.us/orders/2025ords/25-028.pdf>.

¹²¹ Washington Utilities and Transportation Commission, Docket UE-160799, “Commission Proceeding to Develop a Policy Statement to Address Electric Vehicle Charging Infrastructure Needs: Policy Statement Regarding Electric Vehicle Charging Infrastructure,” May 28, 2026, available at <https://apiproxy.utc.wa.gov/cases/GetDocument?docID=266&year=2016&docketNumber=160799>.

¹²² Direct Testimony of Dr. Laura S. Sherman on behalf of The Michigan Energy Innovation Business Council and Institute for Energy Innovation, Case No. U-21534, pp. 30-32, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000EmMIXAA3>.

¹²³ Illinois Commonwealth Edison, “ComEd Beneficial Electrification Plan,” 2022, available at <https://icc.illinois.gov/docket/P2022-0432/documents/325766/files/567114.pdf>.

¹²⁴ Illinois Commerce Commission, Direct Testimony of Andrew Cottrell, Applied Energy Group, Inc., June 2022, available at <https://www.icc.illinois.gov/docket/P2022-0431/documents/325722/files/567037.pdf>.

¹²⁵ Minnesota Xcel Energy, Petition of Northern States Power Company for Approval of a Public Charging Network, an Electric School Bus Pilot, and Program Modifications,” 2022, available at <https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={90B25F820000-C32B-B70E-1C25A3E2A491}&documentTitle=20228-188061-07>.

¹²⁶ Xcel Colorado Energy, “Benefit-Cost Analysis of Transportation Electrification in the Xcel Energy Colorado Service Territory,” May 2020, available at https://www.dora.state.co.us/pls/efi/efi.show_document?p_dms_document_id=926529&p_session_id=

The adoption and use of the SCC clearly shows that societal costs and benefits can be quantified and monetized, and as seen in many utilities, those benefits can be applied to utility TEP BCAs when evaluating TEP portfolios. In the case of transportation electrification, as EV adoption and EV charging increase, the societal benefits of reduced emissions across the Company's service territory will also increase. By definition, direct network effects occur when the value of a good increases because the number of users of that good increases.¹²⁷ Consequently, societal benefits, such as CO₂ emissions reductions are a quantifiable, monetizable effect of the growing EV charging network in the Company's service territory. Therefore, given that, in accordance with the Commission's Order in Case No. U-21860, the evaluation of network effects must be included in the Company's BCA, transitively, societal benefits must also be included in the Company's BCA.

Recommendation

In order to fully comply with the Commission's Order in Case No. U-21860, Michigan EIBC/United recommends that the Company account for societal benefits in its BCA. In addition to the other changes already proposed by the Company, this will ensure that all relevant network effects associated with the Company's TEP programs are more completely captured and, therefore, that the value of the TEP programs can be understood more holistically.

Reallocation of Rebate Program Funding

The regulatory asset treatment of the TEP rebate programs allows for a maximum level of spending within a given authorized timeframe.¹²⁸ In the event that the Company depletes the funds approved

¹²⁷ Stobierski, T., Harvard Business School, "What are Network Effects?" November 12, 2020, accessed June 9, 2026, available at <https://online.hbs.edu/blog/post/what-are-network-effects>.

¹²⁸ Direct Testimony of Neal T. Foley on behalf of DTE Electric Company, Case No. U-21860, April 24, 2025, p. 18, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000lnIwAAI>.

for a specific rebate program, it would need to stop issuing rebates for that program until such a time that the Company receives Commission approval for more funds or a reallocation of program funds.¹²⁹ In its 2025 general electric rate case (Case No. U-21860), the Company proposed that it should be able to

reallocate funding between rebate programs as needed. Said differently, the Commission is authorizing a total level of Regulatory Asset treatment, and not specific rebate program levels.¹³⁰

This would allow the Company to ensure that popular subsegments of the rebate programs that exceed targeted adoption levels can continue without interruption.¹³¹ Conceptually, Michigan EIBC/United agreed that giving the Company authority to reallocate funding would ensure the efficient and effective deployment of TEP program funds, but raised concerns that unilateral reallocation of approved rebate funding without appropriate guardrails, stakeholder input, or Commission oversight could undermine the formal review process.¹³² As such, Michigan EIBC/United recommended that the Commission reject the Company's request to reallocate funds:

until and unless the Commission initiates a stakeholder engagement proceeding to establish clearly defined transportation electrification programs and to define a process by which the Commission will review future reallocation requests.¹³³

In its Final Order (Case No. U-21860), the Commission indicated that TEP filing requirements, process issues, and design issues should be handled in a separate proceeding and “decline[d] to

¹²⁹ *Ibid.*

¹³⁰ *Id.* p. 17.

¹³¹ *Id.* p. 18.

¹³² Direct Testimony of Sophia Schuster on behalf of The Michigan Energy Innovation Business Council and Institute for Energy Innovation, Case No. U-21860, p. 66, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000016pyuNAAQ>.

¹³³ *Id.*, p. 68.

rule on the issue of who should propose guardrails with respect to future cost shifting between rebate programs [and] urge[d] interested parties to address these issues in the appropriate docket.”¹³⁴ While it remains unclear why the process by which reallocation of funding for ratepayer supported rebate programs is not more suitably addressed in the rate case proceedings, Michigan EIBC/United presume that the Commission’s intended appropriate docket is the instant case (Case No. U-21538).

As such, Michigan EIBC/United reintroduce the discussion and highlight the merit of the concept, which, as the Company suggested, would improve the efficiency and effectiveness of the deployment of the TEP rebate programs. The start–stop cadence of these programs disrupts underlying market signals, creating uncertainty for developers, contractors, and customers. This instability likely weakens participation, reduces investment confidence, and ultimately dampens program uptake. A streamlined approval or administrative review pathway for reallocations or adjustments would therefore help preserve continuity without requiring full regulatory proceedings. Absent this, delays associated with formal filings can hinder market actors’ ability to respond in real time, compounding confusion and limiting program effectiveness.

If guardrails under which the Company could reallocate funds were established and implemented, as indicated in Case No. U-21860, the following issues could be considered:

- *The outreach efforts committed to each subsegment.* Most importantly, it must be evident that the Company has taken the appropriate amount of effort to advertise and engage

¹³⁴ Michigan Public Service Commission, Case No. U-21860, “Order: In the matter of the application of DTE Electric Company for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority,” February 19, 2026, p. 262, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001kHayeAAC>.

prospective customers to apply for the TEP program subsegment from which the Company is proposing to reallocate funds. What is defined as “appropriate amount of effort” could vary based on the segment or sub-segment or on whether the target customer is LI or non-LI, but some measures of effort could include:

- The number of direct communication touchpoints with prospective customers and how that relates to the conversion rate (i.e. how many prospective customers complete an application and the associated installation) or changes to volume of program applications; or
- Proven adjustments to education & outreach methods that exhibit the Company’s attempt to improve means of communication to improve prospective customer engagement, etc.

This would help to ensure that the lack of participation is not falsely attributed to a lack of interest when the real issue may be a lack of awareness. Additionally, the Company should be required to provide an assessment detailing the reasons for low program demand in the subsequent general electric rate case to allow feedback for future program improvements and recommendations;¹³⁵ and

- *The adoption levels of each rebate program subsegment.* To do this, the Commission could define a percentage of the maximum capacity, based on informed stakeholder input, that would trigger a program assessment for reallocation. For example, if a program has only issued 5 percent of the total issuance goal of 100 rebates, this could suggest that funds could be moved from this subsegment to another subsegment that has higher demand.

¹³⁵ Direct Testimony of Sophia Schuster on behalf of The Michigan Energy Innovation Business Council and Institute for Energy Innovation, Case No. U-21860, p. 67, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000016pyuNAAQ>.

Conversely, if a program subsegment has reached 90 percent of its rebate issuance target, this would indicate that it may be eligible to draw funds from another subsegment with lower demand.¹³⁶ Such a defined adoption level should also consider other factors, such as the amount of time that the program has been implemented and any revisions introduced since program approval, as low participation could indicate that more time is needed to build market awareness, conduct education, and engage a more diverse stakeholder network to drive participation.

To allow as much flexibility as possible, it could also be appropriate to set a standard maximum reallocation allowance. This concept was implemented by the Massachusetts Department of Public Utilities in reference to the state's utilities' 2022-2025 Grid Modernization Plans, which includes EV program funding.¹³⁷ This Order permitted the Massachusetts utilities

to shift not more than 15 percent of their total grid modernization budget between each investment category to respond to evolving market conditions. The Department also allowed the Companies to shift spending between years over the four-year term of the program, subject to the 15 percent budget cap variance for each investment category.¹³⁸

The Massachusetts Department of Public Utilities found that “allowing the companies a certain level of flexibility to adjust their program segment budgets in response to EV market trends and

¹³⁶ *Id.*, pp. 67-68.

¹³⁷ The Commonwealth of Massachusetts, Department of Public Utilities, D.P.U. 21-90, 21-91, 21-92; “Petition of NSTAR Electric Company d/b/a Eversource Energy for approval of its Phase II Electric Vehicle Infrastructure Program and Electric Vehicle Demand Charge Alternative Proposal; Petition of Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid, for approval of its Phase III Electric Vehicle Market Development Program and Electric Vehicle Demand Charge Alternative Proposal; Petition of Fitchburg Gas and Electric Light Company d/b/a Unitil for approval of its Electric Vehicle Infrastructure Program, Electric Vehicle Demand Charge Alternative Proposal, and Residential Electric Vehicle Time-of-Use Rate Proposal,” December 30, 2022, available at <https://260434.fs1.hubspotusercontent-na1.net/hubfs/260434/Final%20Order%20EV%20Dockets%20December%202022%20D.P.U.%2021-90%20D.P.U.%2021-91%20D.P.U.%2021-92.pdf>.

¹³⁸ *Id.*, p. 130.

customer preferences will improve overall program implementation.”¹³⁹ Similar program budget flexibility was implemented in Illinois, allowing ComEd to move funding across approved budget programs without additional approval from the Illinois Commerce Commission, subject to six conditions recommended by Staff.¹⁴⁰ These conditions included that (1) the Company must continue to adhere to the statutory retail rate cap of 1% per year of the annual revenue requirement, (2) no funding be shifted from LI to non-LI recipients, (3) no funding should not be transferred from approved transportation programs to other non-transportation programs, (4) no funding be shifted into the pilot programs, (5) the overall Beneficial Electrification Plan spend be equal to or less than the Commission-approved overall budget, and (6) the annual plan report include a budget to actual cost comparison that explains adjustments made to each program and sub-program.¹⁴¹

Having a threshold or guardrails in place would make it easier to respond to market dynamics quickly while also having some oversight for bigger changes. To support similar efficiency improvements, Michigan EIBC/United reiterate support for the concept of funding reallocation subject to the development and implementation of reasonable guardrails or requirements to which the Company would have to adhere.

Recommendation

Michigan EIBC/United strongly urge the Company to develop recommended guardrails for the purposes of enabling responsible and reasonable reallocation of TEP rebate funding from one

¹³⁹ *Ibid.*

¹⁴⁰ Illinois Commerce Commission, Case No. 22-0432 and 22-0442, “Order: Commonwealth Edison Company Petition for Approval of Beneficial Electrification Plan under the Electric Vehicle Act, 20 ILCS 627/45 and New EV Charging Delivery Classes under the Public Utilities Act, Article IX; Illinois Commerce Commission On Its Own Motion-vs-Commonwealth Edison Company Investigation into Commonwealth Edison Company Beneficial Electrification Plan Filing pursuant to 20 ILCS 627/45,” March 23, 2023.

¹⁴¹ *Ibid.*

program to another. Separately, and depending on the outcomes of this process, this proposal could form the basis for a broader, statewide straw proposal from Commission Staff, which would ultimately be open to comments and subject to Commission approval.

Education and Outreach (“E&O”)

For its broad E&O efforts, the Company describes several tactics, including “bill messages, digital ads, emails, social media, print materials including dealership signs, rEV student presentations, ride and drive events, and in-person EV learning experiences.”¹⁴² Additionally, DTE also manages its Fleet Advisory Services to help guide fleet operators through the electrification process, and in 2025, it introduced its Multifamily EV Advisory Services to support MUD property owners through their EV charging deployment journey from project assessment to installation.¹⁴³ The Company proposes to increase total E&O spending to \$8 million to “build on [the] program’s success, expand support for more events, and present rEV to more students, an EV educational program for schools led by the National Energy Foundation.”¹⁴⁴

As important mechanisms to ensure the efficient use of existing utility assets and enable proactive utility planning, utility E&O programs are essential to unlocking the benefits that EVs have to offer to all customers and the grid. As experts in local grid capacity and as managers of EV charging rebate programs, utilities are ideal conduits for information about the benefits of EVs and what customers would need to comfortably transition to an EV for personal or commercial

¹⁴² Direct Testimony of Sophia Schuster on behalf of The Michigan Energy Innovation Business Council and Institute for Energy Innovation, Case No. U-21860, p. 67, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000016pyuNAAQ>.

¹⁴³ *Id.*, p. 70.

¹⁴⁴ *Ibid.*

purposes.¹⁴⁵ Given the pivotal role that E&O has to play in enabling efficient deployment of utility EV charging programs, Michigan EIBC/United strongly support the Company's commitment to the success of its E&O efforts. However, it remains unclear exactly what "build[ing] on [the] program's success [and] expand[ing] support for more events," means or what, specifically, the Company proposes to do.¹⁴⁶

Michigan EIBC/United raised similar concerns in the Company's 2025 general electric rate case (Case No. U-21860) and noted that with the exception of some active or targeted outreach efforts, such as "rEV student presentations, ride and drive events, and in-person EV learning experiences,"¹⁴⁷ the Company largely relies on passive communication methods, such as "bill messages, digital ads, emails, social media, [and] print materials including dealership signs."¹⁴⁸

¹⁴⁹ Broadly, while traditional, passive communication works well for established technologies, introducing new innovations demands highly active strategies to drive consumer engagement and

¹⁴⁵ Alliance for Transportation Electrification and Plug In America, *The Missing Piece on Meeting Transportation Electrification Goals: Utility Education and Outreach Programs*, December 2020, available at <https://evtransportationalliance.org/wp-content/uploads/2021/11/2020-Education-Outreach-White-Paper.pdf>.

¹⁴⁶ DTE Electric Company, Case No. U-21538, "2027-2031 Transportation Electrification Plan," April 22, 2026, p. 70, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

¹⁴⁷ DTE Electric Company, Case No. U-21538, "2027-2031 Transportation Electrification Plan," April 22, 2026, p. 69, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

¹⁴⁸ *Ibid.*

¹⁴⁹ Passive marketing is a marketing approach that focuses on creating and distributing content or information that attracts potential customers organically, allowing consumers to initiate engagement when they are ready rather than through direct outreach by the marketer. Conversely, active/targeted marketing is a proactive marketing approach in which organizations identify specific customer segments and direct personalized communications and promotional activities toward those groups to increase relevance and conversion rates. See Wilson, C., "Passive vs Active Marketing: Which is which, and why should you care?," *Medium*, July 25, 2023, available at <https://medium.com/illumination/passive-vs-active-marketing-5933c170ff17>.

prompt action.^{150, 151, 152, 153} This is especially important because, as described below and in the Company's TEP, several of the Company's rebate programs have either low engagement or low completion rates. More proactive engagement with key stakeholders like official automotive manufacturing channels, car dealerships, MUD property owners, fleet operators, and community leaders could improve conversion success rate and enable businesses to optimize spending.^{154, 155} In fact, research suggests that more personalized marketing strategies can reduce utility per-customer acquisition costs by as much as 50 percent and increase utility return on investment ("ROI") by 10 to 30 percent.¹⁵⁶

In Case No. U-21860, based on the information available regarding the Company's E&O efforts, Michigan EIBC/United provided extensive comments identifying key considerations among various customer segments, pointing to several shortcomings of DTE's current E&O practices, benchmarking E&O activities being performed at other utilities across customer segments, and suggesting opportunities and key metrics to track to improve the Company's existing programs.¹⁵⁷

¹⁵⁰ United States Department of Energy, "Voices of Experience: A Stakeholders Guide to Electrification - Customer Engagement and Electrification," April 4, 2024, available at <https://www.energy.gov/sites/default/files/2024-04/04-04-2024-oe-voe-customer-engagement-and-electrification.pdf>.

¹⁵¹ Halton, C., "Diffusion of Innovations Theory: Definitions and Examples," *Investopedia*, May 2025, available at <https://www.investopedia.com/terms/d/diffusion-of-innovations-theory.asp>.

¹⁵² On Digital Marketing, "The 5 Customer Segments of Technology Adoption," accessed July 2025, available at <https://ondigitalmarketing.com/learn/odm/foundations/5-customer-segments-technology-adoption/>.

¹⁵³ Farris, P. et al., "Marketing return on investment: Seeking clarity for concept and measurement," *Applied Marketing Analytics*, Vol. 1:3, 2015, available at <https://www.ingentaconnect.com/content/hsp/ama/2015/00000001/00000003/art00010>.

¹⁵⁴ *Ibid.*

¹⁵⁵ Daigle, C., American Council for an Energy-Efficient Economy, "Innovative Utility Strategies Expand Equitable Access to EV Charging," January 13, 2026, available at <https://www.aceee.org/blog-post/2026/01/innovative-utility-strategies-expand-equitable-access-ev-charging>.

¹⁵⁶ McKinsey & Company, "What is personalization?," May 30, 2023, available at <https://www.mckinsey.com/featured-insights/mckinsey-explainers/what-is-personalization>.

¹⁵⁷ Direct Testimony of Sophia Schuster on behalf of The Michigan Energy Innovation Business Council and Institute for Energy Innovation, Case No. U-21860, pp. 32-, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000016pyuNAAQ>.

Michigan EIBC/United also emphasized that the success of the Company's E&O activities directly controls the efficiency of the TEP programs and services. Despite the evidence that E&O could have a significant impact on TEP program cost-efficiency and effectiveness, in its final Order in Case No. U-21860, the Commission indicated that TEP filing requirements, process issues, and design issues should be handled in a separate proceeding and "decline[d] to adopt changes to the currently-approved TEP in a rate case."¹⁵⁸

As described in depth above, Michigan EIBC/United assume that the Commission meant to address these issues in the current docket. Without waiving concerns described above regarding the timeline of these proceedings, the Company could have addressed the expressed concerns regarding E&O in its current TEP filing. In other words, despite the timeline issues within one TEP/rate case cycle, these concerns regarding E&O have been clearly expressed by Michigan EIBC/United in a previous TEP and the Company had ample time to consider and make adjustments prior to the current TEP filing. However, Michigan EIBC/United are unaware of any such adjustments.

Given this, stakeholders are still unable to determine the following: 1) if and how the Company's advisory services are proactively reaching out to prospective fleet and MUD customers, 2) how much each E&O outreach method costs per customer, 3) what the ROI for each outreach method is, 4) what metrics the company is tracking to evaluate the success of each program activity, and 5) specifically how the Company intends to improve upon the program. This makes it nearly

¹⁵⁸ Michigan Public Service Commission, Case No. U-21860, "Order: In the matter of the application of DTE Electric Company for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority," February 19, 2026, pp. 259-260, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001kHayeAAC>.

impossible for external stakeholders to offer meaningful and constructive feedback. Michigan EIBC/United continue to argue that programmatic issues which directly dictate the efficiency of ratepayer-funded services should be addressed in the rate case proceedings. However, if the Commission believes that these issues are best addressed in the current docket, then the Commission needs to address the timeline issues (as described above), and the Company needs to incorporate feedback from previous TEP cycles into its current and future TEPs.

Recommendation

Michigan EIBC/United strongly recommend that, at minimum, the Company address previous comments made in the TEP docket (Case No. U-21538) or general electric rate cases regarding the TEP in future TEPs. Michigan EIBC/United also strongly urge the Company to convene a technical conference that would explore opportunities to improve its E&O programs. Such a convening could include the following: 1) an evaluation of current spending, 2) a discussion of the metrics by which the Company is evaluating the success of its E&O efforts, 3) a review of how peer utilities are proactively engaging with community partners and prospective customers, and 4) a discussion among key community partners and industry stakeholders about what could be done within the E&O program to improve TEP program efficiency and effectiveness. The Company should then incorporate learnings from the technical conference into its 2027 TEP Annual Progress Report and 2028 TEP filings to track progress related to its E&O efforts.

Charger Rebate Program Comments

Residential Rebate Investment Proposal

The Company proposes to spend \$23.3 million to support the installation of nearly 28,000 home chargers at low- (“LI”), middle- (“MI”), and non-LI households:¹⁵⁹

- *LI rebates* – These rebates would cover the full cost of a Level 2 charger (up to \$2,000) plus the full cost of installation for 100 percent of the targeted LI household market share.¹⁶⁰ These rebates would be available to LI households with an income of up to 200 percent of the federal poverty limit (approximately \$64,000 for a four-person household). Eligibility requires proof of EV purchase or lease, as well as installation of an ENERGY STAR-certified or manufacturer-approved charger of at least 11.5 kW.¹⁶¹
- *MI rebates* – These rebates would cover up to \$1,500 of the cost of a Level 2 charger for 100 percent of the targeted MI household market share.¹⁶² These rebates would be available to MI households with an income 201 percent to 400 percent of the federal poverty limit (approximately \$128,000 for a four-person household). Eligibility requires proof of EV purchase or lease, as well as installation of an ENERGY STAR-certified or manufacturer-approved charger of at least 11.5 kW.¹⁶³
- *Non-LI rebates* – These rebates would cover up to \$500 of the cost of a Level 2 charger for 15 percent of the targeted non-LI household market share.¹⁶⁴ Eligibility requires proof

¹⁵⁹ DTE Electric Company, Case No. U-21538, “2027-2031 Transportation Electrification Plan,” April 22, 2026, pp. 40-42, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

¹⁶⁰ *Id.*, p. 41.

¹⁶¹ *Ibid.*

¹⁶² *Ibid.*

¹⁶³ *Ibid.*

¹⁶⁴ *Ibid.*

of EV purchase or lease, as well as installation of an ENERGY STAR-certified or manufacturer-approved charger of at least 11.5 kW.¹⁶⁵

Historically, the Company's residential segment has focused solely on offering charger rebates to LI households;¹⁶⁶ however, the Company notes that:

Through 2025, the program covered the full costs for 294 qualified customers out of the available funding for 1,421 rebates, with income exceeding the eligibility threshold identified as the primary driver for application rejection. This participation outcome represents an initial data point suggesting that the current income eligibility structure constrained program reach, with just under 16 percent of available funding reaching qualified participants.¹⁶⁷

Consequently, and as suggested by the Company, expanding the residential charger rebate by allowing MI and non-LI residents to apply would likely improve program subscriptions and lead to a more efficient realization of the NPV projected in the Company's BCA.

Recommendation

As detailed in previous testimony,¹⁶⁸ Michigan EIBC/United strongly support the Company's expansion of the residential program to include MI and non-LI customers whose income level exceeds 200 percent of the federal poverty limit. Not only will expanding the rebate eligibility ensure that funds allocated to the residential segment are deployed more efficiently, but it will also enable the Company's forecasted NPV benefits attributed to its TEP portfolio to be realized more readily.

