

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

October 2, 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-22070

Dear Ms. Felice:

Attached for electronic filing in the above-captioned matter, please find the Direct Testimony and Exhibits of Laura Sherman, the Direct Testimony and Exhibits of Sophia Schuster, and the Direct Testimony and Exhibits of Brett Sproul 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, along with Proof of Service of same.

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	)	
CONSUMERS ENERGY COMPANY	)	
for authority to increase its rates for	)	
the generation and distribution of	)	Case No. U-22070
electricity and for other relief.	)	
	)	
	)	
	)	

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

Table of Contents

I.	INTRODUCTION AND QUALIFICATIONS	1
II.	ELECTRIC HEATING RATE DESIGN	7
A.	CURRENT RATES	10
B.	SEASONAL VARIABILITY	14
C.	TECHNOLOGY NEUTRALITY	19
D.	SEPARATE METERING	22
E.	DECLINING BLOCK RATE	23
F.	TEMPORAL VARIABILITY	29
G.	OPT-IN VERSUS OPT-OUT	34
III.	CONCLUSIONS AND RECOMMENDATIONS	40

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” or “the
19 Company”] general electric rate case);
- 20 • U-20165 (Consumers Energy Integrated Resource Plan [“IRP”] case);
- 21 • U-20162 (DTE Electric Company [“DTE Electric” or “DTE”] general electric rate
22 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 support certain aspects of the Company's
14 Residential Electric Heating ("REH") rate and present recommendations to improve the
15 rate proposal.

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 MEIU-CE-0064
- 21 • Exhibit MEIU-1.3: Discovery response MEIU-CE-0060

22

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 Act 3 of 1939, MCL 460.1 *et seq.*, 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.

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.³ To meet the requirements outlined in Michigan's statute, the objectives of fairness and cost-reflectivity are critical.

Q. How does the Company describe its primary objectives of rate design?

A. The Company's principles of rate design are outlined in the direct testimony of Company witness Michael C. Grondin and well aligned with the above Bonbright principles.

According to witness Grondin,

I used the following four key objectives to inform my rate design in this case. My first objective was to adhere to the cost of service in accordance

³ 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 with the requirements set forth in MCL 460.11. . . . My second objective
2 was to design rates that encourage the efficient use of the Company's
3 electric system. This means setting rates that accurately reflect the type of
4 cost (fixed versus variable) as well as the temporal nature of certain costs,
5 such as the increased cost of providing energy during peak seasons and
6 times of day. My third objective was to design rates that promote a favorable
7 business climate. My fourth objective was to design stable rates that provide
8 the Company with a fair opportunity to collect its revenue requirement.⁴
9

10 **Q. What is an electric heating rate?**

11 A. A whole-home, electric heating rate is a rate designed to account for differences in cost
12 allocation and recovery for a subset of customers within a broader customer class,
13 specifically for customers with electric space heating whose seasonal peaks do not reflect
14 typical average residential class peaks, which are commonly based on summer peak
15 demand. Electric heating rates are designed to better align customer bills with system costs
16 for customers who use more energy during off-peak seasons (i.e., during the winter
17 months).
18

19 **Q. What are the key elements of an effective whole-home electric heating rate?**

20 A. An effective whole-home electric heating rate should consider seasonality to align with the
21 months associated with the heating season in a particular location (e.g., October through
22 May or November through April depending on the climate; see subsection B).^{5, 6} These

⁴ Direct Testimony of Michael C. Grondin on behalf of Consumers Energy ("Grondin Direct"), Case No. U-22070, p. 3.

⁵ Dammel, J. Henchen, 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.

1 rates should also consider time-varying components for daily on-peak versus off-peak
2 pricing⁷ (i.e., time-of-use or “TOU” pricing; see subsection F) and should not negatively
3 impact energy efficiency or the operation of other technologies, including rooftop solar and
4 storage (see subsection E). In addition, an effective whole-home electric heating rate
5 should be technology neutral (see subsection C), not include additional metering
6 requirements (see subsection D), and not require customer to “opt-in” to access the rate
7 (see subsection G). I will discuss each of these issues in the following subsections.

8
9 **A. CURRENT RATES**

10 **Q. What did the Company propose in this case related to an electric heating rate?**

11 A. In this case, the Company proposes a whole-home electric heating rate, called the REH
12 rate.⁸ The REH rate is proposed as a whole-home, technology-neutral rate with a winter
13 declining block rate structure where the initial block rate is for the first 750 kWh of usage
14 and the second block rate is for any usage above 750 kWh during the billing month.⁹ The
15 Company does not propose to include any TOU pricing during the winter months. The
16 summer rate structure for the REH rate would remain the same as the Residential Summer
17 On-Peak Basic Rate (“RSP”), which is a time-varying rate.¹⁰

18

⁷ Dammel, J. Henchen, 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/>.

⁸ Grondin Direct, pp. 9-12.

⁹ *Id.*, p. 10.

¹⁰ *Ibid.*

1 According to Company witness Grondin, the purpose of the REH rate is to account for
2 differences in cost allocation or recovery for those whose seasonal peaks do not reflect
3 average residential use based on summer peak demand by “aligning lower marginal winter
4 prices with usage levels that are indicative of space-heating load.”¹¹ Witness Grondin states
5 that this rate is appropriate in doing so, given that:

6 [analysis] of customer usage shows that consumption materially above
7 baseline residential levels during the winter season—represented by usage
8 exceeding 750 kWh per month—is most reasonably attributed to electric
9 heating rather than non-heating end uses.¹²
10

11 **Q. What was the impetus for the development of the REH rate?**

12 A. In the Company’s 2025 general electric rate case (Case No. U-21870), Michigan
13 Environmental Council/Natural Resources Defense Council (“MEC-NRDC”) witness
14 Scott Reeves provided testimony recommending that the Company develop and propose
15 an electric heat or heat pump (“EH/HP”) rate design in its next rate case (i.e., the current
16 case).¹³ In addition to the emissions reduction benefits of such an EH/HP rate design,
17 witness Reeves highlighted that under current residential electric rates, electric heating
18 customers are paying much more than the cost of serving their load. Specifically, he
19 pointed out that:

20 [while] electrification could result in a reduced cost associated with home
21 space heating by replacing systems run on fossil fuels like propane and oil,
22 replacement of natural gas systems will likely result in an increased heating

¹¹ *Ibid.*

¹² *Ibid.*

¹³ Direct Testimony of Scott Reeves on behalf of the Michigan Environment Council and Natural Resources Defense Council, Case No. U-21870, Filing No. U-21870-0231.

1 bill, which reflects the majority of customers in Michigan (with
2 approximately 77% natural gas heated household[s]).¹⁴
3

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

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

17 **Q. What did the Commission order in the Company's 2025 general electric rate case**
18 **(Case No. U-21870) regarding electric heating rate design?**

19 A. In the Company's 2025 general electric rate case (Case No. U-21870), in response to the
20 aforementioned arguments, the Commission ordered the Company to propose an EH/HP
21 rate in its next rate case (i.e., the current case), hold a collaborative workgroup meeting to
22 solicit input beforehand, and consider the following when developing the rate: (1) options

¹⁴ *Id.*, p. 5.

¹⁵ Direct Testimony of Scott Reeves on behalf of the Michigan Environment Council and Natural Resources Defense Council, Case No. U-21870.

1 for both seasonal and temporal differentiation; (2) EH/HP rates for residential and non-
2 residential customers; (3) tradeoffs between rate designs focused on electric heating in
3 general and those focused on technologies such as prompting heat pumps; (4) tradeoffs
4 relating to eligibility requirements and verification (e.g., self-attestation, consumption
5 analysis, submetering); and (5) delivery of the new rate, including strategies and tools for
6 customer and contractor education, such as rate impact calculators and opt-out design
7 strategies.¹⁶ The Commission also found that consideration should be given to the
8 additional system-wide benefits that heat pumps can provide, including the ability for
9 demand response (“DR”) or other broader system support.¹⁷ The Company proposed the
10 REH rate in the instant case in response to these requirements.