¹⁶⁵ *Ibid.*

¹⁶⁶ DTE Electric Company, "2025-2028 Transportation Electrification Plan," January 11, 2024, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000BUT09AAH>.

¹⁶⁷ DTE Electric Company, Case No. U-21538, "2027-2031 Transportation Electrification Plan," April 22, 2026, p. 40, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

¹⁶⁸ Direct Testimony of Dr. Laura S. Sherman on behalf of The Michigan Energy Innovation Business Council and Institute for Energy Innovation, Case No. U-21534, p. 27, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000EmMIXAA3>.

Multi-United Dwelling (“MUD”) Rebate Investment Proposal

The Company indicates that approximately 32 percent of its customers reside in MUDs and that these customers will account for over 10 percent of the incremental chargers needed for this TEP period from 2027-2031.¹⁶⁹ However, lack of charging access is a primary obstacle that prevents many MUD households from switching to an EV. While access to public charging can partly alleviate this concern, this makes it difficult for MUD residents, who typically fall into lower income brackets,¹⁷⁰ to fully take advantage of the fuel savings benefits that EVs have to offer.¹⁷¹ Furthermore, the realizable fuel cost savings for MUD customers heavily depends on their building’s meter configuration. While MUD customers on a separate meter can take service under a more favorable EV residential rate (D1.9), customers living in MUDs with a single master meter are often served under a small C&I rate (e.g., D3 or D4).¹⁷² The latter are therefore disadvantaged in achieving equivalent fuel cost savings. Consequently, continued support for charging rebate programs is critical to ensure that there is an equitable deployment of EV chargers across the Company’s service territory. Unfortunately, MUD property owners face several unique dilemmas to install EV charging on premises for their residents, including:

- *Fact-finding to determine project feasibility and tenants’ needs* – It can be daunting

for property owners to know where to turn for information about choosing the right

¹⁶⁹ DTE Electric Company, Case No. U-21538, “2027-2031 Transportation Electrification Plan,” April 22, 2026, p. 43, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

¹⁷⁰ Belhaj, M., et al., Michigan State Housing Development Authority, “Michigan Statewide Housing Needs Assessment,” 2024, available at https://c9737800-326f-4c8f-9fd8-3f266717d0f2.filesusr.com/ugd/9d463d_02fdfe4f619f4adf885a96677c710479.pdf.

¹⁷¹ Schuster, S., “Opinion | Michigan can’t control war-driven oil prices. We can control our transportation future,” *Bridge Michigan*, May 7, 2026, available at <https://bridgemi.com/guest-commentary/opinion-michigan-cant-control-war-driven-oil-prices-we-can-control-our-transportation-future/>.

¹⁷² DTE Electric Company, “Rate Book for Electric Service,” May 6, 2026, accessed June 22, 2026, available at <https://www.dteenergy.com/content/dam/dteenergy/deg/website/common/service-and-price/rate-cards/DTEElectricRateBook.pdf>.

chargers, understanding the building’s electrical capacity, and deciding between business models.

- *Identifying and applying to appropriate funding* – Between local utility rebate programs and any state or local rebates programs targeting MUDs, knowing what funding they are eligible to apply for and how to apply for it can serve as a barrier for some property owners.
- *Facing higher costs* – Commercial-grade Level 2 chargers typically cost between \$1,000 to \$2,000 per charging port, but variables such as equipment costs, labor costs, network costs, permitting fees, and costs from electrical system and utility-side grid upgrades can lead to total project costs upwards of \$10,000 per port.¹⁷³

¹⁷⁴ In fact, the Company reports an average installation cost of \$13,780 per port and points to significant site-specific variability.¹⁷⁵

The Company reports that of the 154 rebate applications approved in 2025 for the LI sub-segment for MUD sub-segment, only 22 were issued, marking a less than 15 percent completion rate. For non-LI MUDs, of the 1,222 rebate applications approved, only 98 were issued, marking a less than 10 percent completion rate.¹⁷⁶ According to the Company, timing issues with EGLE’s CFCI grant program, which typically progressed within a five-month timeframe, and unexpected installation

¹⁷³ Smart Columbus, “Smart Columbus Kickstarts EV Charging Deployments at Multi-Unit Dwellings: Case Study on Multi-Unit Dwelling Charging Infrastructure,” 2018, available at <https://d2rfd3nxvhnf29.cloudfront.net/legacy/uploadedfiles/playbook-assets/electric-vehicle-charging/mud-case-study-final.pdf>.

¹⁷⁴ Dunskey Energy and Climate Advisors, “Futureproofing Multifamily Buildings for EV Charging,” 2024, available at <https://media.fcm.ca/sites/GMF/resources/Report/futureproofing-multifamilybuildings-for-ev-charging.pdf>.

¹⁷⁵ DTE Electric Company, Case No. U-21538, “2027-2031 Transportation Electrification Plan,” April 22, 2026, p. 43, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

¹⁷⁶ *Id.*, pp. 44-45.

delays were the most commonly cited reasons for failing to implement an approved rebate application.¹⁷⁷

To alleviate these burdens and ensure MUD residents and property owners have adequate access and support to install EV chargers, the Company proposes to spend \$58.4 million to support the installation of nearly 9,300 Level 2 chargers at LI, and non-LI MUD properties.¹⁷⁸ More specifically, it proposes the following changes to its MUD program to improve rebate subscription and alignment with state partners:

- *Reduce the kW output requirement for program eligibility* – The Company found when benchmarking with other utilities that no surveyed utilities mandate a minimum charger capacity of 11.5 kW for Level 2 chargers, and only one that requires a minimum of 9.6 kW for Level 2 chargers.¹⁷⁹ In response, DTE proposes to reduce the kW output requirement for program eligibility from 11.5 kW to 9.6 kW.
- *Maintain current rebate programs* – The Company proposes to maintain its existing \$14,400 per port LI MUD rebate and \$5,000 per port non-LI MUD rebate.¹⁸⁰ Targeting 100 percent of the LI MUD sub-segment, the former is designed to cover the full cost of installation at LI MUDs.¹⁸¹ The Company is targeting to cover 42 percent of the non-LI MUD sub-segment.¹⁸²
- *Align funding cycles* – The Company indicates that the EGLE CFCI grant funding cycle typically ran within a five-month timeframe. While it is unclear exactly what this means or

¹⁷⁷ *Ibid.*

¹⁷⁸ *Id.*, p. 45.

¹⁷⁹ *Id.*, p. 26.

¹⁸⁰ *Id.*, p. 45.

¹⁸¹ *Ibid.*

¹⁸² *Ibid.*

what the Company proposes to do, DTE proposes to better align its MUD rebate funding cycles to mirror state grant funding cycles to ensure applications and installations move more efficiently.¹⁸³ Beyond funding cycle alignment, the Company should ensure that program design and execution are complementary, making it easier for participants.

- *Strengthen advisory services* – To ensure that property managers are equipped with the resources they need to identify charging needs, apply for funding, and install charging, the Company also proposes to strengthen their MUD advisory services.¹⁸⁴ However, it is unclear exactly how the Company proposes to accomplish this and what the targeted outcome for strengthening the program would be.

The Company asserts that these proposals will improve communication of accurate information to MUD property owners, better align the MUD rebates with existing grant programs, enable more ports to be installed on existing services, and broaden tenant access to EV charging.¹⁸⁵ While Michigan EIBC/United agree that these improvements could improve rebate program engagement, in addition to the existing MUD efforts, the Company could also consider:

Implementing complementary tenant guidance – Program outreach is typically exclusive to building managers and property owners. However, tenants remain an important touchpoint to communicate building occupant interests. As such, it could be beneficial for the Company to have complementary resources available to tenants who want to approach their rental property management about EV charging.

Strengthening engagement with apartment and condominium associations – According to its Annual Progress Report, the Company's MUD advisory services worked to accelerate

¹⁸³ *Ibid.*

¹⁸⁴ *Ibid.*

¹⁸⁵ *Id.*, pp. 45-46.

EV charging deployment in MUD settings through “stakeholder meetings” with three “supporting organizations” and 29 third party stakeholders in 2025.¹⁸⁶ While it is not clear who the “supporting organizations” or third party stakeholders are, apartment and condominium associations represent a critical stakeholder group that are not mentioned in the Company’s progress report. These organizations serve as centralized outreach opportunities to engage with a larger number and wider variety of property managers and owners. Therefore, coordination and education with them could likely improve the efficiency of the MUD advisory services and other MUD-specific E&O efforts.

Recommendation

Michigan EIBC/United strongly support the Company’s proposed revisions to its MUD rebate program. Not only will expanding the rebate eligibility ensure that funds allocated to the MUD segment are deployed more efficiently, but it will also enable more equitable EV charging deployment across the Company’s service territory and improve communication with critical partners, such as property owners and state agencies.

However, Michigan EIBC/United recommend that the Company further elaborate exactly how it proposes to align its rebate timeline with state grant funding cycles and strengthen its MUD advisory services and deliver these improvements in the market. Additionally, it would be useful for stakeholders to understand how the Company intends to promote its MUD advisory services to improve engagement, what outcomes the Company hopes to achieve in strengthening its MUD

¹⁸⁶ DTE Electric Company, “2025 Transportation Electrification Plan Annual Progress Report,” May 26, 2026, p. 22, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000023eoEmAAI>.

advisory services, the metrics the Company is using to evaluate the success of its advisory services, and what costs are associated with these changes.

Finally, Michigan EIBC/United recommend that the Company propose a dedicated tariff or submetering rules for EV charging at master-metered MUD properties. With an appropriate rate in place that effectively encourages off-peak charging, property owners would be able to pass on equitable fuel cost savings to residents, ensuring EV drivers at MUD properties receive the same financial benefits as homeowners or renters with separate meters. The Company should convene an external stakeholder working group, bringing together charging providers, MUD property managers, and other industry experts, to discuss appropriate tariffs and incentive mechanisms that effectively balance increased EV adoption among MUD residents with the need to encourage off-peak charging.

Public On-Route DCFC EV Charger Rebate Investment Proposal

The Company reports that nearly 20 percent of the on-route public direct current fast charger (“DCFC”) rebate applications in disadvantaged communities (“DAC”) and 14 percent of the on-route public DCFC rebate applications in non-DACs were completed by the end of the year in 2025.¹⁸⁷ Over the course of the 2025-2028 TEP, the average installation costs for a DCFC station was roughly \$188,000.¹⁸⁸ For the 2027-2031 period, the Company proposes to spend \$43.8 million to support the deployment of 730 public charging rebates across its service territory, maintaining

¹⁸⁷ DTE Electric Company, Case No. U-21538, “2027-2031 Transportation Electrification Plan,” April 2026, p. 47, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

¹⁸⁸ *Ibid.*

its tiered rebate structure, which offers \$70,000 per port for DAC and rural DCFC sites and \$50,000 per port for non-DAC, non-rural DCFC sites.¹⁸⁹

Recommendation

Given the critical role that public charging has in enabling equitable EV adoption,^{190, 191, 192, 193} Michigan EIBC/United strongly support the Company's proposal to maintain its current public DCFC rebate program. The program's popularity also suggests that increasing the funding for the Public On-Route EV Charger Rebate Investment is appropriate. Michigan EIBC/United would strongly support the expansion of this rebate program to better align with existing customer demand.

Workplace and Retail EV Charger Rebate Investment Proposal

The Company currently offers a rebate of \$2,500 per Level 2 port for between two to twenty ports, which must be maintained by the customer for at least five years with an uptime of at least 97 percent, and served by a separate dedicated meter.¹⁹⁴ Sites must also meet minimum lighting, public accessibility, and ADA compliance requirements where applicable.¹⁹⁵ The Company

¹⁸⁹ *Id.*, p. 48.

¹⁹⁰ Osaka, S., The Washington Post, "For each public charger, here's how many EVs are looking to plug in," May 2024, available at <https://www.washingtonpost.com/climate-solutions/2024/05/20/charging-stations-lag-ev-sales/>.

¹⁹¹ Center for Sustainable Energy, "The State of Electric Vehicle Adoption in the U.S. and the Role of Incentives in Market Transformation," September 2023, available at <https://energycenter.org/thought-leadership/blog/stateelectric-vehicle-adoption-us-and-role-incentivesmarket#:~:text=Publicly%20available%20EV%20charging%20inspires,apartments%2C%20to%20charge%20an%20EV.>

¹⁹² U.S. Department of Energy, Alternative Fuels Data Center, "Charging Electric Vehicles in Public," June 2024, available at <https://afdc.energy.gov/fuels/electricity-charging-public>.

¹⁹³ International Energy Agency, "Global EV Outlook 2024: Moving towards increased affordability," 2024, available at <https://iea.blob.core.windows.net/assets/a9e3544b-0b12-4e15-b407-65f5c8ce1b5f/GlobalEVOutlook2024.pdf>.

¹⁹⁴ DTE Electric Company, Case No. U-21538, "2027-2031 Transportation Electrification Plan," April 2026, p. 50, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

¹⁹⁵ *Ibid.*

reports that of the 67 approved ports, only 4 have been installed, and finds that installation costs average \$12,000 and range between \$2,000 and \$19,350 per site.¹⁹⁶ While not explicitly stated, this variability in cost is likely driven by the number of ports being installed and the unique service upgrades required to support them. The Company notes that several prospective applicants suggested that the current rebate amount is insufficient to offset installation costs.¹⁹⁷

In its 2027-2031 TEP, DTE proposes to spend \$4.2 million to support the deployment of 1,125 Level 2 chargers in the workplace or retail space across its service territory.¹⁹⁸ To support this deployment, the Company recommends the following revisions to its Workplace and Retail EV Charger rebate program:

- *Remove the minimum kW requirement* – When benchmarking with 13 other utilities, DTE found other major utilities had largely moved away from stringent kW requirements to allow their customers more flexibility.¹⁹⁹ In fact, the Company reports that only two had minimum charger output requirements for their public or workplace Level 2 charging programs.²⁰⁰
- *Increase the rebate amount* – The Company also proposes to increase its rebate amount from \$2,500 to \$3,750 per port.²⁰¹ It bases this recommendation on feedback from prospective applicants as well as benchmarking with other utilities, which indicated that more Level 2 workplace and retail charger rebates are focused on offering higher flat per-port rebates that cover a larger portion of make-ready costs without a kW minimum

¹⁹⁶ *Ibid.*

¹⁹⁷ *Ibid.*

¹⁹⁸ *Id.*, p. 51.

¹⁹⁹ *Id.*, p. 50.

²⁰⁰ *Ibid.*

²⁰¹ *Id.*, pp. 50-51.

requirement.²⁰² In fact, DTE points to Illinois' ComEd, which offers a Level 2 make-ready rebate of \$5,000 per port in non-DAC and \$7,500 per port in DAC areas.^{203, 204}

Recommendation

Michigan EIBC/United strongly support the proposed revisions to expand the workplace and retail EV charger rebate program accessibility by eliminating the kW output requirement and increasing the rebate amount. In fact, to better align this program with similar national utility programs, Michigan EIBC/United urge the Company to consider further increasing the rebate and establishing a tiered rebate structure for workplace and retail sites in DAC and non-DAC areas.

Fleet Rebate Investment Proposal

Fleet EV charger rebates are divided among four major sub-segments: DCFC for school buses and transit buses, as well as DCFC and Level 2 charger rebates for other private and commercial fleets.²⁰⁵ By the end of the 2025, of the 146 approved Level 2 fleet rebates, 115 installations were completed, marking a roughly 79 percent completion rate.²⁰⁶ The DCFC rebate for other fleets, which could include municipal, county, state, or commercial fleets, saw a 100 percent completion rate.²⁰⁷ The Company suggests that the strong subscription to both of these sub-segments is indicative of continued needed support for fleets.²⁰⁸ Furthermore, while the federal and state

²⁰² *Id.*, p. 50.

²⁰³ *Ibid.*

²⁰⁴ Commonwealth Edison, "Beneficial Electrification Plan 2, 2026-2028," July 2024, p. 43, available at <https://icc.illinois.gov/docket/P2024-0484/documents/366102/files/641295.pdf#PAGE=43>.

²⁰⁵ DTE Electric Company, Case No. U-21538, "2027-2031 Transportation Electrification Plan," April 2026, p. 53, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

²⁰⁶ *Id.*, p. 52.

²⁰⁷ *Ibid.*

²⁰⁸ *Ibid.*

funding landscape has shifted, applications for DCFC to support school buses still saw a 20 percent installation completion rate.²⁰⁹ Unfortunately, the Company did not receive any DCFC public transit rebate applications in 2025. Across the fleet sub-segments, prospective applicants, customers, and participants in the Company's stakeholder engagement process pointed to rising installation costs and make-ready costs as persistent roadblocks to fleet electrification.²¹⁰

To address these concerns, DTE proposes to spend \$6.2 million to support the deployment of 785 fleet rebates across its service territory.²¹¹ The Company plans to support 45 DCFC rebates for the transit and school bus sub-segment, 10 DCFC rebates for the other fleet subsegment, and 730 Level 2 rebates across the fleet sub-segment.²¹² The Company proposes the following revisions to its 2027-2031 TEP:

- *Increase the DCFC rebate amount per kW output tier for school buses* – While the Company seeks to maintain the tiered structure of its school bus DCFC fleet rebate program, it recommends an adjusted rebate amount for each tier.²¹³ The Company suggests increasing DCFC with a 24 kW output capacity from \$12,000 to \$17,000, 50 kW output capacity from \$18,000 to \$26,000, 62.5 kW capacity from \$25,000 to \$36,000, 100 kW output capacity from \$30,000 to \$46,000, and 150 kW output capacity from \$70,000 to \$100,000.²¹⁴

²⁰⁹ *Id.*, p. 51.

²¹⁰ *Ibid.*

²¹¹ *Id.*, p. 53.

²¹² *Ibid.*

²¹³ *Id.*, p. 52.

²¹⁴ *Ibid.*

- *Increase the DCFC rebate amount for transit buses* – The Company proposes to increase the DCFC rebate amount for transit buses from \$70,000 to \$100,000.²¹⁵
- *Increase the Level 2 rebate for other private and commercial fleets* – The Company proposes to increase the Level 2 rebate amount for other fleets from \$2,500 to \$5,000 per port.²¹⁶

DTE hopes that these adjustments will address customer concerns over increased costs and the loss of critical federal and state funding streams.²¹⁷

While the Company points to several challenges in federal and state funding availability that could slow momentum for increased fleet electrification, it is equally important to point to improved funding opportunities expected to become available by the end of 2026, as well as new market forces, that could result improve the total cost of ownership for fleet vehicles. For example:

- *New state funding opportunities* – The final tranche of EGLE’s CFCI grant program, which will offer grants to support fleet charging, is expected by the end of the year.²¹⁸ Furthermore, on May 19, 2026, EGLE announced the launch of a \$28 million RFP within its Fuel Transformation Program (“FTP”).²¹⁹ Funded through the Volkswagen Environmental Mitigation Trust, the FTP will prioritize projects that significantly reduce

²¹⁵ *Id.*, p. 53.

²¹⁶ *Ibid.*

²¹⁷ *Id.*, p. 52.

²¹⁸ Department of Environment, Great Lakes, and Energy, “Clean Fuel and Charging Infrastructure Program,” accessed June 10, 2026, available at <https://www.michigan.gov/egle/about/organization/materials-management/energy/rfps-loans/clean-fuel-and-charging-infrastructure-program>.

²¹⁹ Department of Environment, Great Lakes, and Energy, “Fuel Transformation Program,” accessed June 10, 2026, available at <https://www.michigan.gov/egle/about/organization/materials-management/fuel-transformation-program>.

emissions from gas- and diesel-powered vehicles and accelerate the adoption of zero-emission vehicles, like EVs.²²⁰ Individual awards will range from \$50,000 to \$5 million.²²¹

- *New Heavy-Duty EV models coming on the market* – As previously described above, in March 2026, Tesla opened its first electric semi-truck factory in Nevada, which is expected to greatly increase the availability of new heavy-duty EV models. These factors, coupled with the ongoing war in Iran driving up fuel costs, could have a positive effect on the total cost of ownership analysis for electrified fleet vehicles.^{222, 223} As such, it is reasonable to expect increased electrification across the commercial sector, especially among heavy-duty fleet operators.

Recommendation

Michigan EIBC/United support the Company's proposed revisions to its fleet EV charger rebate programs. These adjustments will alleviate burdens associated with fleet electrification, such as higher installation costs and the loss of critical federal and state funding streams. Furthermore, the flexibility in eligible applicants allows for entry of more prospective customers. However, recognizing that anticipated funding streams and new market forces could have a balancing effect on fleet electrification in the Company's service territory, Michigan EIBC/United caution DTE from being overly conservative in its rebate forecasts for the 2027-2031 TEP. This reinforces the

²²⁰ Department of Environment, Great Lakes, and Energy, "EGLE announces up to \$28 million in grants to reduce diesel emissions, advance clean energy tech," May 19, 2026, available at <https://content.govdelivery.com/accounts/MIDEQ/bulletins/417f214>.

²²¹ *Ibid.*

²²² *Ibid.*

²²³ Schuster, S., "Opinion | Michigan can't control war-driven oil prices. We can control our transportation future," *Bridge Michigan*, May 7, 2026, available at <https://bridgemi.com/guest-commentary/opinion-michigan-cant-control-war-driven-oil-prices-we-can-control-our-transportation-future/>.

importance, as described above, of establishing reasonable guardrails that allow a degree of flexibility to reallocate approved funding from one rebate program to another.

Pilot Program Comments

Managed Charging Pilot

The Company recognizes that effective managed charging programs represent a critical opportunity to maximize grid utilization while reducing costs associated with increased EV load by shifting EV charging load away from high cost, on-peak hours.²²⁴ DTE's managed charging portfolio combines passive managed charging (primarily through time-of-day ("TOD") rates and customer education) with active managed charging programs that directly influence charging schedules through telematics and smart-charging platforms.²²⁵ Because the Company converted all residential customers to a TOD rate in 2023, passive managed charging was naturally embedded into EV customer bills before the first TEP was filed in 2024.²²⁶ The Company offers five TOD rates from which customers can choose and reports that in 2024, 92 percent of EV charging occurred outside the peak hours of 3pm - 7pm.²²⁷ The TEP highlights two passive managed charging approaches that it studied between 2020-2023:

- *EV Data Sharing Pilot with WeaveGrid* – Using vehicle telematics from 610 EV drivers to evaluate the EV customers' charging behaviors across each TOD segment, the Company found that customers overwhelmingly charged during off-peak hours regardless of pilot participation status.²²⁸

²²⁴ DTE Electric Company, Case No. U-21538, "2027-2031 Transportation Electrification Plan," April 2026, p. 59, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

²²⁵ *Id.*, p. 60.

²²⁶ *Ibid.*

²²⁷ *Ibid.*

²²⁸ *Id.*, p. 61.

- *Bring Your Own Charging (“BYOC”) Pilot with Sagewell* – From 2020-2022, the BYOC pilot enrolled more than 510 residential customers in TOD rates and, using Sagewell SageSight’s advanced meter analytics and the EV Identification Model algorithm to identify positive EV charging behavior, rewarded customers \$24 per quarter for charging outside peak periods.²²⁹ The pilot achieved 96 percent off-peak charging.²³⁰ While the pilot successfully demonstrated that incentives and analytics could influence customer behavior, the Company opted to shift all residential customers to a TOD rate, which it determined would be more cost-effective.²³¹

The Company also points to Smart Charge, its active managed charging pilot, which it runs with two charging management technology partners, ChargeScape and WeaveGrid.²³² In addition to routine load shifting, the program can dispatch demand response events during periods of high system demand, temporarily delaying or reducing charging while ensuring vehicles reach customer-selected state-of-charge targets by their desired departure times. By mid-2025, Smart Charge had enrolled more than 2,700 participants - 1,400 through ChargeScape and over 1,300 through WeaveGrid – and consistently achieved approximately 93 percent off-peak charging.²³³ Current customers are rewarded \$5 per month for participation.²³⁴ The Company reports that despite the successful shift of EV charging to off-peak hours, there was only a 10 percent demand response event participation rate to a single called event across enrolled ChargeScape customers,

²²⁹ *Ibid.*

²³⁰ *Ibid.*

²³¹ *Ibid.*

²³² *Id.*, pp. 61-65.

²³³ *Id.*, pp. 62-63.

²³⁴ *Id.*, p. 62.

avoiding just 989 kWh of energy, in 2025.²³⁵ The total Smart Charge program costs amounted to \$931,087 in 2025.²³⁶ Despite recommendations from its stakeholder engagement process in Q4 2025 encouraging the Company to tie the non-LI residential rebate to Smart Charge program enrollment, DTE plans to rely solely on its E&O to reinforce the importance and benefits of off-peak charging.²³⁷ DTE reports that it will evaluate the future role of any active managed charging program within its residential offerings, especially its non-LI offering, in future TEP filings or other Commission approved proceedings.²³⁸ To address challenges with Smart Charge customer participation, the Company notes that it is developing a more flexible customer-centric platform.²³⁹

Given that very few (one) demand response events have been called, the merits of the Smart Charge program cannot be comprehensively assessed. In fact, a recent report from the Smart Electric Power Alliance and Vehicle-Grid Integration Council (“VGIC”) notes that small demonstrations cannot adequately capture peak impacts or customer behavior to inform the cost effectiveness of future scales projects.²⁴⁰ As such, it would be useful to study several events under various conditions. This would allow the Company to better understand the value of the pilot and the most impactful customer engagement methods to maximize participation, creating a stronger evidence base for long-term program integration. Active managed charging represents a significant opportunity to capitalize on all the benefits that EVs have to offer, and pilots across the country

²³⁵ *Id.*, pp. 63-64.

²³⁶ *Id.*, p. 64.

²³⁷ *Id.*, p. 67.

²³⁸ *Ibid.*

²³⁹ *Id.*, p. 65.

²⁴⁰ Smart Electric Power Alliance and the Vehicle-Grid Integration Council, “Valuing Vehicle-Grid Integration Programs: A Tool for Improving Energy Affordability through EV Grid Services,” May 2026, available at <https://static1.squarespace.com/static/5dcde7af8ed96b403d8aeb70/t/6a171cb1842cf378953b310a/1779899582477/SEPA324VGICVehicleGridIntegrationProgramsReportFinal.pdf>.

have shown great promise. For example, according to a 2026 study by the Brattle Group, an evaluation of an active managed charging program in the State of Washington showed that active management can “[improve] utilization of the existing grid in EV adoption hotspots and reduces distribution grid costs by up to \$230 per EV per year in the long run,”²⁴¹ and even “allow distribution grid assets to host 1.3 to 3.2 times more EVs.”²⁴² Depending on the existing grid conditions, this could defer grid upgrades by up to 10 years even in areas facing existing EV-related capacity constraints.²⁴³

Recommendation

Michigan EIBC/United recommend that the Company continue to explore opportunities to improve its active managed charging efforts based on the learnings from the Smart Charge pilot. With several managed charging and V2G pilot programs being implemented across the country, there is a wealth of resources, such as from industry experts and peer utilities, to tap into for aiding the development of a stronger pilot. Michigan EIBC/United suggest that the Company host a stakeholder engagement event to evaluate the future of the Smart Charge pilot or the development of an active managed charging successor. Subsequently, the Company should present learnings from this stakeholder engagement event and its experience with the Smart Charge program in the 2027 TEP Refresh.

²⁴¹ The Brattle Group, “Demonstrating the Full Value of Managed Electric Vehicle Charging: Based on a Real-World Trial of EnergyHub’s EV Solution,” January 2026, p. 8. available at <https://www.brattle.com/wp-content/uploads/2026/01/Demonstrating-the-Full-Value-of-Managed-Electric-Vehicle-Charging-1.pdf>.

²⁴² *Id.*, p. 7.

²⁴³ *Ibid.*

Vehicle-to-Grid (“V2G”) Pilot

In anticipation of the development of more advanced grid-integration features from major U.S. automakers, such as bidirectional charging, the Company also built upon the vehicle-to-home (“V2H”) pilot that it launched with Ford Motor Company in December 2025 by adding General Motors (“GM”) employees in May 2026.²⁴⁴ The V2H pilot, which was an Emerging Technology Fund award recipient in 2024, is set to run through 2026.²⁴⁵

The Company’s School Bus Chargers pilot seeks to advance V2G readiness by installing V2G-ready EV chargers that meets specific bidirectional interconnection standards.²⁴⁶ In 2024, one participating school district successfully installed V2G chargers and is nearing completion of the interconnection process, while the other three schools returned to standard one-way charging solutions.²⁴⁷ The Company identified several challenges from managing the pilot, including limited school staff capacity, interconnection barriers, high equipment and installation costs, and a lack of available V2G-ready charger options.²⁴⁸ Based on these findings, the Company plans to test bidirectional energy flow between electric vehicles and the grid with the one school that is actively preparing for V2G operations and will continue offering fleet rebates for V2G chargers.²⁴⁹

²⁴⁴ DTE Electric Company, Case No. U-21538, “2027-2031 Transportation Electrification Plan,” April 2026, p. 66, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

²⁴⁵ *Ibid.*

²⁴⁶ *Id.*, p. 68

²⁴⁷ *Ibid.*

²⁴⁸ *Ibid.*

²⁴⁹ *Ibid.*

While Michigan EIBC/United recognize the difficulties the Company has faced, newer technological development and availability may alleviate some of those existing constraints to improve the Company's experience. Such factors include, but are not limited to:

A larger number of school districts with electric school buses (ESB) – Since 2024, Michigan Department of Education has awarded over \$125 million to deploy 322 electric school buses across 100 Michigan school districts.^{250, 251} For example, in January 2024, Pontiac School District allocated \$15.65 million in federal grant funding to the purchase of 40 ESBs, with chargers covered by the Company's Charging Forward program.²⁵² In April 2025, Dearborn Public Schools announced it was adding 18 new ESBs to its fleet.²⁵³ In fact, according to the Environmental Law and Policy Center, of the over 580 state- and federally-funded buses awarded in Michigan, at least 250 across 33 school districts are or will be deployed in the Company's electric service territory.²⁵⁴ The sheer volume of buses points to clear partnership opportunities beyond the four school districts originally enrolled in the Company's pilot. Moreover, these school districts represent a diverse range of communities, which would allow the Company to further test V2G under a variety of geographic and demographic circumstances.

²⁵⁰ Michigan Department of Education, "More Than Two Dozen School Districts Get Clean Bus Energy Grants," February 27, 2026, available at <https://www.michigan.gov/mde/news-and-information/press-releases/2026/02/27/clean-bus-energy-grants>.

²⁵¹ Electrification Coalition, "Charged Up and On Time: How Michigan Disbursed Over \$100 Million for Electric School Buses in Under Two Years," April 7, 2026, available at <https://electrificationcoalition.org/resource/charged-up-and-on-time-how-michigan-disbursed-over-100-million-for-electric-school-buses-in-under-two-years/>.

²⁵² Fahr, M., "Pontiac, Mich., Schools Buy 40 Electric Buses," *GovTech.com*, January 25, 2024, available at <https://www.govtech.com/education/k-12/pontiac-mich-schools-buy-40-electric-buses>.

²⁵³ School Bus Fleet Magazine, "Michigan District Adds 18 New Electric School Buses," April 28, 2025, available at <https://www.schoolbusfleet.com/news/michigan-district-adds-18-new-electric-school-buses>.

²⁵⁴ Environmental Law and Policy Center, "Michigan Electric School Buses," March 9, 2026, accessed June 24, 2026.

A larger number of V2G chargers on the market – While the Company’s reference to setbacks with a single V2G charging brand has merit,²⁵⁵ the growing list of V2G chargers and fleet management services reaching the market in the United States suggests a wider variety of offerings available for schools and the Company to choose from.^{256, 257, 258, 259, 260, 261} Moving forward, this should mitigate the noted limited optionality concerns.

A variety of service providers to manage old or abandoned chargers – Several businesses service abandoned and legacy EV charging equipment.^{262, 263} As such, the Company and remaining participating school district have options to continue operating the existing chargers deployed, regardless of the original manufacturer.

Despite the challenges cited by the Company, enabling grid-parallel V2G represents a critical opportunity for utilities and their customers to fully leverage bidirectional EV technology. For EV owners who opt-in to provide power during times of grid constraint, EVs with bidirectional

²⁵⁵ DTE Electric Company, Case No. U-21538, “2027-2031 Transportation Electrification Plan,” April 2026, p. 68, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

²⁵⁶ Dnistran, I., “Heliox’s New DC Fast Charger Can Send Power Back To The Grid,” *InsideEVs*, November 11, 2025, available at <https://insideevs.com/news/778565/heliox-dc-fast-charger-v2g-america/>.

²⁵⁷ Morris, C., “San Francisco Unified School District to deploy 104 electric school buses with bidirectional charging,” *ChargedEVs*, May 28, 2026, available at <https://chargedevs.com/newswire/san-francisco-unified-school-district-to-deploy-104-electric-school-buses-with-bidirectional-charging/>.

²⁵⁸ Huggett, A., “The New Era of Electric School Buses: V2G, Bidirectional Chargers & More,” *School Bus Fleet Magazine*, May 15, 2026, available at <https://www.schoolbusfleet.com/videos/the-new-era-of-electric-school-buses-v2g-bidirectional-chargers-more>.

²⁵⁹ Mattalian, S., “Illinois Utility Pilots Vehicle-to-Grid Program with Electric School Buses,” *Inside Climate News*, October 3, 2025, available at <https://insideclimatenews.org/news/03102025/illinois-electric-school-bus-vehicle-to-grid-program/>.

²⁶⁰ Martucci, B., “Massachusetts to deploy 100 bidirectional EV chargers in first-of-its-kind ‘V2X’ pilot,” *Utility Dive*, March 4, 2025, available at <https://www.utilitydive.com/news/massachusetts-bidirectional-ev-chargers-v2g-v2x/741525/>.

²⁶¹ Marsh, J., “What is V2G? A Guide to Vehicle-to-Grid Technology,” *Emporia*, January 29, 2026, available at <https://www.emporiaenergy.com/blog/what-is-v2g/>.

²⁶² Lovrak, T., “Alta eMobility to service, distribute BorgWarner DC fast chargers,” *Fleet Equipment Magazine*, January 20, 2023, available at <https://www.fleetequipmentmag.com/alta-emobility-borgwarner-chargers/>.

²⁶³ Lewis, M., “Broken EV chargers? This program replaces them for free,” *Electrek*, April 6, 2026, available at <https://electrek.co/2026/04/06/broken-ev-chargers-this-program-replaces-them-for-free/>.

charging features can not only help reduce the impact of grid power outages for those EV owners and their communities, but they can also offer significant cost savings for all ratepayers. For example, the Massachusetts Clean Energy Center (“MassachusettsCEC”) reports that the state’s ConnectedSolutions virtual power plant through National Grid allows certain light-duty bidirectional EVs to earn roughly \$3,000 per summer.^{264, 265} MassachusettsCEC also indicates that school districts have the opportunity to earn up to \$12,000 per bidirectional electric bus per summer.²⁶⁶ In fact, a study by Converge Strategies and the VGIC indicates that a single school bus in Beverly, Massachusetts discharged 10.78 MWh to National Grid’s electric system and generated \$23,500 in revenue over two summers.^{267, 268}

Bidirectional EVs not only help save EV owners money, but they also have the capacity to aid grid-operators in balancing grid conditions, therefore maximizing grid utilization, particularly during times of grid constraint, and potentially delaying grid upgrades.²⁶⁹ According to a study by the Electric Power Research Institute, California’s goal of 5 million EVs on the road by 2030 could translate to \$1 billion in annual benefits to the electric grid.²⁷⁰ Furthermore, an Ernst & Young

²⁶⁴ Martucci, B., “Massachusetts ‘vehicle-to-everything’ demonstration hints at EV batteries’ grid potential,” *Utility Dive*, June 2, 2026, available at <https://www.utilitydive.com/news/massachusetts-vehicle-to-everything-demonstration-hints-at-ev-batteries/821621/>.

²⁶⁵ The Mobility House, “Resource Innovations and The Mobility House Tapped to Lead Massachusetts Statewide Vehicle-to-Everything (V2X) Demonstration Program,” February 25, 2026, available at https://www.mobilityhouse.com/int_en/our-company/newsroom/article/resource-innovation-the-mobility-house-v2x.

²⁶⁶ Martucci, B., “Massachusetts ‘vehicle-to-everything’ demonstration hints at EV batteries’ grid potential,” *Utility Dive*, June 2, 2026, available at <https://www.utilitydive.com/news/massachusetts-vehicle-to-everything-demonstration-hints-at-ev-batteries/821621/>.

²⁶⁷ *Ibid.*

²⁶⁸ Converge Strategies and Vehicle-Grid Integration Council, “Vehicle-to-Everything Research Report,” March 2026, available at https://www.masscec.com/sites/default/files/documents/v2x-research-report_masscec-v2x-demonstration-program.pdf.

²⁶⁹ The Institute for Energy Innovation, “Transportation Electrification in Michigan: A Roadmap of State Policy Actions,” October 2024, available at <https://www.mieibc.org/wp-content/uploads/2024/10/Transportation-Electrification-in-Michigan.pdf>.

²⁷⁰ Electric Power Research Institute, “Vehicle-to-Grid: \$1 Billion in Annual Grid Benefits?,” EPRI Journal, 2019, available at <https://eprijournal.com/vehicle-to-grid-1-billion-in-annual-grid-benefits/>.

report indicates that with the right smart charging and V2G policies and programs in place, EVs could contribute 4 percent of Europe's annual power supply, which is enough to power 30 million homes per year and drive 4 billion Euros in annual savings to European utilities.²⁷¹ These examples clearly illustrate the value that EVs offer to EV drivers, local communities, and grid operators alike.

Fortunately, more programs similar to National Grid's are taking shape across the country. For example:

- *Maryland* – In 2024, Sunrun and Baltimore Gas and Electric launched a V2G pilot program to with several Ford F-150 Lightning vehicles.^{272, 273}
- *California* – Following California's 2020 blackouts, the California Public Utilities Commission rolled out an emergency reliability offering that offered EV drivers \$2/kWh in load reduction for participating in demand response events during critical grid emergencies.²⁷⁴ This was developed in conjunction with the California Energy Commission's Replicable V2X Deployment for Schools program, which offered funding to four California public schools to install bidirectional EV charging systems.²⁷⁵

²⁷¹ Sankaran, A., Ernst & Young, "Smart-charging and V2G critical for cost savings, grid stability and renewables integration," March 5, 2025, available at https://www.ey.com/en_gl/newsroom/2025/03/smart-charging-and-v2g-critical-for-cost-savings-grid-stability-and-renewables-integration.

²⁷² Converge Strategies and Vehicle-Grid Integration Council, "Vehicle-to-Everything Research Report," March 2026, p. 19, available at https://www.masscec.com/sites/default/files/documents/v2x-research-report_masscec-v2x-demonstration-program.pdf.

²⁷³ Walton, R., "Sunrun, BGE launch first US electric vehicle-to-home virtual power plant," *Utility Dive*, July 25, 2024, available at <https://www.utilitydive.com/news/sunrun-bge-launch-first-us-vehicle-to-home-ev-charging-program/722367/>.

²⁷⁴ Converge Strategies and Vehicle-Grid Integration Council, "Vehicle-to-Everything Research Report," March 2026, p. 24, available at https://www.masscec.com/sites/default/files/documents/v2x-research-report_masscec-v2x-demonstration-program.pdf.

²⁷⁵ *Id.*, p. 23.

- *Midwest and Southeast United States* – In 2020, the North Carolina Utilities Commissions approved a V2G pilot program for up to 30 ESBs in Duke Energy’s electric service territory.²⁷⁶ In 2022, Duke Energy also announced a demand response pilot for Ford F-150 Lightning lessees, in which drivers could reduce their lease payments in return for allowing their bidirectional EVs to serve energy back to the grid.²⁷⁷

As stated above, however, meaningful learnings are driven by larger vehicle-grid integration demonstrations,²⁷⁸ and America’s automakers are ready to participate in scaled V2G programs to support the nation’s grid facing increasing constraints. For example, on June 9, 2026, GM announced that it would integrate bidirectional features as a foundational standard across its EV portfolio and even activate the technology for existing customers without the need for any hardware upgrades.^{279, 280} GM also issued an “open letter” to the nation’s utilities urging them to streamline interconnection, redesign rate structures, and allow EVs to serve as distributed energy

²⁷⁶ Bolin, J., “Early Lessons Learned from Duke Energy’s Electric School Bus Pilot,” *Advanced Energy*, May 19, 2025, available at <https://www.advancedenergy.org/news/early-lessons-learned-from-duke-energys-electric-school-bus-pilot>.

²⁷⁷ Morris, C., “Duke Energy to use Ford F-150 Lightning electric trucks in V2G pilot,” *Charged EVs*, September 16, 2022, available at <https://chargedevs.com/newswire/duke-energy-to-use-ford-f-150-lightning-electric-trucks-in-v2g-pilot/>.

²⁷⁸ Smart Electric Power Alliance and the Vehicle-Grid Integration Council, “Valuing Vehicle-Grid Integration Programs: A Tool for Improving Energy Affordability through EV Grid Services,” May 2026, available at <https://static1.squarespace.com/static/5dcde7af8ed96b403d8aeb70/t/6a171cb1842cf378953b310a/1779899582477/S-EPA324VGICVehicleGridIntegrationProgramsReportFinal.pdf>.

²⁷⁹ GM News, “GM Empower 2026: Scaling the future of electrification, batteries, and energy,” June 9, 2026, available at <https://news.gm.com/home.detail.html/Pages/news/us/en/2026/jun/0609-electrification-batteries-energy.html>.

²⁸⁰ Fosse, P., “GM Activates Vehicle To Grid (V2G) Capability For Existing Customers, With No New Hardware Required,” *CleanTechnica*, June 10, 2026, available at <https://cleantechnica.com/2026/06/09/gm-activates-vehicle-to-grid-v2g-capability-for-existing-customers-with-no-new-hardware-required/>.

resources for desperately needed grid support.^{281, 282, 283, 284} The next week, Rivian announced a new partnership with ChargeScape to support nationwide bidirectional charging programs.^{285, 286} Not only do announcements and calls to action like those from GM and Rivian indicate that the automotive industry is eagerly embracing this technology, but the utility pilots and commitment from public utility commissions across the country clearly suggest that other programs are launching successfully and more broadly. Thus, the Company should be encouraged and motivated to continue working with key stakeholders to develop impactful V2G pilots that offer scalable growth opportunities across the state.

Recommendation

Michigan EIBC/United recommend the Company continue its work with the one school district remaining in its School Bus Chargers pilot and provide a more detailed report of the Company's learnings, as well as a thorough benchmarking of other state's V2G pilots and programs, in its 2027 Annual Progress Report. Furthermore, this report should also include a discussion of (1) what specifically the Company seeks to learn from existing and future pilots, (2) how the existing pilot(s) would support the pursuit of a more scalable long-term program for all DTE customers

²⁸¹ GM News, "Bidirectional EVs are here. Let's invest in them together.," June 9, 2026, available at <https://news.gm.com/home.detail.html/Pages/news/us/en/2026/jun/0609-bidirectional-evs.html>.

²⁸² Martucci, B., "Managed, bidirectional EV charging advances with utility, automaker support," *Utility Dive*, June 17, 2026, available at <https://www.utilitydive.com/news/managed-bidirectional-ev-charging-advances-with-utility-automaker-support/823171/>.

²⁸³ Lichtenberg, N., "America's grid is reeling. General Motors offers itself as a distributed utility in disguise," *Fortune*, June 9, 2026, available at <https://fortune.com/2026/06/09/general-motors-utility-in-disguise-sodium-ion-batteries/>.

²⁸⁴ Lee, L., "GM wants your EV to help power the grid," *Yahoo! Finance*, June 9, 2026, available at <https://finance.yahoo.com/sectors/energy/articles/gm-wants-ev-help-power-213915542.html>.

²⁸⁵ Martucci, B., "Managed, bidirectional EV charging advances with utility, automaker support," *Utility Dive*, June 17, 2026, available at <https://www.utilitydive.com/news/managed-bidirectional-ev-charging-advances-with-utility-automaker-support/823171/>.

²⁸⁶ Binns, T., "Rivian and ChargeScape to partner on bidirectional charging and V2G," *Electric Drives*, June 16, 2026, available at <https://electricdrives.tv/rivian-and-chargescape-to-partner-on-bidirectional-charging-and-v2g/>.

and customer segments, and (3) possible export compensation mechanisms for customers that could be implemented under various scale conditions. Michigan EIBC/United also recommend the Company host a series of stakeholder meetings to inform improvements to future pilots and identify potential target customer segments (e.g. school districts, transit agencies, private fleets, neighborhoods, etc.), inviting industry experts to provide insights and lessons learned. The Company should propose a new V2G pilot (or pilots) no later than the next TEP refresh, expected to be filed no later than July 1, 2028. Finally, Michigan EIBC/United strongly urge the Company to solicit V2G applications for its Emerging Technology Fund to support the continued exploration of V2G opportunities in its service territory.

Conclusion

Michigan EIBC/United appreciate the opportunity to provide comments on issues related to the changes to DTE's proposed 2027-2031 TEP. We strongly urge the Commission to establish an appropriate filing schedule to ensure that comments filed on the TEPs help to inform utility filings in general rate cases. Michigan EIBC/United recommends that the Company:

1. Voluntarily submit future TEPs at least 180 days prior to any rate case filing, ensuring stakeholders have ample time to provide meaningful input, even absent Commission action;
2. Continue evaluating a balance of positive and negative external forces that could influence EV adoption while maintaining its commitment to the growth and development of its EV rebate programs;
3. Account for societal benefits, which serve as network effects to the expansion of EV charging, in its BCA;

4. Recommend appropriate guardrails for the purposes of enabling responsible and reasonable reallocation of TEP rebate funding from one program to another;
5. Convene a technical conference that would explore opportunities to improve its E&O program efforts;
6. Expand its residential EV charger program to include MI and non-LI customers, ensuring more efficient deployment of funding, as proposed;
7. Expand MUD rebate eligibility to ensure more efficient deployment of funding, as proposed, and provide further clarity about its plans to align its rebate timeline with state grant funding cycles and improve its MUD services;
8. Expand its current public EV charger rebate program to better meet market demand;
9. Expand its workplace and retail EV charger rebate, as proposed, and consider further increasing the rebate amount to improve customer engagement;
10. Increase its fleet EV charger rebates, as proposed;
11. Improve managed charging efforts based on learnings from ongoing managed charging pilots and stakeholder engagement; and
12. Improve V2G efforts based on learnings from ongoing V2G pilots and stakeholder engagement.

**STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION**

In the matter, on the Commission's own	)	
motion, to open a docket for certain regulated	)	Case No. U-21538
electric utilities to file transportation	)	
electrification plans and for other related	)	
matters.	)	

**JOINT COMMENTS OF THE ECOLOGY CENTER, THE ENVIRONMENTAL
LAW & POLICY CENTER, AND VOTE SOLAR**

June 26, 2026

I. INTRODUCTION

The Ecology Center, the Environmental Law & Policy Center, and Vote Solar, collectively the Clean Energy Organizations or CEO, submit these comments on DTE Electric's (DTE or the Company) 2026 Transportation Electrification Plan (TEP or Plan), case number U-21538.

Overall, the CEO support many aspects of the Company's Plan. DTE submitted a robust funding proposal which included investments in EV rebates, education and outreach (E&O), IT and the Emerging Technology Fund. The CEO applaud the Company for continuing to develop its benefit cost analysis framework to capture the broader swath of benefits attributable to electric vehicle uptake, taking into account the full network effects of investments that help to enable EV adoption. Further, the CEO support the Company's continued emphasis on the equitable deployment of EV infrastructure, and the expansion of the program to include medium-income households.

At the same time, the CEO have identified a number of areas for improvement in the Company's Plan. First, and foremost, the Company must take the important step of developing a program for vehicle to grid bi-directional charging, particularly for electric school buses. Second, the Company must develop a managed charging program now, *before* it is necessary, as it would already benefit the Company and ratepayers. Third, there are a couple of areas where more data and reporting would be helpful, in particular, regarding the Company's programs for multi-unit dwellings (MUDs) and underserved communities. Finally, the Company, and Commission, should resolve the timing and coordination issues resulting from filing TEPs and rate cases in overlapping dockets.

II. THE CEO SUPPORT THE COMPANY'S PROPOSED SPENDING LEVELS

The CEO are pleased with the Company's proposal to spend roughly \$163 million on its key investments throughout the planning period. In particular, the CEO support the Company's

updated rebate programs and education and outreach efforts. The CEO commend the Company for expanding and growing these programs, while noting that continued improvements will still be needed throughout the Plan's implementation. The CEO also support the Company's EV forecasts. Despite the reduction in the forecast, the Company appropriately identified critical infrastructure improvement needs which the CEO support.

III. THE CEO SUPPORT THE COMPANY'S EXPANDED BENEFIT-COST FRAMEWORK

The CEO also support the Company's new benefit cost analysis approach, which appropriately responds to the Commission's Order in U- 21860 requiring the Company to "propose an accounting scheme that accurately captures the full NPV benefits, including all revenue attributable to charging and associated network effects, provided by its programs across customer classes."¹

In the past, DTE only quantified EV load that was specifically incentivized through its rebate program. However, in this Plan, the Company accounts for all EV load, which recognizes the full value of the network effects that can be realized from the Company's EV program investments, demonstrating the program's clear benefits. The CEO support this much more sensible way to account for benefits of the Company's Transportation Electrification Plan investments.

The CEO would also like to see the Company continue to quantify and track more granular cost-benefit information for subsegments of the program. The CEO do not believe that each subsegment program must "stand on its own" as cost effective, but the Company's projected BCAs

¹ Michigan Public Service Commission, Case No. U-21860, Feb. 19, 2026, p. 434, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001kHayeAAC>

for the subsegment programs provide helpful information to evaluate program effectiveness and to understand how each program operates.

IV. THE CEO SUPPORT THE COMPANY'S FOCUS ON EQUITY

As mentioned in the introduction, the CEO support the Company's continued prioritization based on equity. In particular, the CEO appreciate that 40% of the proposed program investments are intended to serve low-income, disadvantaged communities. We also strongly support the expansion of the Company's residential rebate program to include low to medium-income households (200-400% of federal poverty level) at a lower tier of investment. As more households now face increasing costs for energy, food and transportation, these rebates could help make the difference in whether a household is comfortable making an investment in a new or used EV. In addition, as EV adoption spreads to more households, the Company needs to be more active in assisting customers with their EV transition and the charging needs that they may have.

V. THE COMPANY MUST DEVELOP AND PROMOTE A VEHICLE TO GRID PROGRAM PARTICULARLY FOR ELECTRIC SCHOOL BUSES

At this current moment, with electricity demand rising, supply chain, interconnection, and implementation delays, and DTE's customers facing significant affordability challenges, the Company and the Commission must adopt and utilize all available resources to reduce the need for generation investment and relieve the strain on customer bills. Vehicle to grid (V2G) programs, particularly for electric school buses, represent one such option that the Company currently neglects.

Vehicle to Grid infrastructure allows electric vehicles, whether residential, school buses, or commercial, to export the energy from their batteries back onto the grid to provide power. This would be valuable to DTE especially if done at peak times or times of critical grid need. In order

to export power back to the grid, from a technical perspective, a customer only needs a bi-directional charger, allowing the two-way transfer of energy.

The Company's plan for V2G "innovation," however, seems restricted to providing rebates for DCFC chargers which will have limited value without a strong V2G program to support them. In its proposed five-year TEP, the Company only intends to support 35 DCFC chargers for school buses. As the Company is aware, however, 100 more electric school buses have been awarded in its territory within the last year which will be put into service during this TEP. It would be a lost opportunity for the Company to not set up a program to enable those vehicles' batteries to be able to be tapped as a grid asset when these batteries are sitting idle, as is largely the case during summer months when the grid experiences peak demand. The Company does not need to wait. The time to roll out a robust V2G program is now.

In its TEP, DTE claims that its V2G pilot will "lay the groundwork for V2G innovation by installing V2G capable infrastructure." The Company cites "roadblocks as schools not having staff to support, interconnection barriers, costs and that a very limited number of brands offer V2G capable chargers." (p. 66) While the CEO acknowledge the very real challenges that the Company has faced, they are not insurmountable and in fact have largely been addressed in a number of other utility pilots and programs around the country. For example:

1. **V2G capable chargers.** DTE's choice of Borg-Warner chargers was unlucky as the Company will stop servicing them at the end of 2026. However, they are currently still functioning and there are now additional options available in Michigan to keep them in service. There are also now new bidirectional chargers on the market that are safe, certified and reliable for ESBs: e.g., Heliox, InCharge and Tellus Green Power.

2. **Interconnection process.** This challenge is certainly in DTE's power to remedy and again is not insurmountable. In fact, the Company should work to create its own standard for bidirectional charging and include a specific timeline it will hold itself to for energizing and connecting chargers.

It may also be true that the MPSC's interconnection rules need to be updated to allow for a full V2G program. The Smart Electric Power Alliance (SEPA) and Vehicle Grid Integration Council (VGIC) report *Valuing Vehicle-Grid Integration Programs* recommends that Commissions review and update bidirectional charging system interconnection rules "to maximize the benefits of VGI. Interconnection rules must facilitate streamlined standardize bidirectional charging system integration."² (p. 16) DTE needs to streamline its interconnection process as bidirectional charging often occurs when ESBs are connected.

The CEO are also aware of at least two examples of states revising their interconnection rules to embrace V2G charging and welcome V2G as a valuable grid offering. Maryland adopted the first comprehensive vehicle-to-grid (V2G) interconnection rules which took effect in 2025, with very clear rules for bidirectional charging and export, and serve as a model framework other states can replicate.³ Also, in California, the major utilities committed to, and the Commission approved, incorporating the alternative V2G AC certification pathway (i.e., the forthcoming UL 1741 CRD for distributed energy resources (DER) Systems) at least as an interim solution. Commissions and utilities are making progress on further clarifying and streamlining interconnection processes in Massachusetts, Nevada, Texas and New York.

² https://sepapower.org/wp-content/uploads/2026/05/IJolTotp_SEPA324_VGIC_Vehicle_Grid_Integration_Programs_Report_print_pdf.pdf

³ [Maryland Becomes First to Adopt Comprehensive Vehicle-to-Grid \(V2G\) Interconnection Rules — VGIC](#)

DTE recognizes that in Michigan (and elsewhere), school districts have installed V2G-capable chargers and it should be aware, as CEO are, that numerous of its peer utilities including Duke, Dominion, Pepco, ConEd, ComEd, Green Mountain Power, PG&E, and SCE all have ongoing V2G pilots with electric school buses. DTE reports that it is testing V2G technology with GM and Ford vehicles, which we also support, but electric school buses may present a larger near-term advantage. School buses have much larger batteries, duty cycles that are much more predictable, and battery availability that syncs well with grid needs (especially during summer).

DTE's V2G school bus pilot also needs to go beyond testing the technology and include a compensation mechanism that recognizes the value of the energy and capacity delivered to the grid. The CEO recognize that nationwide, many utilities are experimenting with and calculating appropriate compensation for exported energy through specified tariffs. One model for compensation is Green Mountain Power's V2G and flexible load programs.⁴ Another is Pacific Gas & Electric's Dynamic pricing program, its Emergency Load Reduction Program (ELRP) which aims to avoid outages by paying electricity customers to reduce consumption or increase supply during peak demand times. Under its program, school districts can provide demand reduction and energy dispatch for one to five hours at a time when events are called, multiple times per year and are compensated per kWh for their energy dispatch.⁵

DTE's pilot also needs to expand beyond testing V2G with the "one school district" that has chosen to install V2G-capable chargers. The Company is certainly able to envision scaling a program that can enroll multiple school districts. As the SEPA and VGIC report makes clear,⁶

⁴ <https://greenmountainpower.com/rebates-programs/business-innovation/electric-vehicles/>

⁵ <https://www.pge.com/en/clean-energy/electric-vehicles/getting-started-with-electric-vehicles/vehicle-to-everything-v2x-pilot-programs.html>

⁶ https://sepapower.org/wp-content/uploads/2026/05/JZolTodp_SEPA324_VGIC_Vehicle_Grid_Integration_Programs_Report_print_pdf.pdf

programs need to be at scale, large enough to generate statistically credible data and operational insights. “Small demonstrations cannot fully quantify peak impacts, distribution constraints, or customer behavior. Meaningful deployment is necessary to produce the evidence base required for long-term integration into utility planning. (p.16)

Similarly, The Massachusetts Clean Energy Center, an economic development agency, in early 2025 announced a demonstration program with the goal of giving up to 100 bidirectional chargers to a variety of users. Participants were announced in February 2026: five school districts, four municipalities, and 30 residents. To understand how the systems function in a wide range of settings, the planners selected projects in all geographical corners of the state, and in rural, urban, and suburban areas served by 10 different utilities. The installations will include six different types of chargers plugging into eight different vehicles, from buses and pickup trucks to SUVs and compact hatchbacks.⁷ The Massachusetts Clean Energy Center will collect data from participants for the rest of the year. By the end of the year, it aims to publish a comprehensive guidebook on what it’s learned about the cost, system design, and technical and regulatory barriers, with the goal of helping other agencies and states replicate the program.

In contrast, DTE only proposes to support 35 DCFC chargers for school buses during the 5-year TEP, none of these necessarily V2G-capable. As the Company is aware, over 250 ESBs have already been awarded to over 30 school districts and fleet operators in DTE territory, with 100 of those awarded within the last year. The latter will be ready to be installed during this TEP and provide a golden opportunity for the Company to establish a program enabling those large batteries on wheels to support the grid.

⁷ <https://www.canarymedia.com/articles/ev-charging/massachusetts-evs-feeding-grid>

The CEO recommend that the Company expand its V2G pilot to incorporate our suggested changes: 1) address interconnection processes; 2) develop and test a compensation mechanism for a future tariff; and 3) expand the pilot by recruiting other school districts with the support and financial incentives that are needed. The Company should report on these updates in its TEP progress report. The CEO also recommend the Company hold a series of stakeholder meetings that include additional school districts within the Company's territory.

The CEO also recommend that the Commission convene a Technical Conference within six months on V2G including experts from other utilities, technology companies and stakeholder groups with the goal of establishing, by the next TEP refresh, robust V2G program offerings at Michigan's utilities.

VI. DTE MUST IMPROVE ITS APPROACH TO MANAGED CHARGING

A. The Company should continue its managed charging program for light-duty vehicles while developing a successor

Managed charging programs operated by utilities are structured programs which incentivize EV charging to occur when the grid has excess capacity, or more specifically *not to occur* at times when it may present a strain to the grid. This can be implemented through passive time-varying rates that send signals to customers about the most advantageous times to charge, or through more active programs that involve structured enrollment and management of charging by the Company. DTE's various managed charging pilots, including its most recent Smart Charging pilots, have appropriately explored managed charging program designs to help take advantage of the flexible nature of EV charging, seeking to find value for both EV customers and the grid generally, which can help to reduce costs for all customers.

DTE's current view appears to be that an "active" managed charging program does not yet make financial sense and is not needed because most EV charging currently takes place during

off-peak hours due to the Company's time-varying TOU rates. DTE TEP, p. 67. While the Company says that it will continue to explore additional "grid-value opportunities" during the remainder of its pilot program (ending in December 2026), it appears that the program will then be terminated with an uncertain future.

The CEO respectfully disagrees with this plan. Even if most EV customers are charging off-peak today, as more customers continue to adopt EVs and they make up a larger share of DTE's footprint, simple TOU price signals will become less effective. A growing number of EVs will only increase the opportunities for managed charging programs to find additional "grid value," something that we think the Company and stakeholders all agree needs to be prioritized in this era of increasing costs. The CEO have identified countless examples of utilities recognizing the benefits of charging programs across the country. Utilities in California,⁸ Massachusetts,⁹ and New York¹⁰ have all adopted managed charging programs which benefit both participating and non-participating customers.

It is far more prudent for the Company to continue its Smart Charge pilot in the short-term and continue testing ideas so that it is prepared to address these upcoming challenges and opportunities *before* new load arrives. We also suggest that the company engage stakeholders in a review of its current pilot and the design of a potential successor program.

⁸ The California Public Advocates Office reported in 2025 that EV charging management had a "significant" impact on costs for all three investor-owned utilities in the state, and "mass shifting of peak EV load away from the peak could save between \$5 billion and \$18 billion in distribution costs by 2040."

<https://www.publicadvocates.cpuc.ca.gov/-/media/cal-advocates-website/files/presentations/251030-public-advocates-office-dgem-2025-slides.pdf>

⁹ The Massachusetts Department of Energy Resources called EV load management a "no-regrets strategy for reducing peak load" while emphasizing the need for active managed charging and V2X to "maximize benefits and minimize grid impacts." <https://www.mass.gov/doc/doer-peak-potential-report-and-policy-recommendations/download>

¹⁰ <https://www.brattle.com/wp-content/uploads/2025/02/New-Yorks-Grid-Flexibility-Potential-Volume-I-Summary-Report.pdf>

B. The Company should implement a structured managed charging program for Medium- and Heavy-Duty Electric Vehicles including Electric School Buses

School districts and commercial fleets more generally have not been targeted by DTE's managed charging efforts to date. As more DCFCs are used the likelihood of incurring shocking demand charges increases. Addressing this problem is critical for electric vehicle fleet management going forward. Part of the Company's advisory services program could involve partnering with and providing electric vehicle and bus customers with managed charging software systems for Medium/Heavy Duty Vehicles (MHDV). Several companies already offer these types of software including: Synop, The Mobility House, ChargePoint (a fleet business in addition to their well-known DCFC business), Flipturn, GridBeyond, Ampcontrol, Powerflex, Fermata Energy, Evgo (a fleet business in addition to their well-known DCFC business), or bp pulse.

One approach CEO suggest is for the Company to create a "non-bridging" application where MHD customers could *elect* to connect with a load limit schedule (aka "limited load profile" or "operating envelope") even if the grid could provide them with full service. Such a flexible service connection yields ratepayer benefits through avoided or deferred infrastructure upgrades. This is a "non-wires solution" but implemented bottom-up (in which MHD customers could choose to shape load in exchange for a fair incentive) rather than top-down (find the needle-in-the-hay-stack upgrade and then solicit a battery or set of DR customers). It would allow commercial customers the option of electing a flexible connection/limited load profile in exchange for upfront incentives that offset the hardware and/or software costs of adhering to that profile. These incentives should still support overall portfolio cost-effectiveness and ratepayer affordability. NY's Load Management Technology Incentive Program is an example of how this incentive program could work.¹¹ With a total budget of over \$20 million, utilities there provide

¹¹ <https://jointutilitiesofny.org/ev/lmtip>

incentives to projects that use on-site battery storage, batteries inside charging stations, and/or software solutions that manage load at the charging site.

By neglecting managed charging for medium- and heavy-duty electric vehicle fleet customers in its footprint, DTE improperly leaves a beneficial opportunity on the table. These customers need the Company to guide such a program to optimize their charging to benefit the grid. DTE's hands-off approach fails to do this. The CEO recommend that the Company initiate a medium- and heavy-duty vehicle managed charging program, that gets out in front of widespread deployment, in order to smooth out peak load and deliver benefits to customers and the grid.

VII. THE COMPANY SHOULD PROVIDE STAKEHOLDERS ADDITIONAL DATA ON MUD CHARGING AND OUTREACH TO UNDERSERVED COMMUNITIES

The CEO appreciate the comprehensive reporting and data sharing that the Company has provided during its previous and current TEP processes. This data helps stakeholders evaluate the Company's programs so that they can provide useful feedback to the Company and make informed recommendations to the Commission about TEP design, proposed spending levels and program implementation efforts. Our participation in the stakeholder engagement process has benefited from this information flow as well. There are, however, some areas where the CEO would like to see additional data sharing.

MUD's: The CEO support the expansion of the EV rebate program for multi-unit dwellings (MUDs) and agree with DTE's analysis about the importance of this segment to support equitable electrification outcomes. Toward this end, the CEO requests that the Company provide data and track several key metrics to evaluate program effectiveness for this market segment. In addition to the data that the Company has historically provided on the number of rebates provided (for both LI and non-LI) and their geographic locations, we would also like data on the type of multi-family properties deploying chargers (e.g. based on size and the basic demographic of their clientele), as

well as the charging patterns of their residents. We would also like to better understand the Company's marketing strategy and advisory services for this segment, so request additional details on the company's E&O efforts as well. This data will not only help the CEO and other stakeholders better understand the program's uptake by customers and overall effectiveness but also help to identify areas where there may be opportunities for improvement. MUDs, as we know, are a particularly difficult segment given the split incentive between property owners and tenants and thus deserve more focused consideration. We invite the Company to provide additional data in its reply comments if able, or at the very least in its next TEP progress report for its current MUD program offerings. We also invite the Company to provide more stakeholder engagement opportunities focused on this important segment.

Underserved communities: Relatedly, we would also like to better understand how the Company is providing outreach to underserved communities, especially as it proposes to increase funding in this area. Traditional utility outreach efforts have sometimes proven ineffective in these communities, and the CEO would like to be able to offer additional feedback and assistance in better reaching this customer segment.

One other area for which we would like to see more reporting is DTE's Emerging Technology Fund (ETF) program. The CEO acknowledged that the Commission ordered the Company to provide an update on its ETF program in its most recent TEP 2025 progress report. However, the Company's filing was very brief and could have included significantly more detail.

While the CEO support the value of these innovation projects, and indeed have a member that participates in the program's advisory committee, more reporting on the findings from these projects and lessons learned would help the CEO and other stakeholders better understand and communicate the value of these initiatives and how they might translate to broader deployment or

future pilot projects. The CEO hope that in the future the Company will provide more complete detail about the learnings from its ETF funded programs and its plan for future spending.

VIII. THE TIMING OF STAKEHOLDER ENGAGEMENT PROCESS SHOULD BE IMPROVED TO BE MORE HELPFUL

Currently the overlapping timing of DTE's TEP and recent rate case make meaningful input and adjustments based on stakeholder feedback problematic. In DTE's most recent rate case Order, the Commission stated that the rate case docket is not the appropriate venue for TEP design discussion and should rather be addressed in the TEP stakeholder process.¹² However, DTE has now filed its rate case with proposed rate recovery for its TEP at the same time that comments on its TEP are now due, with response and potential Commission comment yet to come. Specifically, it would have been better if the proposed TEP was received in advance of the rate case so that any design change recommendations could be adequately addressed and incorporated in the TEP before filing for rate recovery. The CEO are aware that this problem largely stems from the rate case schedule embodied in statute. However, we believe that DTE and the Commission can still accept changes to the TEP that can be agreed to within the rate case process. This will present timing challenges, and the Commission will likely need to provide some flexibility for it to occur. The Commission may want to consider revising its TEP Filing and Reporting requirements to better align and coordinate the timing of TEP plans and rate cases to reduce confusion and eliminate overlapping comment periods and testimony deadlines.

IX. CONCLUSION

DTE's 2026 Transportation Electrification Plan contains an overall robust commitment to continue to expand and deploy the Company's charging infrastructure programs. At the same time,

¹² Michigan Public Service Commission, Case No. U-21860, Feb. 19, 2026, pp. 259, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001kHayeAAC>.

the Company must embrace new technology to help alleviate generation and grid constraints and improve customer affordability. Managed charging and V2G are both key to this effort. The CEO recommend that the Company significantly increase its attention to these opportunities and engage stakeholders to assist them. We also recommend that the Commission use this TEP process to order the Company to implement robust V2G and managed charging programs.

We also request that the Company provide additional data and reporting on both its Multi-Unit Dwelling program and its Underserved community outreach efforts as well as ETF project learnings. The Company should provide this additional data in future TEP progress reports.

And finally, we request that the Commission revise its TEP Filing and Reporting requirements to better align and coordinate the timing of TEP plans and rate cases to reduce confusion and allow for feedback from TEP comments to be considered well in advance of the rate case filing.

Submitted electronically on 6/26/2026

RE: TEP Comments – Case No. U-21538

On behalf of the Electrification Coalition (EC), thank you for the opportunity to submit comments on the Transportation Electrification Planning process. The Electrification Coalition (EC) is a nonpartisan, nonprofit organization dedicated to accelerating the transition to electric transportation to strengthen energy security, economic competitiveness, and public health. We appreciate the leadership of DTE Electric and the state of Michigan in advancing EV adoption and demonstrating their positive impact on the grid.

The EC commends the Transportation Electrification Team at DTE for working to reduce barriers for the deployment of electric vehicle charging infrastructure across residential, private, fleet, and public charging applications.

The EC offers the following recommendations.

Recommendation 1: Maintain more ambitious forecast scenarios and buffer uncertainty with greater program flexibility

DTE's 2026 TEP Refresh significantly reduces its EV adoption forecast by 52% decline from the 2024 TEP. While we recognize that the removal of the federal tax credit creates near-term affordability headwinds for consumer adoption, we are concerned that this change may not warrant a reduction in transportation electrification programming and investment.

Several market dynamics suggest that the near-term forecast decline reflects a temporary demand shift rather than a fundamental market change.