11
12 **Q. What elements of the Company’s REH rate proposal do you support?**

13 A. As described in more detail in the below sections, I am supportive of the seasonal
14 differentiation to reflect winter electric heating cost characteristics (see subsection B),
15 technology neutrality (see subsection C), and the lack of any requirements to install a
16 second meter to participate (i.e., a whole-home rate; see subsection D).

17
18 **Q. What elements of Consumers Energy’s REH proposal fall short of an optimal electric**
19 **heating rate design?**

20 A. As described in more detail in the below sections, I am concerned about the Company’s
21 decision to propose the REH rate as a declining block rate (see subsection E), the lack of

¹⁶ Commission Order, Case No. U-21870, p. 418.

¹⁷ *Ibid.*

1 winter TOU pricing (see subsection F), and the requirement for customers to “opt-in” to
2 access the rate (see subsection G).

3
4 **B. SEASONAL VARIABILITY**

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

6 A. According to the U.S. Energy Information Administration’s Annual Electric Power
7 Industry Report (Form EIA - 861), as of 2024, the Company is a summer-peaking utility
8 with peak demand of 7,472 MW in the summer and 5,183 MW in the winter.¹⁸ The
9 Company’s base rates are designed to shift customer energy usage toward off-peak times
10 of the day (i.e., at night) and of the year (i.e., in the winter).¹⁹

11
12 **Q. Does the Company’s peak demand profile and rate design structure align with the**
13 **load profile of electric heating customers?**

14 A. No. Electric heating customers use more electricity overnight, in the early morning hours,
15 and during the colder months.²⁰ As described previously, for most non-electric heating
16 customers, peak demand is inversely in the early evening hours and during the summer.

17

¹⁸ 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/>.

¹⁹ Consumers Energy, “Summer Rate,” available at https://www.consumersenergy.com/residential/account-and-billing/rates/electric-rates-and-programs/summer-time-of-use-rate?gad_source=1&gad_campaignid=23909374979&gbraid=0AAAABCW6ixgv6DU89CjhyxMyLIyzjaPHG&gclid=Cj0KCQjwkOvTBhDgARIsAKUNyRtwJDEfqISfJDSPgMwBoQ4od-2py4Q4MhE5qH_FdNPJPzEj3xUN0TUaAheJEALw_wcB.

²⁰ 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. What impact does this misalignment have on electric heating customers?**

2 A. This misalignment causes customers with electrified space heating to be overcharged under
3 the Company’s existing rate design structure. The REH rate, as proposed, attempts to
4 rectify this issue.

5
6 **Q. In general, how do traditional rate structures overcharge customers with electrified
7 space heating?**

8 A. As described by the Northeast States for Coordinated Air Use Management, under most
9 standard rate designs,

10 heat pump customers pay disproportionately higher amounts toward fixed
11 grid costs through their electricity bills over the course of a calendar year
12 because they require more electricity in the winter for heating than non-heat
13 pump customers who heat their homes with methane gas or other fuels.²¹
14

15 According to the American Council for an Energy-Efficient Economy (“ACEEE”), “in
16 cold climates, once a home is electrified, its biggest electricity use in the home is space
17 heating.”²² This disproportionate cost for electric heating customers is sometimes referred
18 to as an “inverse cost shift.”²³ The New York State Energy Research and Development
19 Authority describes the effect of the inverse cost shift as follows:

20 Customers who install heat pump technology to replace conventional oil or
21 gas combustion heating and air conditioning increase electricity usage

²¹ 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>.

²² 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>.