- Used EV Market Expansion: Cox Automotive expects 300,000 EVs will come off leases this year and enter the used market, more than doubling from 123,000 last year, with another 600,000 projected in 2027. Used EVs have also closed the price parity gap with internal combustion engine vehicles. This dramatically expands EV accessibility for price-sensitive consumers without requiring other purchase incentives.
- Fuel Price Volatility: Higher gas prices due to the war in Iran have driven renewed consumer interest in electrification as an alternative. Cox Automotive consumer shopping EV Index is trending higher after the repeal of the tax credit.

Reducing DTE's TEP program scale now creates infrastructure deployment delays that will be difficult to reverse when market conditions stabilize. Infrastructure deployment cannot respond as quickly as consumer adoption trends, and it is crucial to maintain steady deployment via consistent programming and investment.

We recommend DTE maintain the program scale and investment targets from the 2024 TEP, and build greater flexibility into the TEP Refresh to allow DTE to address concerns with near-term market contraction. This could include:

- Year-to-year funding reallocation within programs to respond to demand variations

- Cross-program flexibility to shift resources between segments as market conditions evolve
- Opportunities for program acceleration if adoption trends improve faster than forecast.

This approach preserves Michigan's competitive position in the EV supply chain and supports the state's aspirational goals, while remaining fiscally prudent.

Recommendation 2: Advisory Services Should Implement Proactive Fleet and MUD Outreach, Education, and Recruitment

DTE's TEP Refresh includes valuable advisory services and rebate programs for fleet and multi-unit dwelling (MUD) customers. However, the current approach relies primarily on the passive availability of these services to customers who are already informed and/or motivated to participate. We recommend DTE adopt a more proactive, targeted approach to education and outreach and use advisory services as active recruitment tools.

Specifically, we recommend a more proactive approach where the Fleet Advisory Services team actively recruits fleet operators and multifamily property owners, rather than waiting for them to initiate contact. Proactive outreach enables DTE to understand fleet clusters and electrification timelines, plan distribution upgrades before capacity constraints create costly delays, and avoid stranded assets from under-utilized infrastructure investments.

Other utilities have demonstrated that this approach is achievable at varying levels of grid constraint. In New York, Con Edison has undertaken proactive planning to identify potential fleet clusters and secured approval for urgent upgrades. Duke Energy Carolinas, which operates in a less constrained environment, has similarly used their fleet services team to identify potential fleet clusters and incorporate distribution upgrades to meet expected needs.

DTE should consider a similar approach for the Fleet Advisory Services and apply similar strategies to the MUD program, particularly for properties in low-income and disadvantaged communities where awareness and engagement can be significant barriers.

Recommendation 3: Accelerate Vehicle-to-Grid Program Development

Michigan's electric school bus (ESB) fleet is growing rapidly thanks to the U.S. EPA Clean School Bus Program and the Michigan Clean School Bus Grant program, creating a timely opportunity for DTE to leverage these assets via vehicle-to-grid (V2G) technologies to provide benefits for grid reliability, school district finances, and as [emergency resilience resources for their communities](#).

Utilities in other states have already demonstrated the potential of pairing V2G with ESBs. Dominion Energy's ESB program in Virginia has supported the deployment of 154 ESBs across 26 school districts and, in 2024, successfully provided 6 MWh of power back to the grid in a single V2G test. This proof-of-concept at scale shows that V2G-capable ESBs can provide meaningful grid services.

DTE's current approach is not ambitious enough. The TEP Refresh acknowledges the potential benefits of V2G, but the current pilot has faced limited success due to challenges with program participation, interconnection barriers, cost concerns, and limited charger availability. Given Dominion's demonstrated success and the rapid growth of Michigan's ESB fleet, DTE is missing out on a significant opportunity to enhance grid reliability and community resilience.

We recommend DTE provide a detailed assessment of V2G pilot outcomes and barriers, and formally engage industry stakeholders to inform best practices needed to position Michigan as a leader in using next-generation technologies to improve grid reliability and resilience. DTE should use its Emerging Technology Fund to support V2G investments in this TEP and develop a full V2G program in the next TEP Refresh.

These steps will ensure that DTE is well-positioned to learn and launch a full V2G program, which will ultimately strengthen grid reliability while simultaneously providing school districts with potential revenue opportunities and their communities with emergency backup power capabilities.

Thank you for considering these recommendations. The EC looks forward to working with DTE and other Michigan stakeholders to develop a substantive and well-rounded TEP, accelerating EV adoption, and delivering benefits to all customers. Please do not hesitate to reach out to us with any questions.

Sincerely,

Will Drier

Policy Manager

Electrification Coalition

wdrier@electrificationcoalition.org

June 26, 2026

Lisa Felice
Executive Secretary
Michigan Public Service Commission
7109 West Saginaw Highway
Lansing, MI 48917

Re: Case U-21538 ACEEE comments on DTE Electric Company's 2026 Transportation Electrification Plan

Dear Ms. Felice,

The American Council for an Energy-Efficient Economy (ACEEE) appreciates the opportunity to provide these comments on DTE Electric's 2026 Transportation Electrification Plan (TEP), submitted to the Michigan Public Service Commission on April 22, 2026 as part of Case U-21538. ACEEE is an independent non-profit organization dedicated to advancing energy efficiency policies, programs, technologies, and behaviors. ACEEE's transportation program supports utilities and public utility commissions with planning efforts and program design to expand electric vehicle (EV) access, improve demand planning and demand flexibility, and accelerate electrification timelines for freight hubs, transit fleets, and personal vehicles.

Many of the changes in the latest TEP are based on learnings from DTE's transportation electrification programming and feedback from stakeholder engagement. In retaining strong incentives for low-income customers, multifamily residents, fleet customers, and public charging, the TEP is poised to provide substantial support at a critical time in the development of the EV market. The new moderate-income incentive rates meet a need for greater support for middle-income families that stems from the high number of applicants with incomes above the low-income threshold. Additionally, the continued assistance for fleet customers through customized fleet advisory services will help with a charger installation process that can be challenging for those unfamiliar with EVs. This support is especially important given recent reductions in federal incentives. Our comments focus on how DTE can improve a few of the proposed programs and on considerations for future transportation electrification planning.

Multifamily housing and low-income incentives bring important benefits

DTE's decision to lower the energy output requirement for multifamily electric vehicle supply equipment (EVSE) from 11.5 kW to 9.6 kW to be in line with other utilities will allow more chargers to be included for the same panel size and reduces installation costs. This is important because if multifamily housing residents do not have access to at-home charging and instead must charge on the public network, they could end up paying twice as much. Public charging in Michigan costs on average \$0.39 per kilowatt-hour compared with \$0.21 per kilowatt-hour at home; this equates to an extra \$500 a year for an average driver (EIA 2026; AAA 2026).¹

Continued investment in multifamily housing is also critical because of the high costs of adding EV charging (Lewallen and Huether 2025). DTE notes that over 70% of multifamily rebates were run through the state's Clean Fuel and Charging Infrastructure program; this is a smart way to maximize the

¹ Assumes 10,000 miles driven per year and an EV efficiency of 3 kWh/mile, which is typical for an EV.

potential of such programs because it enables customers to stack incentives from different funding sources and that makes the individual programs more appealing (DTE 2026b). However, this grant program is slated to be completed by the end of September 2027 (Department of Environment, Great Lakes, and Energy 2026). If there is no additional funding after that, it could jeopardize the continued success of DTE's multifamily program.

DTE's higher rebates for low-income customers than middle-income customers and advisory services targeted at these customers are also crucial sources of support. Our recent interviews with affordable housing developers who have installed EV charging, including in Michigan, highlighted the benefits of engaging with developers before construction starts and how utilities can be invaluable sources of information. Many developers are new to EV charging and lack information in the planning stage that would ensure they build electrical infrastructure that can support EV charging. Developers are also typically less knowledgeable about how to operate EV charging, how to manage rates for EV charging, how to develop charger-access policies, and how to maintain the equipment (Lewallen and Huether 2025). These are all areas where utilities have significant expertise and where advisory services in conjunction with incentives can be effective, especially for developers on limited budgets.

Consider dedicating a portion of fleet rebates to customers in underserved communities

Almost 800 fleet EV charger rebates are proposed in Section 4.1—across school buses, transit buses, L2 chargers, and other DCFC chargers—and none are set aside for customers in disadvantaged communities (DAC). According to Table 14 in the proposed TEP, almost all the other rebate segments have set aside a portion of their segment's funding for chargers installed either in DACs or low-income communities (DTE Energy 2026b). The latest 2025 Annual TEP Progress Report data shows that the fleet charger rebates, which were open to several types of non-residential customers, were primarily used for installations at colleges and government facilities (DTE Energy 2026a).

Air pollution from trucks disproportionately impacts people of color across the United States and has negative health impacts on communities (ALA 2022). Pollution from truck traffic has also been identified as a community health issue in Detroit's eastside (ECN 2024). We recommend that DTE consider dedicating a portion of the fleet rebates to commercial fleets located in or near DACs. For example, the percentage of sub-segment funds proposed in Table 14 for DAC and/or low-income communities ranges from 31% for the multi-unit dwelling rebates to almost 60% for both the DCFC and residential rebates (DTE Energy 2026b).

Undertake more MDHD EV pilots through the ETF

Section 5 of the TEP mentions plans to "evaluate the potential role of active managed charging as an input to future residential program design considerations" (DTE Energy 2026b). Because unmanaged charging can impact grid stability by increasing load during peak times, especially when it is from higher power demand sources such as MDHD EVs, ACEEE recommends that DTE actively explore pilot projects to test how to better integrate commercial MDHD EVs with the grid as part of the Emerging Technology Fund (ETF) discussed in Section 6.2 (DTE Energy 2025).

The proposed TEP only discusses the Smart Charge program, and that is currently limited to residential customers. Most of the 2024 and 2025 ETF project awards listed in the proposed TEP support light-duty EV and/or commercial battery use cases (DTE Energy 2026b). For future ETF awards for which the TEP requests funding, DTE could prioritize testing projects that also focus on emerging MDHD EV technologies; these could include vehicle-to-grid pilots for non-school buses, in addition to DTE's pre-existing work with bidirectional charging for school buses, and flexible interconnection. Pacific Gas and Electric's Flex Connect Pilot is one example of how utilities are piloting flexible interconnection for EVs (PG&E 2026).

Clarify the role of on-route DCFC charger rebates for commercial charging stations

DTE's proposed increase in the number of rebates for public on-route DCFC chargers is an important step toward improving access to on-route charging for EVs. This can help reduce range anxiety and encourage more confidence in the technology. However, DTE also proposes to reduce the number of "Other DCFC" fleet charger rebates from 285 in the 2024 TEP to only 10 in the 2026 TEP proposal (DTE Energy 2024; DTE Energy 2026b). Additionally, there is insufficient information in both the currently proposed TEP and the latest TEP progress report to understand what the split is for light-, medium-, and heavy-duty EV use cases, or if there is any split at all. Given this, and because early feedback from stakeholders to DTE about on-route DCFC chargers expressed interest in "closing gaps in the existing charging network, particularly for fleets," the information in the TEP proposal needs more details and/or a discussion about whether dedicated funds for public DCFC MDHD EV chargers are needed (DTE Energy 2026b).

While the current on-route public charger rebates do not appear to exclude MDHD EV use cases, at least according to the program's website, discussion in the 2025 TEP Annual Progress report seems to largely focus on the installation of on-route chargers for personal EVs along highways (DTE Energy 2026a; DTE Energy 2026e). Furthermore, the recently issued request for proposal for round 3 of the National Electric Vehicle Infrastructure (NEVI) funding for Michigan excludes charging stations for heavy-duty vehicles and thus creates a gap in upcoming HD EV infrastructure funding in the state (MDOT 2026). ACEEE recommends that DTE also consider setting aside a portion of the on-route public charger rebates for MDHD EV charging sites such as at truck stops and/or semi-public shared charging hubs.

Enhance support for fleet and commercial EV customers with website improvements

DTE's commitment to education and outreach for its transportation electrification offerings is evident from the proposed increase in budget for the annual education and outreach programming in Section 6.1. ACEEE recommends that DTE also include more information on its fleet advisory services website. For one, the stakeholder feedback mentioned in the TEP shows that transparency around interconnection timelines and energization is highly valued (DTE Energy 2026b).² Adding estimates of the energization and project process timeline for fleet EV chargers on DTE's eFleet Charger Rebate and Commercial Charger Installation webpages, respectively, can improve upfront transparency for potential customers (DTE Energy 2026c; DTE Energy 2026d). The eFleet Charger Rebate page already details the advisory services process and the Commercial Charger Installation webpage already details the utility EV charging connection process for business customers.

Furthermore, adding a direct link to DTE's EV hosting capacity map on the EV resource webpage would be helpful for commercial customers looking to install public and fleet EV chargers. The hosting capacity map is currently accessible through the rooftop solar and private generation webpage and not found on the utility's EV programs webpage (DTE Energy 2026f). Including it on the EV resource webpage could help those planning public EV charging and sites for large-fleet charging determine grid capacity as part of project planning and even help narrow down potential locations for large DCFC charging sites (Ghosh 2025).

Explore EV purchase incentives

ACEEE encourages DTE to include an EV purchase incentive in a future TEP. With the federal EV tax credit now gone, other incentives to reduce upfront costs and increase EV adoption are critical. More than 50% of Michiganders surveyed in 2024 reported that they would not choose to purchase an EV

² Stakeholder feedback mentioned on pages 38-39 of the proposed TEP

without an incentive, and almost 60% were in favor of state and local incentives (Veloz 2024). Incentives for new and/or used EVs can also be targeted to low- and moderate-income households, to promote equity and direct funds to those with the greatest need. The impact on ratepayers more generally can also be limited if the purchase incentive is contingent on participation in one of DTE's passive or active managed charging programs. This will help shift charging to times when it is most advantageous and generate additional revenue without incurring distribution system upgrade costs.

Thank you for the opportunity to submit these public comments. Please reach out to Peter Huether (phuether@aceee.org) or Daivie Ghosh (dghosh@aceee.org) with any questions.

Sincerely,

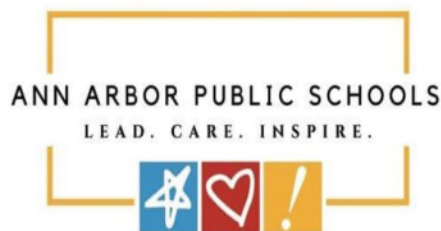
Peter Huether and Daivie Ghosh

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Recommendations to the Michigan Public Service Commission

DTE Transportation Electrification Plan – Vehicle-to-Grid (V2G) and Electric School Buses

Ann Arbor Public Schools (AAPS) is the only school district still actively participating in DTE's Vehicle-to-Grid (V2G) pilot program. My engagement began over two years ago, almost to the day on June 24, 2024. The pilot was championed by Lynn Felcyn at DTE, whose unexpected passing in early 2025 was a significant loss. Since then, the project has lacked a dedicated internal champion at DTE, contributing to limited progress.

Despite these challenges, AAPS has completed the infrastructure necessary to support the pilot. We have installed four bidirectional DC fast chargers, upgraded the electrical infrastructure at our transportation depot, and procured four IC electric school buses capable of bidirectional power export.

Over the past 18 months, we have participated in numerous meetings with DTE stakeholders, including the interconnection team, but have made little progress toward initiating the pilot. From the district's perspective, we are ready to begin technical testing of the system. We have also engaged a consultant with experience supporting other electric school bus V2G deployments to assist with commissioning and testing.

To move the pilot forward, we request greater clarity on DTE's interconnection requirements and guidance on the use of the recommended software platform (Synop). Establishing a clear technical pathway would allow the pilot to proceed while commercial issues, including V2G tariffs and compensation mechanisms, continue to be developed.

We should recognize Electric School Buses (ESBs) as Distributed Energy Resources. Treating ESBs as grid assets rather than solely transportation loads can help with:

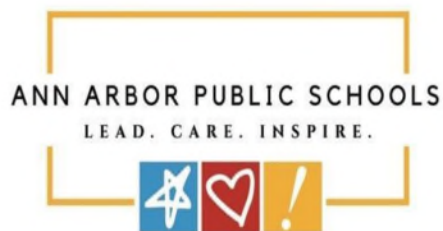
- Demand response programs
- Distributed energy resource planning
- Capacity planning
- Distribution system planning
- Grid resilience initiatives

The MPSC should encourage DTE to transition from V2G pilot projects to a scalable statewide program by incorporating the following recommendations into future Transportation Electrification Plans:

1. Establish a Permanent V2G Tariff or rider

The Commission should direct DTE to develop an approved rate mechanism—either a dedicated Vehicle-to-Grid tariff or a V2G rider to an existing commercial rate schedule—that provides transparent compensation for exported energy, capacity, and other grid services. Establishing a clear and predictable rate structure will reduce uncertainty and enable school districts to evaluate the financial benefits of participating in Vehicle-to-Grid programs.

Develop a dedicated V2G rate for school districts and fleet operators.



Compensate customers for exported energy at retail rates.

Provide transparent pricing and settlement mechanisms that allow school districts to evaluate project economics.

2. Standardize Interconnection Requirements

A clear, standardized interconnection process is essential to advancing Vehicle-to-Grid (V2G) deployment in Michigan. States such as Massachusetts and Colorado have demonstrated that published technical requirements, defined engineering review processes, and predictable timelines reduce project uncertainty, lower engineering costs, and accelerate implementation. For school districts, which often have limited technical resources and operate under tight construction schedules, a transparent interconnection pathway is just as important as financial incentives. Establishing standardized requirements for bidirectional charging would enable projects to move from pilot demonstrations to scalable deployment while ensuring the safety and reliability of the electric grid.

Create a streamlined interconnection process specifically for bidirectional charging.

Publish standardized technical requirements, engineering specifications, protection requirements, and review timelines.

Implement an expedited review process for certified V2G equipment and software.

3. Publish a V2G Design and Engineering Guide

Provide comprehensive guidance covering equipment certification, communications protocols, metering, grid protection coordination, testing, and commissioning.

Reduce engineering uncertainty and design costs for school districts and their consultants.

4. Increase Rebates for Bidirectional Chargers

Offer higher incentive levels for V2G-capable chargers than for conventional one-way charging equipment.

Recognize the additional grid value that bidirectional charging provides.

Prioritize interoperable equipment that supports open standards and future utility programs.

5. Create V2G Infrastructure Preparation Grants

Provide grants to offset early-stage project costs, including:

- Engineering and feasibility studies

- Interconnection studies

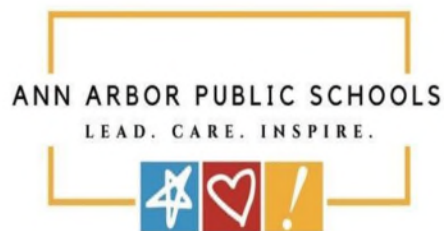
- Protective relays and switchgear

- Utility communications and telemetry

- Revenue-grade metering

- Electrical service upgrades required for bidirectional operation

- Site design and permitting



Summary:

Electric school bus batteries represent one of the best use cases for peak shaving during the summer months when the electric loads are the highest and the buses are not in operation. The MPSC has an opportunity to accelerate this transition by encouraging DTE to establish permanent V2G tariffs, simplify interconnection, increase financial incentives, and recognize school districts as long-term partners in building a cleaner, more resilient electric grid. Thank you for your support.



June 24, 2026

Lisa Felice
Executive Secretary
Michigan Public Service Commission
7109 West Saginaw Highway
Lansing, MI 48917

Re: Auto Innovators' comments on DTE's 2027-2031 Transportation Electrification Plan, MPSC Case No. U-21538.

The Alliance for Automotive Innovation (Auto Innovators) represents the full auto industry value chain, including the manufacturers producing most vehicles sold in the U.S., equipment suppliers, battery producers, semiconductor makers, technology companies, and autonomous vehicle developers. Our mission is to work with policymakers to realize a cleaner, safer, and smarter transportation future and to ensure a healthy and competitive auto industry that supports U.S. economic and national security. Representing over 5 percent of the country's GDP, responsible for supporting nearly 11 million jobs, and driving \$1.5 trillion in annual economic activity, the automotive industry is the nation's largest manufacturing sector.¹

I. Managed Charging: Basic Program Design Elements

Require Smart Charge extension through 2031. DTE states that "customer participation [in Smart Charge] is scattered and not effective" due to low penetration and limited OEM accessibility² – raising questions whether the program will continue beyond 2026. DTE does not provide detailed data or analysis explaining these critiques. Conversely, several studies indicate enormous potential for optimized charging to keep electricity rates more affordable for all ratepayers, including:

AES Indiana found that optimized charging deferred 30 percent of feeder upgrades an average of 4.3 years and 24 percent of service transformer upgrades an average of 9.1 years, totaling \$75 million in annual deferred investments.³

The Brattle Group and Ev.energy found that optimized charging can avoid up to \$575 in ratepayer costs annually per EV.⁴

Pacific Gas & Electric's initial 2023 pilot shifted .81 kW more per EV to off-peak hours as compared to passive managed charging, saving customers \$25/year on utility bills.⁵

Pacific Gas & Electric's 2024-26 pilot, which had 6,500 participants, showed that optimized charging lowered peak load across 89% of transformers at risk of exceeding 100% capacity, and reduced average peak load to .56 kW per vehicle as compared to only 1.28 kW per vehicle via TOU rates.⁶

¹ Alliance for Automotive Innovation. (n.d.). *Resources and Insights*. www.autosinnovate.org/resources/insights.

² DTE Electric Company. *2027-2031 Transportation Electrification Plan*. April 2026. Page 65.

³ AES & Camus. *Getting ahead of the EV tipping point*. October 2024. Pages 2-3.

⁴ Goldsmith, W. et al. *The Utility Playbook: Turning EV Grid Risk into a \$30 Billion Opportunity*. ev.energy. Page 11.

⁵ Pacific Gas & Electric. *Advice 7822-E: PG&E's 2026 Low Carbon Fuel Standard Implementation Plan*. January 2026. Page 17.

⁶ *Id.* Pages 18-19.

Baltimore Gas & Electric's Smart Charge Management Program reduced coincident peak demand by 72% (1,090 kW to 310 kW) and non-coincident peak demand by 29 percent (1,160 kW to 830 kW) and scored 1.58 on cost-effectiveness using Maryland's jurisdiction specific test.⁷ The Brattle Group and Energy Hub found that optimized charging could avoid \$245 to \$400 in costs per EV annually and delay distribution system upgrades by ten years.⁸ Argonne National Lab and Smart Electric Power Alliance estimated roughly \$300/year per EV in deferred transformer and feeder upgrades.⁹

Explicitly extending the program through 2031 sends a long-term market signal to third party aggregators – start-up companies that are still scaling – to dedicate time and resources to ongoing development of programs and services in Michigan to maximize ratepayer benefits. Otherwise, they may prioritize other utilities that have more predictable, long-term plans to continue investing in these programs.