²³ 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 during the winter and decrease electricity usage during the summer. For
2 many customers, the result is a net increase in annual electricity usage that
3 results in a net annual bill increase and increased revenues for the utility.
4 Because the system is generally less constrained in the winter heating
5 season, the increase in cost for the utility to provide the additional electricity
6 in the winter is often less than the increase in revenue for the utility. This
7 phenomenon most typically occurs for installations in the residential sector
8 and is largely due to the structure of volumetrically based retail rates in the
9 residential sector, which are designed to recover both variable costs as well
10 as a portion of fixed-system infrastructure costs through a variable rate. For
11 regulated utilities that earn a specified return on invested capital, an increase
12 in utility revenues that exceeds the cost to serve additional load cannot be
13 retained as profit but must be returned to utility ratepayers. As a result of
14 these dynamics, the installation of a heat pump may lead the customer to
15 start paying for a relatively larger fraction of the total systemwide grid
16 infrastructure costs, which in turn, translates to a rate decrease for ratepayers
17 as a whole; an “inverse cost shift” from non-heat pump ratepayers to the
18 heat pump customer occurs. Rectifying this cost shift could improve the
19 payback for customers.²⁴
20

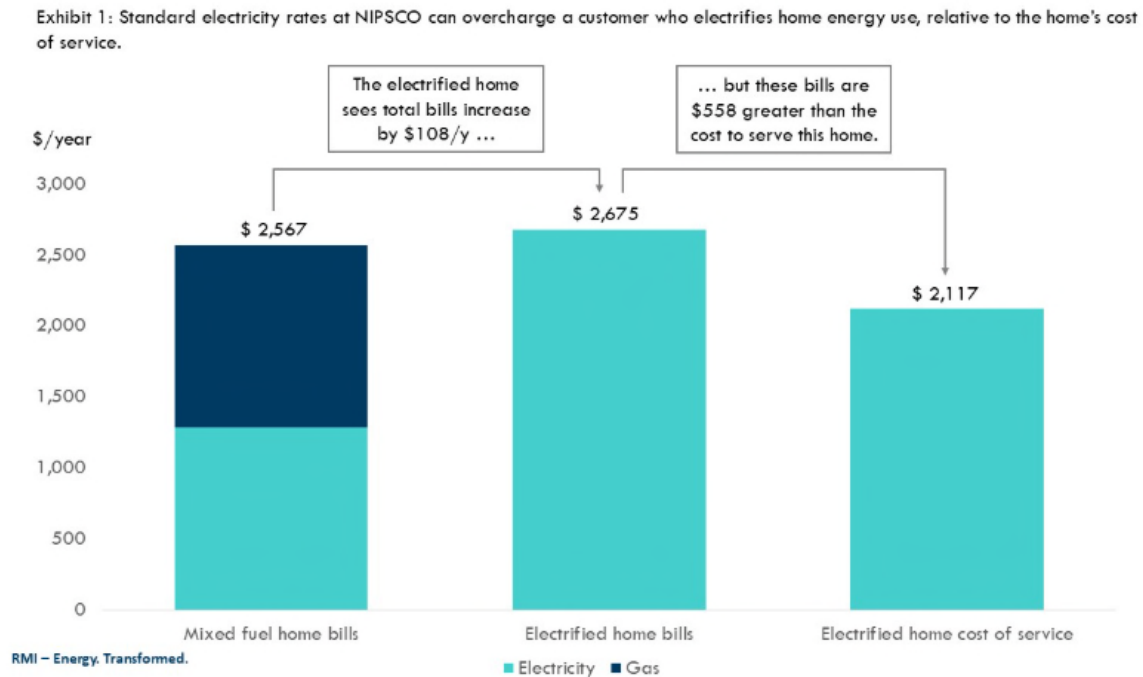
21 An analysis from RMI and 5 Lakes Energy focused on estimating a typical residential
22 customer’s contributions to system costs and energy bills across several Midwest utilities
23 found that “a typical customer would see bill increases if they replaced natural gas
24 equipment with heat pump equipment in the home.”²⁵ However, the analysis uncovered
25 that “the utility’s rates raised the electrified customer’s bills above what it costs to serve
26 them and unfairly overcharged them hundreds of dollars on their bill per year.”²⁶ The below
27 figure (Figure 1) shows an example of this from the Northern Indiana Public Service
28 Company (“NIPSCO”), where the analysis found that the heat pump customer would be

²⁴ *Ibid.*

²⁵ Dammal, 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/>.