Set enrollment milestones at a meaningful scale based on projected EV adoption. As of December 2025, Smart Charge had 3,486 participants¹⁰ and is capped at 4,000, representing 3.5 percent of registered EVs in DTE's service territory.¹¹ DTE states that it plans to convert Smart Charge into a permanent program "if additional value streams and cost effectiveness is achieved"¹². We agree that maximizing the grid benefits and increasing program cost-effectiveness are critical. However, Smart Charge's initial enrollment goal could be one factor hindering cost-effectiveness– it's relatively low. Per the Brattle Group's Managed Charging Benefit-Cost Analysis Framework:

*"Programs with a small number of participants (e.g. pilot scale programs) may appear less cost-effective due to their small number of participants leading to smaller grid benefits and larger start-up costs. Upfront costs such as IT costs may dwarf the system benefits in the near term. However, such investments may be beneficial for a wide range of programs in the future, and their costs can be allocated to multiple programs."*¹³

Therefore, we strongly encourage the Commission to require DTE to set enrollment milestones at a meaningful scale to improve the benefit-cost ratio. Many utilities around the country have set ambitious enrollment milestones for their optimized charging programs, including:

Baltimore Gas & Electric plans to enroll at least 30,000 customers over three years (up from 3,600).¹⁴

Potomac Electric Power Company plans to enroll at least 27,000 customers over four years.¹⁵

⁷ PLMA. 2025 PLMA Award Winner: Baltimore Gas and Electric & WeaveGrid. May 7, 2025.

<https://flexload.org/industry-awards-program/2025-plma-award-winner-bge-weavegrid/>.

⁸ Ramakrishnan, R. et al. *Demonstrating the Full Value of Managed Electric Vehicle Charging*. The Brattle Group. January 2026. Page 39. <https://www.brattle.com/wp-content/uploads/2026/01/Demonstrating-the-Full-Value-of-Managed-Electric-Vehicle-Charging-1.pdf>.

⁹ Dougherty, C. & Fitzgerald, G. *Exelon's Managed Charging Program*. Smart Energy Power Alliance. August 2023. <https://sepapower.org/resource/exelons-managed-charging-program/>

¹⁰ DTE Electric Company. *2027-2031 Transportation Electrification Plan*. April 2026. Page 64.

¹¹ *Id.* Page 9.

¹² *Id.* Page 66.

¹³ Sergici, S. & Kavlak, G. *Key Considerations for Managed EV Charging Benefit-Cost Analysis*. The Brattle Group. October 2024. Page 12. <https://www.brattle.com/wp-content/uploads/2024/11/Key-Considerations-for-Managed-EV-Charging-Benefit-Cost-Analysis.pdf>.

¹⁴ Baltimore Gas & Electric. *Case No. 9478 – BGE Smart Charge Management Proposal*. June 4, 2024. Page 11.

¹⁵ Potomac Electric Power Company. *Case No. 9478 – Phase II. December 18, 2024*. Page 29.

Southern California Edison plans to enroll at least 25,000 customers over four years.¹⁶
Pacific Gas & Electric plans to enroll tens of thousands of customers over two years (up from thousands).¹⁷
Portland General Electric aimed to enroll 9,399 customers over three years.¹⁸
Commonwealth Edison aims to enroll 30,000 customers over three years.¹⁹
Con Edison enrolled over 30,000 customers by end of 2025, while the other four New York investor-owned utilities enrolled another 15,000 customers, representing 21% of registered EVs.²⁰

Successful optimized charging programs require high enrollment rates, low drop-out rates, and maximizing the kilowatts displaced annually in alignment with distribution system needs. Maximizing enrollment helps DTE have a larger data set to evaluate to increase benefits to both drivers and the grid. **Furthermore, we encourage the Commission to prohibit DTE from capping enrollment, which risks consumer frustration and losing out on more program benefits.** Our members' customers have shown interest in optimized charging programs, only to be turned away by utilities due to enrollment caps. These situations create a bad consumer experience, risking customers losing interest. The purpose or benefit enrollment caps is unclear. These 'best practice' activities can help DTE eventually scale to a mass market program, which is necessary to realize the full potential of EVs' grid benefits.

Expand Smart Charge reporting requirements. We support DTE reporting program performance, enrollment, and cost. While this data informs overall performance, more granular data reporting could help inform ongoing program development to improve enrollment, capture additional value streams, and increase cost-effectiveness. Therefore, we encourage the Commission to require DTE to also report the following:

- Average cost per customer to sign up per year
- Average kW reduction per customer per year
- Average length of customer participation per year
- Number of customer dropouts per year
- Surveys – how consumers learned about the program; why customers dropped out

DTE states the pilot cost \$931,087 in 2025 with approximately 3,400 total customers, however, given that Smart Charge started in 2023, it's not clear how many customers were enrolled on an annual basis, their length of participation, and the average kW shifted per vehicle. It's also not clear what the costs were in previous years compared to 2025. Comparing these data annually tracks progress and can potentially identify areas of improvement. It is also important to know if customers opted out, and if so, their reason for doing so, because it will identify potential program gaps. Furthermore, DTE does not segment the 2025 program costs – such as marketing, incentives, IT and admin – which would show what the biggest

¹⁶ Southern California Edison. Advice 5536-E. *Southern California Edison's Request for Approval to Update Its Low Carbon Fuel Standard Holdback Revenue Return Implementation Plan to Include a New Vehicle Grid Integration Program*. April 2025. Page 2.

¹⁷ Pacific Gas & Electric. Advice 7822-E: *PG&E's 2026 Low Carbon Fuel Standard Implementation Plan*. January 2026. Page 88.

¹⁸ Portland General Electric. *2023 Transportation Electrification Plan Report*. August 2023. Page 176.

¹⁹ Commonwealth Edison Company. *Supplemental Direct Testimony of Cristina Botero*. Docket No. 26-0047. March 25, 2026. Page 8. <https://icc.illinois.gov/docket/P2026-0047/documents/378260/files/663232.pdf>.

²⁰ The Joint Utilities of New York. *Comprehensive Residential Managed Charging Report*. March 16, 2026. Case 18-E-0138. Page 12.

cost drivers are and whether they can be reduced.

II. Managed Charging: Requirements for Aggregators

We support DTE's use of official automaker channels to maximize enrollment. Automakers have several well-established and trusted channels to engage their customers, including mobile applications, email marketing, dealerships, and other first-use integration opportunities (e.g. purchasing an OEM home charger and using their preferred vendor to install it). These channels offer a cost-effective pathway to enroll many customers efficiently.

Automakers are well-positioned to accelerate enrollment in optimized charging programs because of their deep relationships with their customers. A vehicle is typically the second largest purchase in a consumer's lifetime; they become a part of their lifestyles through everyday use—commuting to work, visiting friends and family, taking road trips, and more. For many drivers, their vehicle is an extension of identity. Therefore, they are more likely to pay attention to communications from their vehicle brand—a mobile app, email, or otherwise. This dynamic is an opportunity to significantly increase enrollment in optimized charging programs. For example, Toyota, using both its Toyota and Lexus apps, achieved a 20 percent enrollment rate over three years in its Clean Assist program.²¹ Dealerships are also a critical venue to educate customers about the benefits of these programs and subsequently enroll them as they purchase a vehicle. This opportunity is zero cost, low hanging fruit to increase enrollment.

We support DTE's plans to use day-ahead pricing signals, reduce peak demand on targeted distribution system assets, and integrate renewable energy. Each of these features can improve program cost-effectiveness and provide greater value to ratepayers and EV drivers:

Day-ahead pricing signals are more dynamic, better reflecting the “true” cost of delivering energy at a specific time, and can encourage customers to charge when energy is cheapest and when the grid is the least constrained.

Targeting secondary transformers and feeders to reduce peak demand is effective to avoid grid impacts and mitigate increases to utility bills, as identified by the studies above. Secondary transformers are the first distribution asset impacted by residential EV charging. It only takes a few EVs charging to overload a 25-50 kVA transformer.²²

Given the growth of renewable energy, aligning Smart Charge to soak up excess clean energy during the day, or alternatively to reduce demand on the grid when renewables output is low, will more cost-effectively integrate these resources. This shows how optimized charging investments support other programs, increasing overall cost-effectiveness.

Require aggregators to help determine the counterfactuals needed to fully understand the value of optimized charging. Counterfactuals are critical to assessing the overall effects of optimized charging. By requiring aggregators to develop a data framework necessary to analyze EV charging impacts between Smart Charge participants and non-participants, DTE can better understand charging behaviors and the associated grid impacts. This analysis can help DTE refine the program over time to increase its effectiveness. Conducting counterfactuals as early as possible in program implementation can save costs

²¹ Blair, B., & Fitzgerald, G. *The State of Managed Charging in 2024: The Next Iteration: Distribution-Level Optimization*. September 2024. Smart Electric Power Alliance.

²² DTE Energy. Electric Vehicle Grid Impact Study Summary Report. May 2020. <<https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068t000000CFdYoAAL>>

long-term by optimizing the program and help DTE chart a course to a mass market program as EV adoption increases. **We also support DTE's plans to analyze the cost-effectiveness of the Smart Charge pilot and would encourage the Commission to require DTE to make a detailed analysis publicly available so that stakeholders can also assess the program.**

Respectfully submitted,

Cory Bullis
Director, Energy & Environment Policy
Alliance for Automotive Innovation



Carter Wood
EV and Infrastructure Policy Manager
(313) 912-7601

Ford Motor Company
One American Road
Dearborn, MI 48126

May 22, 2026

7109 W. Saginaw Highway
Lansing, MI 48917

Re: Case U-21538 DTE Transportation Electrification Plan Filing

Ford Motor Company appreciates Michigan utilities' continued focus on transportation electrification. The transportation electrification investments DTE is proposing are critical to ensuring electric vehicle customers feel confident in their ability to drive electric by making charging improvements for multi-unit dwellings, light-duty commercial fleets, workplaces, residences, and on-route fast charging. Each of these areas are essential components for ensuring successful EV adoption in Michigan.

Commercial fleets constitute 80 percent of annual fleet vehicle registrations in Michigan, while the remaining 20 percent are government or public. Most light-duty commercial fleet customers are small businesses with less than five vehicles and there are unique challenges small- and medium-sized businesses face when electrifying their fleets. For example, installing a fleet charger requires a significant amount of resources, including site prep, underground utility upgrades, concrete work, permits, and charging ports. In addition, installation often taking 12-18 months with potential delays resulting in increased costs and additional hurdles for businesses transitioning to EVs. Comprehensive support from utilities, like DTE, inclusive of make-ready, charger rebates, and customer guidance keeps momentum throughout the process. Upfront investment in critical programs like those proposed by DTE will help realize the widespread benefits that electrification can provide to customers, to the grid, and all ratepayers.

Continuing to support home chargers for low-income households, while also expanding access for moderate and non-low-income customers, will help realize the widespread benefits electrification can provide. Ramping incentive levels maximizes benefits to low-income customers, while still providing meaningful motivation for other customers to install home chargers, which are a driver for EV adoption. DTE's investment in the multi-unit dwelling (MUD) space is also encouraging. As DTE points out, MUD residents are consistently underserved in the charging ecosystem and utilities around the country are applying learnings from early programs to improve charging access at MUDs. Most MUD rebate programs are property owner focused for logistical reasons, but that can leave tenants powerless to meet their at-home charging needs without moving residences. The ability for tenants to self-attest interest in charging is innovative and should be duplicated across the country.

It is important that DTE continues to promote managed charging through Smart Charge and bidirectional charging customer pilots. Creating a roadmap for scaling these programs beyond initial caps will grow flexibility and increase the ratepayer benefits.

Commented [CW1]: As in 80% of all vehicles registered are fleet vehicles or 80% of "fleet" vehicles are purchased through commercial businesses rather than government fleets?

Commented [AA2R1]: 80% of fleet vehicles are for commercial rather than government (people are surprised by this as they think public use when they hear fleet)

Commented [AA3]: What does this mean? "moderate and other residential"? I really don't understand what you mean in this paragraph. Should we simply focus on fleets for this letter? Or should we better spell out what we're asking for in terms of a "ramping incentive"?



Thank you for your consideration of our comments. Please do not hesitate to reach out to contact us for further discussion or questions.

Regards,

Carter Wood

EV and Infrastructure Policy Manager

Ford Motor Company

**STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION**

In the matter, on the Commission’s own motion,	)	
to open a docket for certain regulated electric	)	
utilities to file transportation electrification plans	)	Case No. U-21538
and for other related matters.	)	
_____	)	

**COMMENTS OF SIERRA CLUB AND 5 LAKES ENERGY
ON DTE ELECTRIC COMPANY’S TRANSPORTATION ELECTRIFICATION PLAN**

I. Introduction

Sierra Club and 5 Lakes Energy appreciate the opportunity to provide comments regarding the Transportation Electrification Plan (TEP) filed by DTE Electric Company (“DTE” or “the Company”) in the above-captioned docket on April 22, 2026.¹ Sierra Club is a national environmental organization dedicating to protecting people and the planet by advancing clean energy, conservation, and climate solutions. 5 Lakes Energy (5LE) is a clean energy consulting firm that supports policymakers, utilities, and stakeholders in developing and implementing equitable and sustainable energy policies. Collectively, we are referred to in these comments as “Sierra Club/5LE.”

Recognizing that transportation electrification (TE) is a high-leverage opportunity to advance Michigan’s economic and clean energy goals, our interest is to ensure that utility TEPs effectively address market barriers to electric vehicle (EV) adoption, charging access, and infrastructure deployment. The Company’s latest TEP proposes to invest substantially in EV charging infrastructure in several important customer segments. It targets these investments equitably, recognizes the unique barriers to charging access among low-income (LI) households and multi-

¹ DTE Electric Company, “2027-2031 Transportation Electrification Plan,” April 22, 2026, last accessed on July 13, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

unit dwellings (MUDs), and improves the accounting framework the Company uses to assess and design EV programs. Overall, the TEP is well-constructed. However, DTE's TEP falls short in adequately addressing range anxiety, leaves long-term ratepayer benefits on the table, and is hindered by an administrative process that limits oversight and meaningful stakeholder input.

II. Process Comments

The Michigan Public Service Commission (MPSC) approved new TEP filing requirements² ("Filing Requirements") on January 24, 2025, in case U-21492. The Filing Requirements ordered that the Company file a new TEP in 2026³ in the present docket, that interested parties submit initial comments within 45 business days,⁴ and that reply comments be submitted within 30 business days after.⁵ Combined with a stakeholder process to shape the TEP ahead of the Company's April 22 filing, this would seem a reasonable timeline for interested parties to review and influence the TEP. While DTE sought stakeholder input⁶ prior to the April 22 filing, and while the TEP states that this process "provided valuable feedback,"⁷ it is unclear what, if any, of this feedback was incorporated into TEP program design. Moreover, if the Commission intended for stakeholder comments in U-21538 to meaningfully critique the resulting TEP after it was filed, this comment period should have concluded *before* the Company sought cost recovery for these programs. But that is not the case.

² Michigan Public Service Commission, Case No. U-21492, "Michigan Transportation Electrification Plan, Amended Filing Requirements," January 24, 2025, last accessed on July 13, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000XDvn6AAD>.

³ *Id.*, §(2)(c).

⁴ *Id.*, §(8)(a).

⁵ *Id.*, §(8)(b).

⁶ DTE Electric Company, "2027-2031 Transportation Electrification Plan," April 22, 2026, page 36, last accessed on July 13, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

⁷ *Id.*

Instead, the Company filed for approval of its TEP programs in its 2026 general electric rate case (Case No. U-22046) on April 28, 2026,⁸ only four business days after the TEP filing. Nominally, initial comments in U-21538 were due on June 26, and reply comments are due on August 10. With intervenor testimony due in U-22046 on August 26⁹ and an evidentiary hearing scheduled for September 28,¹⁰ it is nearly impossible for the Company to account for stakeholder feedback in U-21538 before approval and cost recovery of the TEP programs is decided. The Commission's February 19, 2026 Order¹¹ in case U-21860 compounds this problem by providing that only "cost recovery will be addressed in rate cases," while "TEP filing requirements, process issues, and design issues will be dealt with in separate proceedings."¹² By allowing the TEP and rate case filings to occur nearly simultaneously, and by insisting that program design issues generally be handled outside the rate case, the Commission has effectively prevented meaningful stakeholder input and Commission review of the TEP. These comments, and those of other interested parties in the present docket, are unlikely to receive meaningful attention from the Commission or the Company before the rate case concludes and the TEP becomes part of the Company's official strategy.¹³

⁸ Direct Testimony of Milena Kabashi on behalf of DTE Electric Company, April 28, 2026, last accessed on July 13, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001xwP3ZAAU>.

⁹ Scheduling Memo in Case U-22046, May 28, 2026, last accessed on July 13, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000024LPoAAAW>.

¹⁰ *Id.*

¹¹ Michigan Public Service Commission, "Order in the matter of the application of **DTE ELECTRIC COMPANY** for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority," February 19, 2026, last accessed on July 13, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001kHayeAAC>.

¹² *Id.*

¹³ In addition, the procedural schedule in this docket does not provide stakeholders with a regular or predictable opportunity to comment on TEPs. Rather than being tied to fixed intervals, the comment deadlines are triggered by the utility's filing of a TEP—which, in this instance, was driven by the timing of the Company's rate case. That structure is emblematic of the broader procedural concerns discussed in these comments. Because this is an open docket, Sierra Club and 5 Lakes Energy submit these comments now to inform the Commission's consideration of both this TEP and its process for future TEP proceedings.

In future TEP proceedings, the Company should be required to file its TEP at least 180 days before filing its rate case to ensure that stakeholder comments can provide meaningful input before the Company seeks cost recovery. Such sequencing is routine in other jurisdictions. In Minnesota, for example, utilities file TEPs alongside their biennial Integrated Distribution Plans, with TEP program-specific approvals sought in subsequent proceedings. In other jurisdictions, both TEP design and spending authorization are addressed in dedicated contested cases. This is the approach, for example, in Massachusetts, Virginia, Colorado, New Mexico and Nevada. This structure allows all elements of a TEP to be evaluated by interested parties and the Commission in a single, transparent, and comprehensive proceeding. Given the size and scope of the spending decisions at issue and the importance of TE to Michigan's economic and clean energy goals, the Commission would better serve utility customers and TE stakeholders by ensuring that they have a path to provide meaningful input on utilities' TEPs and that decisions relating to the TEP are made transparently and accountably.

Recommendation: Sierra Club/5LE therefore recommend that the Commission require that, at a minimum, the Company file its next TEP at least 180 days before filing the application in its subsequent electric rate case, to ensure that the comment period allows for meaningful feedback. Absent this requirement, if the Company is serious about transparency and accountability, DTE should voluntarily time its filings as suggested. To fully commit to TE as a key lever in Michigan's future success, the Commission should require that the Company's next TEP be filed for review in a contested case.

III. EV Load Forecast

The TEP's proposed portfolio of chargers, rebates, and make-ready investment is based on a single five-year EV adoption forecast, reflecting the Company's view of "the most likely market

conditions, incorporating OEM production plans, economic and demographic drivers, and observed regional adoption patterns.”¹⁴ The Company treats this “highest-probability scenario”¹⁵ as the foundational assumption beneath every rebate level, market share target, and make-ready dollar in the filing. The Company’s forecast is based on a fairly robust accounting of near-term market drivers and headwinds, but does not appear to account for certain factors likely to support EV adoption. In any event, while forecasting is a useful tool for grid planning and load management, Sierra Club/5LE emphasize that near-term forecasts should not serve as the sole foundation for long-term infrastructure planning decisions.

The Company’s forecast is heavily influenced by recent policy developments, most notably the “One Big Beautiful Bill Act” of 2025. The Company notes that the “removal of the federal EV tax credit is the primary near-term driver of reduced EV adoption impact, resulting in an approximately 52% decline in total projected EV registrations during the TEP Refresh timeframe relative to the previous TEP forecast.”¹⁶ The Company acknowledges, however, that the removal of the federal EV tax credit has “a diminishing influence over the long term.”¹⁷ Meanwhile, there are many other economic, policy, and geopolitical factors that affect the EV adoption outlook in the U.S. and in Michigan over the near- and longer-term. These factors include reinstatement of a National Electric Vehicle Infrastructure (NEVI) Formula Program),¹⁸ geopolitics and volatile oil

¹⁴ DTE Electric Company, “2027-2031 Transportation Electrification Plan,” April 22, 2026, page 10, last accessed on July 13, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

¹⁵ *Id.*

¹⁶ *Id.* at 20.

¹⁷ *Id.* at 21.

¹⁸ *State of Washington et al. v. U.S. Department of Transportation et al.*, No. 2:25-cv-00848-TL, Dkt. #175 at 55–56 (W.D. Wash. decided Jan. 23, 2026). The Court’s Order vacated USDOT’s freeze of the NEVI program, declared it unlawful, and permanently barred the defendants from withdrawing or withholding states’ funds, canceling states’ approved implementation plans, or otherwise interfering with the program in violation of applicable statutes or regulations. The order was not appealed.

prices (e.g., the war in Iran),^{19, 20, 21} shifting automaker strategies,^{22, 23, 24, 25, 26} and state-level policies (e.g., Michigan EV registration fees).²⁷ While the net impact of these dynamics on the EV market is difficult to assess in the near-term, global EV adoption continues to rise.²⁸ Indeed, the long-term EV outlook remains stable and robust despite current headwinds in the U.S.²⁹ Moreover, we should expect that near-term forecasts will continue to swing wildly as these volatile dynamics play out. This underscores the risk of treating a short-term forecast as a foundation for long-term infrastructure decisions.

DTE's TEP will provide funding in the next five years for assets that will remain in operation for decades, either supporting the EV fleet that exists during that time or failing to do so. In light of Michigan's long-term clean energy and economic goals, the Company faces a choice: either continue reacting to the latest developments in an ever-changing market, or develop a consistent, long-term strategy that recognizes the Company's own role in shaping this market.

¹⁹ Grist, "Why \$4 gasoline is the tipping point for EVs," March 19, 2026, last accessed on July 13, 2026 at <https://grist.org/energy/why-4-gasoline-is-the-tipping-point-for-evs/>.

²⁰ Canary Media, "Used EVs are a bargain right now – and buyers are noticing," April 2, 2026, last accessed on July 13, 2026 at <https://www.canarymedia.com/articles/electric-vehicles/used-evs-are-bargain-buyers-noticing>.

²¹ The New York Times, "Oil Prices Spike as U.S. and Iran Exchange Fire," June 1, 2026, last accessed on July 13, 2026 at <https://www.nytimes.com/2026/06/01/business/oil-gas-price-iran.html>.

²² CNBC, "Ford to record \$19.5 billion in special charges as it pulls back on EV plans," December 16, 2025, last accessed on July 13, 2026 at <https://www.cnbc.com/2025/12/15/ford-ev-pullback.html>.

²³ Reuters, "GM to take \$6 billion writedown on EV pullback," January 9, 2026, last accessed on July 13, 2026 at <https://www.reuters.com/business/autos-transportation/gm-take-6-billion-writedown-ev-pullback-2026-01-08/>.

²⁴ Forbes, "With Model S And Model X Axed, Thin Tesla Lineup Gets Thinner—What's Next?" January 29, 2026, last accessed on July 13, 2026 at <https://www.forbes.com/sites/brookecrothers/2026/01/29/with-model-s-and-model-x-axed-thin-tesla-lineup-gets-thinner--whats-next/>.

²⁵ Business Insider, "The EV retreat deepens with \$26 billion write-down from Jeep-maker Stellantis," February 6, 2026, last accessed on July 13, 2026 at <https://www.businessinsider.com/stellantis-stock-jeep-ram-chrysler-ev-retreat-26-billion-charge-2026-2>.