²⁶ *Ibid.*

1 charged \$558 more per year than the cost to serve the home.²⁷ It is clear that, in general,
2 all winter-peaking customers, regardless of the specific loads that result in a winter-peak
3 (e.g., a heat pump or other source of electric space heating), face being charged more than
4 the COS under traditional rate structures.



6
7 *Figure 1. Annual costs for customers with and without electric heating in NIPSCO's territory.*²⁸

8
9 **Q. Why are you supportive of the Company's proposal to include a seasonal TOU**
10 **element in the proposed REH rate?**

11 **A.** I am supportive of the seasonal components of the REH rate because it better aligns with
12 cost causation. The proposed REH rate includes separate rates for residential customers in

²⁷ *Ibid.*

²⁸ *Ibid.*

1 the summer and winter, because according to witness Grondin, “costs are materially lower
2 in the winter heating season.”²⁹ As previously mentioned, the Company is summer
3 peaking,³⁰ and according to the Company’s Annual Report,

4 Consumers’ electric utility operations are seasonal. The consumption of
5 electric energy typically increases in the summer months, due primarily to
6 the use of air conditioners and other cooling equipment.³¹
7

8 In contrast, electric heating customers exhibit a very different load profile using
9 significantly more electricity during the winter months.³² This was demonstrated in an
10 analysis by Advanced Energy United and Demand Side Analytics of an example residential
11 customer in National Grid’s service territory who transitions from natural gas to an air-
12 source heat pump.³³ The analysis found that electricity usage for the natural gas customer
13 is relatively standard across the months of the year, but the customer does experience
14 higher electric bills during summer months due to air conditioning.³⁴ Meanwhile, the heat
15 pump customer experiences significant peaks in electric usage and electric bills during the
16 colder months.³⁵
17

²⁹ Grondin Direct, p. 11.

³⁰ 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/>.

³¹ CMS Energy & Consumers Energy, “Annual Report,” 2025, available at https://s26.q4cdn.com/888045447/files/doc_financials/2025/ar/AnnualReport2025_Full_WEB-ready.pdf.

³² 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.

³³ *Ibid.*

³⁴ *Ibid.*

³⁵ *Ibid.*

1 Because the Company, as a whole, is summer peaking, its default residential rates are
2 developed based on average residential use with summer peak demand, and a large portion
3 of the costs that the Company recovers year-round are associated with meeting this summer
4 peak. As discussed previously, customers who electrify their space heating will have an
5 increased winter electric bill associated with added heating load, and because of the inverse
6 cost shift, these customers are likely being overcharged compared to their costs to the
7 system.³⁶ Sub-segmenting a class of residential customers who experience higher than
8 average load in the winter, often due to the use of an electric heating source, to develop an
9 electric heating rate will improve cost allocation fairness, meet traditional ratemaking cost-
10 causation principles, and provide more accurate price signals based on grid peaks.³⁷
11 However, as described below (see subsection E), I do not support the Company's proposal
12 to establish seasonal differentiation using a declining block rate. Instead, I recommend that
13 the REH rate should offer lower seasonal distribution charges for customers in the winter
14 months when customer usage, for a summer peaking system, is not driving incremental
15 fixed costs.

16
17 **C. TECHNOLOGY NEUTRALITY**

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

19 A. Technology-specific rates provide specialized energy rates for customers with specific
20 technologies (e.g., electric vehicles, electric appliances) that are typically associated with

³⁶ 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>.