²⁶ EV Magazine, "Why Volkswagen is Stopping US Production of Top Selling EV," April 12, 2026, last accessed on July 13, 2026 at <https://evmagazine.com/news/why-volkswagen-is-stopping-us-production-of-top-selling-ev>.

²⁷ Clean Fuels Michigan, "EV Fees Keep Transportation Costs High As Consumers Look For Relief," June 8, 2026, last accessed on July 13, 2026 at <https://www.cleanfuelsmichigan.org/2026/06/ev-fees-keep-transportation-costs-high/>.

²⁸ Canary Media, "Electric cars are starting to take over the world," June 5, 2026, last accessed on July 13, 2026 at <https://www.canarymedia.com/articles/electric-vehicles/electric-cars-starting-take-over-world>.

²⁹ Bloomberg New Energy Finance, Electric Vehicle Outlook 2026: Executive Summary, page 7. Last accessed on July 13, 2026 at <https://about.bnef.com/insights/clean-transport/electric-vehicle-outlook/>.

Utilities are uniquely positioned to provide long-term funding certainty in support of state goals and proactively address barriers to EV adoption that the free market will not. Indeed, utilities can provide substantial benefits to their ratepayers through robust TE programs. DTE should treat its TEP as an opportunity to shape the EV market and advance Michigan's clean energy and economic goals, not merely to chase whatever forecast results from the latest swing in market conditions.

Recommendation: Sierra Club/5LE find that the Company's EV Adoption Forecast is robust and accurately reflects some—but not all—of the latest developments in the EV market. While useful for distribution system planning, assessing load management needs, and understanding market barriers to EV adoption, we caution against letting this forecast dictate long-term infrastructure funding. Since the long-term EV outlook remains optimistic despite short-term volatility, Sierra Club/5LE recommend that TEP infrastructure funding (e.g. charger rebates, make-ready) be guided by the long-term needs of Michigan's grid, which are consistent with widespread EV adoption. DTE can and should take a leadership role in shaping the EV market, ensuring that its investments not only support but accelerate achievement of Michigan's clean energy and economic goals.

IV. Rebate Programs

The Company's proposed rebate programs in this TEP include substantial investments to fund rebates for Electric Vehicle Supply Equipment (EVSE) installations in several customer segments. Direct incentives for charging infrastructure amount to \$136 million from 2027-2031 and are summarized in Table 1 of the TEP.³⁰ Notably, the Company proposed a three-tier incentive model in the residential segment and a two-tier model for multi-unit dwellings (MUDs), varying the rebate level based on the customer's income level. The Company is also offering rebates for

³⁰ DTE Electric Company, "2027-2031 Transportation Electrification Plan," April 22, 2026, page 3, last accessed on July 13, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

public DC fast charging (DCFC) installations, workplace level 2 (L2) chargers, and fleet DCFC and L2 chargers.

Judging by the proposed structure of these investments, the Company appears to understand many of the key barriers to EV adoption that its customers face. In Michigan, low-income areas struggle with EV adoption compared to more affluent areas in the state, largely due to charging access barriers.^{31, 32} The majority of the Company's residential rebate budget (\$13.7 million out of \$23.3 million) is allocated to rebates for low-income (LI) and middle-income (MI) customers. Similarly, \$40 million out of the \$58.4 million dedicated to MUDs is allocated to rebates for MUDs in low-income areas. This structure properly recognizes that widespread EV adoption depends on widespread charging access, dedicating the largest shares of funding to the segments where charging access has lagged. In particular, residents in MUDs (of all income levels) face especially high barriers to charging access.^{33, 34} Sierra Club/5LE are encouraged that DTE recognizes this problem and has proposed robust funding to address it.

The Company proposes \$43.9 million for public DCFC installation rebates, with \$25.6 million allocated for sites located in disadvantaged communities (DACs) or along major highway corridors in rural areas ("rural on-route"). This reflects a recognition that combatting range anxiety is key to widespread EV adoption. However, DTE's program design for its public DCFC incentives

³¹ Bridge Michigan, "Which Michigan counties have most EVs? Which have none? Politics play a role," August 14, 2024, last accessed on July 13, 2026 at <https://bridgemi.com/michigan-environment-watch/which-michigan-counties-have-most-evs-which-have-none-politics-play-role/>.

³² Michigan Public, "Electric vehicle accessibility is disproportionate in Michigan despite policies that consider equity," July 5, 2026, last accessed on July 13, 2026 at <https://www.michiganpublic.org/environment-climate-change/2026-07-05/electric-vehicle-accessibility-is-disproportionate-in-michigan-despite-policies-that-consider-equity>.

³³ M. Kuby, et al. "EV charging for multifamily housing: Review of evidence, methods, barriers, and opportunities." *Renewable and Sustainable Energy Reviews*, Volume 210. March, 2025. Last accessed on July 13, 2026 at <https://www.sciencedirect.com/science/article/abs/pii/S1364032124009791>.

³⁴ Energy Innovation, "Increasing Electric Vehicle Charging Access At Multi-Unit Dwellings: Workshop Summary Report," September 2020, last accessed on July 13, 2026 at https://energyinnovation.org/wp-content/uploads/2020/09/Increasing-Electric-Vehicle-Charging-at-Multi-Unit-Dwellings_FINAL3.pdf.

is not geographically targeted, which is a recurring problem in Michigan utility TEPs. We address this issue in detail in Section VI, below. Broadly speaking, however, DTE's inclusion of public DCFC funding in the current TEP is warranted and Sierra Club/5LE support it.

The Company proposes a limited budget for DCFC and L2 rebates for commercial fleets in this TEP, supporting a handful of DCFC for buses and "other" use cases. Buses are an especially vital target for TEP funding because of their co-benefits: electric school buses are linked to improved pupil mental health;³⁵ both transit buses and school buses drive an outsized number of miles, and hence have the greatest potential to reduce emissions and local air pollution;³⁶ and due to their predictable duty cycles and charging patterns, buses can participate in vehicle-to-grid (V2G) programs and provide significant grid benefits.³⁷ Sierra Club/5LE strongly support this funding.

The total level of rebate funding proposed—\$136 million across all segments—is an appropriate amount to spend in this TEP, given the size of the Company's customer base and current EV market conditions. Because these investments are targeted at some the most acute charging access barriers, the Company is poised to boost EV adoption in its territory, realizing the grid benefits that EVs have shown in other areas. A recent report from Synapse Energy³⁸ shows that between 2011-2024, EV drivers in Michigan have contributed \$187.8 million more in utility

³⁵ Forbes, "Parents See Electric School Buses And Student Mental Health links, Survey Suggests," May 16, 2025, last accessed on July 13, 2026 at <https://www.forbes.com/sites/jamiehailstone/2025/05/16/parents-see-electric-school-buses-and-student-mental-health-links-survey-suggests/>.

³⁶ United States Department of Transportation, "Annual Vehicle Distance Traveled in Miles and Related Data – 2020(1) by Highway Category and Vehicle Type," January 2024, last accessed on July 13, 2026 at <https://highways.dot.gov/media/119291>.

³⁷ Reuters, "Electric school buses tapped to shore up fragile US power grids during summer heat," July 3, 2026, last accessed on July 13, 2026 at <https://www.reuters.com/business/energy/electric-school-buses-tapped-shore-up-fragile-us-power-grids-during-summer-heat-2026-07-03/>.

³⁸ Synapse Energy, "Driving Affordable Rates with EVs: Michigan," April 2026, last accessed on July 13, 2026 at https://www.synapse-energy.com/sites/default/files/25-136%20Michigan%20Factsheet_2.pdf.

revenues than their associated costs to serve that incremental load.³⁹ A parallel report⁴⁰ shows that, in each of the 48 contiguous U.S. states, EVs have driven downward net rate pressure due to EV drivers contributing more revenue than they cost to serve.⁴¹ The Company's own benefit-cost analysis (BCA) in this TEP support this finding: DTE projects that its TEP will result in net rate relief of more than \$1.8 billion between now and 2066.

Recommendation: Subject to the refinements to the Company's DCFC rebate offering discussed below in Section VI, Sierra Club/5LE generally support the Company's proposed TEP rebate budget of \$136 million. However, given the projected \$1.8 billion in customer benefits—which, as discussed in Section V below, are likely conservative because they do not account for broader societal benefits—we urge DTE and the Commission not to cap the Company's rebate programs. Instead, the programs should be allowed to expand in response to customer interest and demand.

V. Benefit-Cost Analysis

In its February 2026 order in Case No. U-21860,⁴² the Commission ordered the Company to “propose an accounting scheme that accurately captures the full net present value benefits, including all revenue attributable to charging and associated network effects, provided by its programs across customer classes... .”⁴³ In this TEP, the Company made real improvements to its BCA in accordance with the Commission's order. Most notably, DTE appropriately included

³⁹ *Id.* at 2.

⁴⁰ Synapse Energy, “EVs Driving Affordable Rates For All Customers,” June 2026, last accessed on July 13, 2026 at <https://www.synapse-energy.com/sites/default/files/EV%20All%20State%20List%202026%20June%20Updated%2025-136.pdf>.

⁴¹ *Id.* at 2.

⁴² Michigan Public Service Commission, “Order in the matter of the application of **DTE ELECTRIC COMPANY** for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority,” February 19, 2026, last accessed on July 13, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001kHayeAAC>.

⁴³ *Id.* at 484.

100% of revenue attributable to charging, showing that the TEP will result in a net present value (NPV) of \$1.8 billion in rate relief between now and 2066. This more accurately captures the network effects of charging availability. For example, the increased availability of public charging, which occurs partly through TEP rebates, encourages EV adoption, which results in charging above and beyond what occurs at public charging sites, leading to vastly more revenue for the utility than what comes from rebated chargers.

However, the Company did not account for all network effects associated with its TEP programs as directed by the Commission's order. The Company's BCA does not account for the societal benefits of increased transportation electrification, which include reductions in local air pollution, reductions in greenhouse gas emissions, improved health outcomes, economic development, and improved energy security. According to the Harvard Business School, direct network effects occur when "the value of a product, service, or platform increases simply because the number of users increases..."⁴⁴ The societal value of, for example, reduced pollution attributable to a growing EV charging network is a clear example of network effects: as the EV network grows, more EV drivers use it, which reduces more pollution and increases the value of the EV network. The Company must therefore include these network effects in its BCA to comply with the Commission's order.

While some of these network effects may be difficult to quantify, the effects of changing air pollution have been studied for many years, and the EPA has a straightforward framework for calculating the monetized value of reductions in air pollution. The Co-Benefits Risk Assessment Health Impacts Screening and Mapping Tool (COBRA)⁴⁵ translates changes in pollutant emissions

⁴⁴ Stobierski, T., Harvard Business School, "What are Network Effects?" November 12, 2020, last accessed in June, 2026 at <https://online.hbs.edu/blog/post/what-are-network-effects>.

⁴⁵ COBRA is available at <https://cobra.epa.gov>.

into societal benefit, accounting for local population density, emissions sources, and local economic and environmental conditions.

Take, for example, a single light-duty passenger vehicle traveling roughly 10,000 miles per year in Wayne County. The Bureau of Transportation Statistics (BTS) estimates⁴⁶ that, as of 2026, gasoline-powered light-duty vehicles emit an average of 0.121 grams of NO_x and 0.004 grams of PM_{2.5} per mile driven. Over the course of a year, that passenger vehicle will emit 1,210 grams of NO_x and 40 grams of PM_{2.5}, equivalent to 0.001334 tons and 0.000044 tons, respectively. COBRA estimates that eliminating emissions from this vehicle would result in between \$180-280 in societal health benefits per year. These benefits are currently unaccounted for in the Company's current BCA scheme. They are substantial and readily calculable. Besides failing to comply with the Commission's directives that all network effects be included in the BCA, by failing to account for societal benefits, the Company risks understating the true value of its TEP investments.

Recommendation: Sierra Club/5LE recommend that the Commission require the Company to include the societal benefits of its programs in its next TEP progress report, including both reductions in greenhouse gas emissions and reductions in local air pollution.

VI. Public DCFC Rebate Program

The Company's TEP includes nearly \$44 million for public DCFC rebates. While funding public DCFC installations is critical for combatting range anxiety, not all such sites are equally important. During DTE's public engagement process prior to filing, stakeholders noted that "DCFC serves as a critical backstop even for customers who primarily rely on L2 charging and highlighted the importance of strategically filling gaps along major trunklines to improve statewide

⁴⁶ Bureau of Transportation Statistics, "Estimated U.S. Average Vehicle Emissions Rates per Vehicle by Vehicle Type Using Gasoline, Diesel, and Electric."

coverage.”⁴⁷ But DTE has proposed an open-ended application process for these subsidies, allowing any site to potentially qualify for these rebates, with no strategy for identifying and filling the aforementioned trunkline gaps. This lack of geographic specificity risks using TEP funds on sites that may not meaningfully advance EV adoption. For example, site hosts may qualify for rebates even in areas already saturated with public charging, such as dense, urban areas. Additional sites in these areas, far from solving range anxiety, could distort the local DCFC market and skew the economics that motivated the development of the existing sites. Greater care is therefore warranted in designing DCFC incentives to ensure that installations occur where they are needed the most.

Range anxiety faces a well-known chicken-and-egg problem: the EV market will never reach mainstream adoption if there is insufficient fast charging infrastructure to enable convenient, long-distance travel in the U.S. Meanwhile, if EV adoption remains low, developers have little incentive to build additional DCFC stations, owing to the poor economics of low-utilization chargers. The U.S. Department of Transportation (USDOT) established NEVI to solve this exact problem by allocating funding to build DCFC stations spaced 50 miles apart along critical “Alternative Fuel Corridors” (AFCs). While there are now more than 15,000 public DCFC ports in the U.S.,⁴⁸ and although NEVI is enabling interregional travel, the need still exists for Michigan to build DCFCs in enough locations to enable long-distance travel within the state. Critical gaps remain, and the state lacks a strategy for filling these gaps.

⁴⁷ DTE Electric Company, “2027-2031 Transportation Electrification Plan,” page 49, April 22, 2026, last accessed on July 13, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

⁴⁸ U.S. Department of Energy, Alternative Fuels Data Center, Alternative Fueling Station Locator, last accessed on July 13, 2026 at https://afdc.energy.gov/stations#/find/nearest?fuel=ELEC&ev_levels=dc_fast.

USDOT has designated several AFCs in Michigan,⁴⁹ but the trunkline network designated by the Michigan Department of Transportation (MDOT) contains many more routes that connect the state and are not targeted for NEVI funding. Roads in huge portions of Michigan (namely, most of the Upper Peninsula, the Thumb, and virtually all of the state's Lake Huron shore) fall into this category. To make EVs universally accessible across Michigan, the State's objective should be to fully build out MDOT's trunkline network, creating a sufficiently dense DCFC network to enable reliable EV travel throughout the state. We refer to this as the "minimum viable network" (MVN). The market conditions driving DCFC installations in Michigan have thus far failed to produce an MVN. The reason is straightforward: many of the sites needed to complete an MVN may never be profitable and therefore do not attract private investment. Although the overall number of DCFC ports in the United States continues to grow, many of these new ports are located where they maximize profitability, rather than where they would do the most to reduce range anxiety. As currently designed, the Company's DCFC rebate proposal may perpetuate this problem. If the purpose of the TEP is to address EV adoption barriers that the market will not address on its own, then TEP investments should be directed toward those market failures. The Company's MUD incentive design reflects this principle by recognizing that MUDs require larger incentives to overcome unique barriers. By contrast, the Company's DCFC incentive structure provides no assurance that rebated chargers will be sited where they advance development of Michigan's MVN. Instead, incentives may flow to locations with very strong underlying economics and/or existing DCFC sites, directing ratepayer dollars toward chargers that do little to expand network coverage or reduce range anxiety. DTE should instead identify the gaps in Michigan's DCFC

⁴⁹ Michigan Department of Transportation, "Michigan NEVI Project Status," last accessed on July 13, 2026 at <https://experience.arcgis.com/experience/0f0eafe4cefe43a0adb8104d600d3cd3/page/Home/>.

network relative to the MVN, determine which of those gaps fall within Company's service territory, and design its DCFC rebate program to prioritize filling them.

During the Company's TEP stakeholder process, 5LE identified those gaps and which ones are in their service territory. We reached out proactively to advocate that the Company develop their DCFC rebate program that would fill these gaps. Though the TEP notes that stakeholders "highlighted the importance of strategically filling gaps along major trunklines to improve statewide coverage,"⁵⁰ and that our "questions and comments emphasized the importance of addressing corridor gaps,"⁵¹ the Company's DCFC incentive structure does not substantively address gaps in Michigan's MVN, and ratepayer dollars are at risk of being spent inefficiently on stations that don't help solve range anxiety. As shown in Figure 1, there are already many public DCFC stations throughout DTE's service territory.

⁵⁰ DTE Electric Company, "2027-2031 Transportation Electrification Plan," page 49, April 22, 2026, last accessed on July 13, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

⁵¹ *Id.*



Figure 1: MDOT trunklines, existing and planned DCFC stations, and gaps relative to a Michigan Minimum Viable Network. DTE’s service territory is highlighted, showing 10 gaps.

But there are roughly 10 MVN sites that don’t have any DCFC infrastructure. While new DCFC stations will likely always help expand charging access, visibility, and convenience, not all sites are equally deserving of ratepayer subsidy. Funds should be targeted first at MVN sites where gaps currently exist. If DTE fails to support development at these sites, it will fail to target a meaningful

barrier to EV adoption. Ratepayer funds will meanwhile assist site hosts in financing sites that may be redundant and may fail to advance Michigan's goals.

During stakeholder discussions on the TEP, the Company expressed hesitation about proactively identifying priority sites out of concern that doing so could raise competitive issues with parties or the Commission. Sierra Club/5LE does not believe that concern is warranted. The problem this program should address is the market's *lack* of interest and investment in locations that are critical to developing a MVN but may not now (or ever) deliver high utilization. And because DTE's program operates as a rebate program available to any qualifying site host, as opposed to utility ownership of charging infrastructure, targeting incentives to those locations should not raise competitive concerns.

Put simply, the MVN is a uniquely non-market problem, one that utilities are uniquely positioned to solve: utilities can provide patient capital and can be guaranteed cost recovery on these investments over time. Meanwhile, the presence of an MVN will result in greater EV adoption and greater EV travel through its service territory, yielding utility revenues that far outstrip the cost of subsidizing these sites in the first place, owing to the substantial network effects of these sites. In short, DTE is the party most ready to address this key market barrier and accelerate EV adoption, but they are waiting for the Commission to either permit or require it. Given that there are only roughly 10 MVN gaps in DTE's service territory, and that they anticipate 730 DCFC rebates during this TEP term,⁵² the Company can very easily fill the fast-charging gaps in its service territory without materially affecting the overall budget of their proposed program.

⁵² *Id.* at 48.

There is precedent for this kind of proposal as well. The Upper Peninsula Power Company (UPPCO) filed their TEP in 2025 in the present docket,⁵³ and it included a site-specific rebate program that would issue an RFP for each of 12 potential DCFC sites. Rather than an open-ended rebate that could miss the MVN gaps, UPPCO structured their program so that those specific sites would get built, solving the MVN problem within their service territory. While the optimal structure of a site-specific program can be debated, the Commission has been supportive of this kind of proposal before. In addition to options like UPPCO's proposal, DTE could offer rebates for bundled sites, where a site host could bid for both an attractive site and an MVN gap and receive funding for both, jointly. There are likely other options as well. But DTE has not shown that it has explored any of these options beyond our engagement with them during the stakeholder process.

Recommendation: Given the existing level of proposed investment, the handful of key sites identified in Figure 1 would not materially affect the overall budget, yet they would have an outsized impact in combatting range anxiety. Moreover, these specific sites are by definition unlikely to be built by the private market, hence utility intervention is warranted. Therefore, Sierra Club/5LE recommend that the Commission require the Company to modify its public DCFC rebate program to include a budget and a plan for attracting site host investment in filling gaps in Michigan's MVN. At a minimum, the Company should present a proposal of this nature and start a conversation with the Commission about how to fill these gaps.

⁵³ Upper Peninsula Power Company's Ex Parte Application and the Direct Testimony and Exhibit of Nicole E. Bell, Case No. U-21538, July 1, 2025, last accessed on July 13, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000xCqFUAA0>.

VII. Load Management

To manage the grid impacts of EV charging, the Company has employed several strategies to shift charging off-peak, minimizing the costs associated with serving new EV load. Since March 2023, all DTE residential customers have had time-of-day (TOD) pricing in their bills, off-peak electricity consumption. The Company says that “[s]ince all residential customers now have a TOD component, this means passive managed charging is already embedded in customer bills, enabling cost-effective load shifting at scale.”⁵⁴ Moreover, they assert that “TOD pricing alone reliably shapes charging behavior.”⁵⁵ The Company’s active managed charging pilot, “Smart Charge,” has enrolled a total of 3,486 customers as of the end of 2025.⁵⁶ It allows the Company to coordinate directly with their managed charging vendors, ChargeScape and WeaveGrid, to schedule charging sessions that reduce on-peak charging.⁵⁷

The Company states that “Smart Charge is planned to run through December 2026,”⁵⁸ suggesting that in the future, DTE will rely on the more passive approach (TOD rates) to shift EV charging to off-peak hours. DTE believes that “the combination of universal TOD rate structures and strong E&O provides the most cost-effective, equitable, and grid-efficient foundation for supporting Michigan’s growing EV market.” But this plan to sunset Smart Charge is premature. First, while Smart Charge may appear expensive in the short term, that is largely because the substantial vendor and program administration costs are spread among a very small number of EVs (3,486 enrollments is only 3% of the 114,000 EVs in DTE’s service territory.)⁵⁹ If DTE would enroll more customers, the net benefits per EV would grow.

⁵⁴ DTE Electric Company, “2027-2031 Transportation Electrification Plan,” page 60, April 22, 2026, last accessed on July 13, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

⁵⁵ *Id.* at 61.

⁵⁶ *Id.* at 64.

⁵⁷ *Id.* at 62.

⁵⁸ *Id.* at 66.

⁵⁹ *Id.* at 9.

More importantly, DTE's plan to rely only on TOD rates fails to adequately prepare for mainstream charging behavior, for two reasons: first, the Company already acknowledges the risk of secondary peaks on the distribution system,⁶⁰ a concern that only grows with EV adoption. Second, the Company is relying too heavily on historical charging behaviors. While TOD pricing may reliably shape charging behaviors among early EV adopters, there is no guarantee that mainstream EV drivers will exhibit the same behaviors. DTE touts off-peak charging behavior that has occurred among a highly self-selecting group of its customers, namely early EV adopters that engage with utility programs. But when EV adoption scales, relying on TOU rates alone will present two risks: first, that regular customers don't respond to price signals like the early adopters; and second, that if they do, TOD rates will result in a snapback effect,⁶¹ in which large EV loads come online as soon as off-peak pricing is available. While these risks remain low today, they are certain to increase as EVs reach mainstream consumers. If DTE fails to build technical and administrative competence in active managed charging now, it risks being unprepared for the grid impacts of unmanaged charging among mainstream EV drivers. Moreover, it leaves substantial ratepayer benefits on the table, namely those that occur when EVs facilitate more complete utilization of the grid.

Recommendation: Sierra Club/5LE recommend that the Commission require the Company to keep Smart Charge running through 2031 (when this TEP concludes) and invest in scaling Smart Charge enrollments.