³⁷ Dammal, 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 higher electric consumption, often during specific times of the year and/or hours of the
2 day.³⁸ For example, heat pump rates can be open to customers who use an air-source or
3 ground-source heat pump for space heating and may save customers money on their
4 electricity bill. According to ACEEE, heat pump rates

5 are generally based on the cost of service for heat pump customers, without
6 subsidizing other customer classes. Given homes with heat pumps use more
7 electricity, particularly during off-peak periods, the cost of servicing these
8 homes is different, as more of their use is during periods of lower grid
9 strain.³⁹
10

11 **Q. Does the REH rate, as proposed by the Company, apply only to customers with**
12 **certain technologies?**

13 A. No, the proposed REH is neutral with respect to technology. According to witness Grondin,
14 the rate is designed to support “heat-pump adoption through favorable winter price signals
15 without imposing technology-specific eligibility or verification requirements.”⁴⁰ In
16 addition to avoiding eligibility requirements, according to witness Grondin,

17 [to] encourage participation and limit any potential administrative burden,
18 the Company avoided verification mechanisms and instead relied on rate
19 structure and usage patterns. Regarding delivery considerations, the
20 Company prioritized using clear rate differentiation to RSP and opt-in
21 strategies to support customer understanding, minimizing confusion to
22 enrollment, and preserving customer choice.⁴¹
23

³⁸ *Ibid.*

³⁹ *Ibid.*

⁴⁰ Grondin Direct, p. 12.

⁴¹ *Ibid.*

1 **Q. Why are you supportive of this proposal?**

2 A. I am supportive of the Company’s proposal to make the REH rate technology-neutral
3 because a rate open to all electric heating customers will better align with the cost-to-serve
4 these customers. As previously discussed, customers who electrify their space heating often
5 pay rates that are developed for average residential use based on summer peak demand,
6 resulting in an inverse cost shift that overcharges customers who have higher than average
7 winter demand.⁴² In general, all winter-peaking customers, regardless of the specific loads
8 that result in a winter-peak, face being charged more than the cost-to-serve under the
9 Company’s current rate structure.

10
11 In addition, including electric resistance or baseboard heating technologies in this rate
12 category, in addition to energy-efficient heat pumps, is critical for improving affordability
13 for low- and middle-income (“LMI”) customers and multifamily housing
14 occupants. About 10 percent of Michigan’s residential space heating is electric resistance
15 heating,⁴³ and according to a report from NRDC and the Energy Futures Group, “though
16 there is little electric heat in single-family homes, 30% of Michigan and Illinois
17 multifamily apartments – and an even higher percentage of low-income buildings – have
18 electric resistance heat.”⁴⁴ Therefore, developing a rate that is inclusive of all electric

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/>.

⁴³ 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.

⁴⁴ 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

1 heating customers and is technology-neutral is critical for ensuring LMI customers and
2 multifamily housing occupants are able to utilize and benefit from the new rate.

3
4 **D. SEPARATE METERING**

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

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

10
11 **Q. Why did the Company propose not to require an additional meter for customers on**
12 **the REH rate?**

13 A. According to witness Grondin, the Company was able to reasonably attribute
14 “consumption materially above baseline residential levels during the winter season” to
15 “electric heating rather than non-heating end uses.”⁴⁵ Using these reasonable assumptions,
16 the Company determined that it could avoid unnecessary separate meter requirements and
17 instead proposes the REH rate as a whole-home rate.

18

<https://www.nrdc.org/sites/default/files/efficiency-programs-heat-pumps-building-decarbonization-michigan-illinois-report-202208.pdf>.

⁴⁵ Grondin Direct, p. 10.

1 **Q. Do you support this approach?**

2 A. Yes, for several reasons. First, as described previously, customers for whom electricity
3 demand peaks in the winter, regardless of the specific appliance resulting in a winter peak,
4 unfairly pay more for distribution charges relative to their COS. Second, as described by
5 witness Grondin, for electric heating customers, because their higher winter electricity
6 loads are overwhelmingly attributable to heating, there is no need for a separate meter.
7 Finally, the installation of a second meter is costly, administratively burdensome, and
8 sometimes prohibits customers from being able to access a desired rate. For these reasons,
9 I support the Company’s proposal to avoid additional metering requirements for the REH
10 rate.