⁶⁰ *Id.* at 64.

⁶¹ Brattle Group, "Demonstrating the Full Value of Managed Electric Vehicle Charging," page 18, January 2026, last accessed on July 13, 2026 at <https://www.brattle.com/wp-content/uploads/2026/01/Demonstrating-the-Full-Value-of-Managed-Electric-Vehicle-Charging-1.pdf>.

VIII. Utility Make Ready and Contribution in aid of Construction (CIAC)

DTE's TEP recognizes that stakeholders urged the Company, as part of its ordinary business practices, to provide utility make-ready infrastructure and/or limit or eliminate CIAC for new public charging installations.⁶² The Company states that, although it considered these proposals, it did not include them in the TEP “based on Commission direction.”⁶³ That justification overreads the Commission's prior decisions.

DTE's TEP cites the Commission's order in Case No. U-21534, in which the Commission permitted the Company to discontinue its general CIAC waiver for EV charging.⁶⁴ But the Commission simultaneously directed DTE to propose a CIAC waiver for residential charging⁶⁵—which it subsequently approved⁶⁶—and expressly observed that it would be “beneficial for interested persons to discuss ... the next steps for Level 1 and Level 2 commercial EV charging CIAC waivers.”⁶⁷ The Commission's order therefore did not foreclose consideration of broader CIAC relief for commercial charging. To the contrary, it expressly contemplated further discussion of that issue. DTE's reliance on the order as a basis for excluding these proposals from the TEP is therefore misplaced.

Moreover, the rationale for CIAC waivers summarized by the Commission in U-21534 remains compelling. As multiple parties explained in that proceeding—and as DTE's updated benefit-cost analysis confirms—the benefits of public EV charging infrastructure to ratepayers and the electric system far exceed the revenues generated by an individual charging site.⁶⁸ Those broader system

⁶² DTE Electric Company, “2027-2031 Transportation Electrification Plan,” page 38, April 22, 2026, last accessed on July 13, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

⁶³ *Id.*

⁶⁴ January 2025 Rate Order in Case U-21534 (page 345).

⁶⁵ *Id.* at 344.

⁶⁶ January 2026 Rate Order in Case U-21860 (pages 262-63).

⁶⁷ January 2025 Rate Order in Case U-21534 (page 344-45).

⁶⁸ *Id.* at 340 (summarizing testimony jointly submitted by Michigan Energy Investment Business Council and Advanced Energy United).

benefits continue to support consideration of utility make-ready investments and CIAC relief as tools to advance transportation electrification, consistent with similar policies adopted in numerous other jurisdictions.

Recommendation: Sierra Club/5LE recommend that the Commission clarify that its order in Case No. U-21534 does not foreclose continued consideration of utility make-ready investments or CIAC waivers for public charging infrastructure. The Commission and DTE should continue to evaluate incorporation of these policies during implementation of DTE's TEP.

IX. Interconnection and Energization

DTE correctly identifies “complexity and uncertainty associated with interconnection and energization” as a key barrier to charging deployment because it can “extend project timelines.”⁶⁹ The TEP also notes that stakeholders emphasized the need for “increased transparency and predictability” around interconnection and energization “to reduce project risk and improve market confidence.”⁷⁰ These challenges are not unique to DTE's service territory. Delays in energizing new charging stations have emerged as a critical barrier to charging deployment and EV adoption nationwide, imposing significant costs on charging project developers and businesses seeking to electrify their fleets.⁷¹ Recent research estimates that reducing the energization timeline for a single heavy-duty charging site by 18 months would generate between \$1.8 million and \$3.4 million in net benefits.⁷²

⁶⁹ DTE Electric Company, “2027-2031 Transportation Electrification Plan,” page 16, April 22, 2026, last accessed on July 13, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

⁷⁰ *Id.* at 38-39.

⁷¹ See, e.g., D. Anand, F. Salcedo, S. Shah and F. Tuffner, “EV Charging Infrastructure Energization: An Overview of Approaches for Simplifying and Accelerating Timelines to Processing EV Charging Load Service Requests,” Idaho National Laboratory, January 2025, at <https://www.osti.gov/servlets/purl/2496574> ; Interstate Renewable Energy Council, “Paving the Way: Emerging Best Practices for Electric Vehicle Charger Interconnection,” June 2022, at <https://irecusa.org/resources/paving-the-way-emerging-best-practices-for-electricvehicle-charger-interconnection/>.

⁷² Atlas Public Policy, “Cost Savings from Improving Energization Timelines for EV Charging,” page 3, February 2026, at <https://atlaspolicy.com/cost-savings-from-improving-energization-timelines-for-ev-charging/>.

DTE's interconnection pilot to demonstrate scalable interconnection processing is a positive step.⁷³ However, neither the pilot nor the Company's reporting provides the transparency needed to understand the scope of the problem or evaluate potential solutions. Although the Commission requires DTE to annually report DC fast charger energization timelines across its service territory,⁷⁴ DTE's report does not appear to include this information.⁷⁵ Even if it did, the requirement is too narrow because it is limited to DC fast charging, and because DTE's report appears to contemplate further limiting the reporting to only those projects funded through its "Public On-Route DCFC Program."⁷⁶ The Commission should require DTE to publicly report on interconnection and energization timelines for all new non-residential EV charging loads, regardless of whether they are projects receiving TEP funding. As with the Commission's requirement that DTE make hosting capacity maps publicly available, this information would improve market transparency and enable the Commission and stakeholders to evaluate reforms adopted in other jurisdictions, including utility performance standards to reduce energization timelines and more proactive approaches to distribution planning and grid investment.

Recommendation: Sierra Club/5LE urge the Commission to direct DTE to publicly report interconnection and energization performance for all new non-residential EV charging projects so

⁷³ DTE Electric Company, "2027-2031 Transportation Electrification Plan," page 81, April 22, 2026, last accessed on July 13, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

⁷⁴ Michigan Public Service Commission, Case No. U-21492, "Michigan Transportation Electrification Plan, Amended Filing Requirements" at § 9(c)(x) January 24, 2025, last accessed on July 13, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000XDvn6AAD>

⁷⁵ DTE Electric Company, "2025 Transportation Electrification Plan Annual Progress Report," page 52, May 26, 2026, at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>. In the table on page 52, the TEP indicates that energization timeline information is included in the "Public On-Route DCFC" section. However, that information does not appear to be included in that section.

⁷⁶ *Id.* at 6-7 (stating that the purpose of the annual report is to provide an "update on DTEE's TEP and the performance of its electric vehicle programs" and that "[u]nless otherwise noted, all information and figures presented reflect the status of the Company's TEP.")

the Commission can monitor utility performance and determine whether further policy action is needed.

X. Conclusion

Sierra Club/5LE appreciate the opportunity to comment on DTE's TEP and look forward to continuing to work with the Company, the Commission, and other stakeholders to advance transportation electrification in DTE's service territory and across Michigan.

Respectfully submitted,

Joseph Halso
Sierra Club
1536 Wynkoop Street, Suite 200
Denver, Colorado 80202
(303) 454-3365
joe.halso@sierraclub.org

Graham Woolley
5 Lakes Energy
PO Box 869
Northport, Michigan 49670
(877) 908-0173
gwoolley@5lakesenergy.com

MPSC Case No: U-22046

Requester: MEIU

Question No.: MEIUDE-1.6a

Respondent: M.B. Leuker

Page: 1 of 1

Question: 6. According to witness Leuker, with respect to EV adoption forecasts in the Company's service territory, "while the sunseting of the federal EV tax credit is expected to temper near-term demand, EV sales are still projected to maintain forward momentum over the next couple of years albeit at a slower pace than previously expected." (MBL-25) a. Aside from the sunset of the federal EV tax credits in 2025, please detail all other external forces that the Company determined could impact the rate of EV adoption in its service territory (e.g. the war in Iran, EV registration tax changes at the federal and/or state level, etc.).

Answer: The Company relied on an expert third party, Electric Power Research Institute (EPRI) to provide the basis of EV adoption. EPRI used factors including: cuts to federal incentives, blocking the CA waiver for EV mandate, cuts to NEVI funding, and individual State policies in their analysis.

Please see section 2.4 in the Transportation Electrification Plan (exhibit A-29, S1) for more detail on the EV market in Southeast Michigan.

Attachment: *none*

MPSC Case No: U-22046

Requester: MEIU

Question No.: MEIUDE-1.1k

Respondent: M. Kabashi

Page: 1 of 1

Question: 1. For each Transportation Electrification Plan (“TEP”) rebate program segment and subsegment included in the 2024-2027 TEP, please state:
k. The amount of Commission-approved funding remaining unspent.

Answer: The following reflects the Commission-approved funding remaining unspent for calendar year 2026, by segment and applicable subsegment:

- Residential Low Income (LI): Approximately \$5.1 million
- Multi-Unit Dwelling: Approximately \$5.8 million
 - LI: Approximately \$1.4 million
 - Non-LI: Approximately \$4.4 million
- Public DCFC: Approximately \$6.3 million
 - Disadvantaged (DAC): Approximately \$4.2 million
 - Non-DAC: Approximately \$2.1 million
- Workplace (Public) Level 2: \$1.0 million
- Fleet: Approximately \$7.6 million
 - Transit: Approximately \$0.6 million
 - Schools: Approximately \$1.5 million
 - Other DCFC: Approximately \$4.1 million
 - Other L2: Approximately \$1.5 million

Rebate program funding is authorized on a multi-year basis and recorded as a regulatory asset, consistent with Commission approval in Case No. U-21492, which provides authorization for rebate expenditures through 2028. As such, funding is not allocated or constrained on a strict annual basis, and unspent balances may vary year-over-year based on program participation and timing of project completion.

Attachment: None

MPSC Case No: U-22046

Requester: MEIU

Question No.: MEIUDE-1.1a

Respondent: M. Kabashi

Page: 1 of 1

Question: 1. For each Transportation Electrification Plan (“TEP”) rebate program segment and subsegment included in the 2024-2027 TEP, please state:
a. The number of applications the Company has received to date.

Answer: Subsegment application classification occurs only upon detailed review and approval; therefore, submitted applications are tracked at the program segment level. The following reflects all applications received for the 2025 reporting year and 2026 year-to-date through May 31, 2026:

- Residential Low Income: 815
- Multi-Unit Dwelling: 272
- Public DCFC: 653
- Workplace (Public) Level 2: 60
- Fleet: 47

Attachment: None

MPSC Case No: U-22046

Requester: MEIU

Question No.: MEIUDE-1.1c

Respondent: M. Kabashi

Page: 1 of 1

Question: 1. For each Transportation Electrification Plan (“TEP”) rebate program segment and subsegment included in the 2024-2027 TEP, please state:

c. The total dollar value of the rebates requested by the applications the Company has received to date.

Answer: Subsegment application classification occurs only upon detailed review and approval; therefore, submitted applications are tracked at the program segment level. The following reflects the total dollar value of rebates requested by applications the Company has received for the 2025 reporting year and 2026 year-to-date through May 31, 2026:

- Residential Low Income: Approximately \$1.4 million
- Multi-Unit Dwelling: Approximately \$16.2 million
- Public DCFC: Approximately \$106.8 million
- Workplace (Public) Level 2: Approximately \$0.8 million
- Fleet: Approximately \$2.5 million

Attachment: None

MPSC Case No: U-22046

Requester: MEIU

Question No.: MEIUDE-1.1t

Respondent: M. Kabashi

Page: 1 of 1

Question: 1. For each Transportation Electrification Plan (“TEP”) rebate program segment and subsegment included in the 2024-2027 TEP, please state:
t. The time (in days) it took for applications in the multi-unity dwelling (MUD), Public, Workplace, and Fleet customer segments, as well as their respective subsegments, to go from application submission to, if approved, project energization.

Answer: The following reflects the average time (in days) from application submission to project energization, for the 2025 reporting year and 2026 year-to-date through May 31, 2026, by segment:

- Multi-Unit Dwelling: 165 days
- Public DCFC: 160 days
- Workplace (Public) Level 2: 143 days
- Fleet: 269 days

Attachment: *None*

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the Application of **DTE**)
ELECTRIC COMPANY for authority to)
increase its rates, amend its rate schedules and)
rules governing the distribution and supply of)
electric energy, and for miscellaneous)
accounting authority)

Case No. U-22046

Official Exhibit List of MEIU

Witness	Exhibit #	Exhibit Description
Dr. Laura S. Sherman	MEIU-1.1	Résumé of Dr. Laura S. Sherman
Dr. Laura S. Sherman	MEIU-1.2	Discovery response MEIUDE-1.10c
Dr. Laura S. Sherman	MEIU-1.3	Discovery response MEIUDE-2.16c
Dr. Laura S. Sherman	MEIU-1.4	Discovery response MEIUDE-2.5a
Sophia Schuster	MEIU-2.1	Résumé of Sophia Schuster, MBA, MSCM
Sophia Schuster	MEIU-2.2	History of Transportation Electrification Discussion in DTE's 2024-2025 General Electric Rate Cases
Sophia Schuster	MEIU-2.3	Michigan EIBC/United Comments to DTE's 2026 Transportation Electrification Plan ("TEP")
Sophia Schuster	MEIU-2.4	The Ecology Center, the Environmental Law and Policy Center, and Vote Solar ("CEO") Joint Comments to DTE's 2026 TEP
Sophia Schuster	MEIU-2.5	Electrification Coalition Comments to DTE's 2026 TEP
Sophia Schuster	MEIU-2.6	American Council for an Energy Efficient Economy ("ACEEE") Comments to DTE's 2026 TEP

Sophia Schuster	MEIU-2.7	Ann Arbor Public Schools Comments to DTE's 2026 TEP
Sophia Schuster	MEIU-2.8	The Alliance for Automotive Innovation Comments to DTE's 2026 TEP
Sophia Schuster	MEIU-2.9	Ford Motor Company Comments to DTE's 2026 TEP
Sophia Schuster	MEIU-2.10	Sierra Club Comments to DTE's 2026 TEP
Sophia Schuster	MEIU-2.11	Discovery Response MEIUDE-1.6a
Sophia Schuster	MEIU-2.12	Discovery Response MEIUDE-1.1k
Sophia Schuster	MEIU-2.13	Discovery Response MEIUDE-1.1a
Sophia Schuster	MEIU-2.14	Discovery Response MEIUDE-1.1c
Sophia Schuster	MEIU-2.15	Discovery Response MEIUDE-1.1t

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STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the Application of **DTE**)
ELECTRIC COMPANY for authority to) **Case No. U-22046**
increase its rates, amend its rate schedules and)
rules governing the distribution and supply of)
electric energy, and for miscellaneous accounting)
authority.)

PROOF OF SERVICE

STATE OF MICHIGAN)
) ss.
COUNTY OF KENT)

Pamela Fox, the undersigned, being first duly sworn, deposes and says that she is a Legal Secretary at Varnum LLP and that on Wednesday, August 26, 2026, she served a copy of the Direct Testimony and Exhibits of Laura Sherman and the Direct Testimony and Exhibits of Sophia Schuster on behalf of the Michigan Energy Innovation Business Council, Institute for Energy Innovation, and Advanced Energy United (“MEIU”), together with MEIU’s Direct Exhibit List and this Proof of Service upon those individuals listed on the attached Service List via email at their last known addresses.

**Pamela
Fox**

Pamela Fox

Digitally signed by: Pamela Fox
DN: CN = Pamela Fox email =
plfox@varnumlaw.com C = US
O = Varnum
Date: 2026.08.26 15:31:08
-04'00'

ADMINISTRATIVE LAW JUDGE

Hon. Theresa A.G. Staley
Staley1@michigan.gov

**ASSOCIATION OF BUSINESSES
ADVOCATING TARIFF EQUITY
(ABATE)**

Michael Pattwell*
Stephen A. Campbell*
James Dauphinais*
Jessica York*
Shelby Hughes*
Colin Fitzhenry*
Caleb Agnew*
Christopher C. Walters*
Christina Hildebrandt*
Brian C. Andrews*
Lauren Degnan
Sarah Bellm*
Matthew H. Klekar*
Alex Miazga*
mpattwell@clarkhill.com
scampbell@clarkhill.com
jdauphinais@consultbai.com
jyork@consultbai.com
shughes@consultbai.com
cfitzhenry@consultbai.com
cagnew@consultbai.com
cwalters@consultbai.com
childebrandt@consultbai.com
bandrews@consultbai.com
ldegnan@clarkhill.com
sbellm@consultbai.com
mklekar@consultbai.com
amiazga@consultbai.com

ATTORNEY GENERAL

Joel B. King*
Lucas Wollenzien*
Michael Moody*
Amanda Churchill*
Sebastian Coppola*
kingJ38@michigan.gov
wollenzienl@michigan.gov
moodym2@michigan.gov
churchillA1@michigan.gov
sebcoppola@corplytics.com
AG-ENRA-Spec-Lit@michigan.gov

CITY OF ANN ARBOR

Valerie Jackson
Vjackson@a2gov.org

DTE ELECTRIC COMPANY

Jon P. Christinidis
Andrea E. Hayden
Breanne K. Reitzel
Carlton D. Watson
Morgan L. Esters
Carol Dane
Jon.christinidis@dteenergy.com
andrea.hayden@dteenergy.com
mpscfilings@dteenergy.com
Breanne.reitzel@dteenergy.com
Carlton.watson@dteenergy.com
Morgan.esters@dteenergy.com
cdane@publiclawresourcecenter.com

**THE ECOLOGY CENTER;
THE ENVIRONMENTAL LAW &
POLICY CENTER;
UNION OF CONCERNED SCIENTISTS
VOTE SOLAR
(CLEAN ENERGY ORGANIZATIONS)**

Daniel H.B. Abrams*
Katie S. Duckworth*
Alondra Estrada*
Curt Volkmann*
William D. Kenworthy*
Boratha Tan*
Lee Shaver*
James Gignac*
Katie Toolan
dabrams@elpc.org
kduckworth@elpc.org
aestrada@elpc.org
curt@newenergy-advisors.com
will@votesolar.org
btan@votesolar.org
lshaver@ucs.org
jgignac@ucsusa.org
ktoolan@elpc.org
mpscdocket@elpc.org

ENERGY MICHIGAN

Alex J. Zakem*
AJZ-Consulting@comcast.net

GERDAU MACSTEEL, INC.

Jennifer U. Heston
jheston@potomacclaw.com

**GREAT LAKES RENEWABLE
ENERGY ASSOCIATION (GLREA)**

Don L. Keskey*
Brian W. Coyer*
John A. Richter*
donkeskey@publiclawresourcecenter.com
bwcoyer@publiclawresourcecenter.com
johnarichter@pm.me

THE KROGER COMPANY

Michael L. Kurtz
Kurt J. Boehm
Jody Kyler Cohn
Justin Bieber
mkurtz@bkllawfirm.com
kboehm@bkllawfirm.com
jkylercohn@bkllawfirm.com
jbieber@energystrat.com

MPSC STAFF

Nicholas Q. Taylor*
Amit T. Singh*
Anna B. Stirling*
Lori Mayabb
Daniel E. Sonneveldt*
taylorn10@michigan.gov
singha@michigan.gov
stirlinga1@michigan.gov
mayabbl@michigan.gov
sonneveldtd@michigan.gov

**MICHIGAN CABLE
TELECOMMUNICATIONS
ASSOCIATION**

Sean P. Gallagher
Joann M. Schofield
sgallagher@fraserlawfirm.com
jschofield@fraserlawfirm.com

**MICHIGAN ENERGY INNOVATION
BUSINESS COUNCIL,
INSTITUTE FOR ENERGY
INNOVATION**

**ADVANCED ENERGY UNITED
(MEIU)**

**ENERGY MICHIGAN;
FOUNDRY ASSOCIATION OF
MICHIGAN;**

Laura A. Chappelle*
Timothy J. Lundgren*
Justin K. Ooms*
Haylee N. Skank*
Jared Deluccia*
Grace Michienzi*
lachappelle@varnumlaw.com
tjlundgren@varnumlaw.com

jkooms@varnumlaw.com
hnskank@varnumlaw.com
jared@mieibc.org
grace@mieibc.org

**MICHIGAN ENVIRONMENTAL
COUNCIL
NATURAL RESOURCES DEFENSE
COUNCIL;
SIERA CLUB;
CITIZENS UTILITY BOARD OF
MICHIGAN (MNSC)**

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Moksha Menghaney*
Matthew Bandyk*
Julielyn Gibbons*
Graham Woolley*
Douglas B. Jester*
David Gard*
Paul Alvarez*
Dennis Stephens*
chris@tropospherelegal.com
tjandrews@tropospherelegal.com
holly@tropospherelegal.com
sean@tropospherelegal.com
natasha@tropospherelegal.com
sue@tropospherelegal.com
jelkin@earthjustice.org
hli@earthjustice.org
sfisk@earthjustice.org
sbuchhorn@5lakesenergy.com
rbunch@5lakesenergy.com
mmenghaney@5lakesenergy.com
mbandyk@5lakesenergy.com
jgibbons@5lakesenergy.com
gwoolley@5lakesenergy.com
djester@5lakesenergy.com

dgard@5lakesenergy.com
palvarez@wiredgroup.net
dennis.stephens@hotmail.com

**MICHIGAN MUNICIPAL
ASSOCIATION FOR UTILITY
ISSUES (MI-MAUI);
MICHIGAN COALITION TO
PROTECT THE PUBLIC RIGHTS OF
WAY (PROTEC)**

Michael J. Watza*
Nathan D. Inks*
Tonya Voakes*
mike@bloomsluggett.com
nathan@bloomsluggett.com
tonya@bloomsluggett.com

OAKLAND COUNTY

Jared A. Roberts
Sean P. Gallagher
Geofrey C. Bilabaye
jroberts@fraserlawfirm.com
sgallagher@fraserlawfirm.com
gbilabaye@fraserlawfirm.com

**SOULARDARITY;
WE WANT GREEN TOO**

Amanda Urban
Alexandria C. Miskho*
Mark N. Templeton*
Emma Young*
Jacob R. Schuhardt
Crosby Blatter*
Benjamin R. Charles*
Sonya Marushka*
Nathalie Leung*
Emma Sperry*
Gavin Ford*
Isabella Magg*
Noah Robinson*
Ashwin Mahadevan*
Aurbanlaw@gmail.com
amiskho@uchicago.edu
templeton@uchicago.edu
eyoung28@uchicago.edu
jschuhardt@uchicago.edu

*Receives Confidential Materials

blatter@lawclinic.uchicago.edu
brcharles@lawclinic.uchicago.edu
smarushka@lawclinic.uchicago.edu
nathalieleung@lawclinic.uchicago.edu
aelc_mpsc@lawclinic.uchicago.edu
eesperry@uchicago.edu
gpford@lawclinic.uchicago.edu
imagg@lawclinic.uchicago.edu
noahrob@lawclinic.uchicago.edu
amahadevan@lawclinic.uchicago.edu

STATE BAR OF MICHIGAN

prohacvice@michbar.org

SYNAPSE

Ben Havumaki*

Aidan G. Schoff*

Melissa Whited*

bhavumaki@synapse-energy.com

aglaserschoff@synapse-energy.com

MWhited@synapse-energy.com

WALMART

Melissa M. Horne

mhorne@hcc-law.com