11

12 **E. DECLINING BLOCK RATE**

13 **Q. What is a declining block rate?**

14 A. A declining block rate is a pricing structure where the per-unit price of energy decreases
15 (typically when a specific kWh threshold is met) as the customer’s energy consumption
16 increases.⁴⁶

17

18 **Q. What does the Company propose in terms of a declining block rate for the REH rate?**

19 A. The Company proposes the REH rate as a winter declining block rate where the initial
20 block is the first 750 kWh of usage and the second block is any usage above 750 kWh

⁴⁶ Lazar, J., Regulatory Assistance Project, “Electricity Regulation in the U.S.: A Guide,” June 2016, available at <https://www.raponline.org/wp-content/uploads/2023/09/rap-lazar-electricity-regulation-US-june-2016.pdf>, p. 181.

1 during the billing month.⁴⁷ These blocks were determined using electric bill consumption
2 data of residential customers for winter months (December, January, and February)
3 between 2023 and 2026.⁴⁸ Specifically, the Company determined the average monthly
4 electric consumption per customer during those months (664 kWh per month) and found
5 that one standard deviation (48 kWh per month) corresponded to a range of 615 to 712
6 kWh per customer per month.⁴⁹ The Company then rounded the top of this range up to 750
7 kWh of usage per month to define the initial block.⁵⁰ The Company then determined the
8 REH rates by ensuring the same level of revenue recovery as the RSP rate.⁵¹
9

10 **Q. Why are you concerned with this proposal?**

11 A. While this approach, with seasonal differentiation as proposed by the Company, might
12 result in a bill reduction for electric heating customers in the winter, the rate sends price
13 signals that are antithetical to commonly cited Bonbright principles of rate design, namely
14 cost efficiency⁵² as well as the Company’s own cited objective to “encourage the efficient
15 use of the Company’s electric system.”⁵³ Specifically, declining block rates are known to
16 discourage the adoption of other key technologies, including distributed energy resources

⁴⁷ Grondin Direct, p. 10.

⁴⁸ *Ibid.*

⁴⁹ *Ibid.*

⁵⁰ *Id.*, pp. 10-11.

⁵¹ *Id.*, p. 11.

⁵² 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>.

⁵³ Grondin Direct, p. 3.

1 (“DERs”) such as rooftop solar and energy storage systems, and energy efficiency
2 upgrades. According to the National Association of Regulatory Utility Commissioners
3 (“NARUC”), declining block rates “[encourage] additional consumption,”⁵⁴ which
4 conflicts with the ratemaking principles that support sending customers efficient price
5 signals to discourage wasteful use of services.⁵⁵ This is because customers will be less
6 incentivized to reduce energy consumption, given that their higher levels of energy
7 consumption (in this case, above 750 kWh during the billing month) will be billed at a
8 lower price per unit.

9
10 In addition, a declining block rate is also antithetical to the Bonbright principle of cost-
11 reflectivity⁵⁶ because declining block rates are not an approach designed to reduce costs
12 and address the inverse cost shift. This is because declining block rates tend to encourage
13 additional consumption,⁵⁷ thereby discouraging efforts to reduce energy waste, and adding
14 costs to the system.

⁵⁴ 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/>.

⁵⁵ 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>.

⁵⁶ 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>.

⁵⁷ 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/>

1 In summary, a declining block rate will likely result in customers using energy less
2 efficiently, making fewer energy efficiency upgrades, and impeding the efficient use of
3 DERs like solar plus storage systems.

4
5 **Q. Have other utilities shifted away from declining block rates?**

6 A. Yes. Other utilities have identified the issues discussed above as reasons that they are
7 shifting away from declining block rates. For example:

- 8 • A State of New York Public Service Commission Order regarding investor-owned
9 utility Con Edison stated that “eliminating the declining block rate structure supports
10 [long-term energy efficiency policy] by removing the economic disincentive for
11 customers to conserve energy.”⁵⁸
- 12 • The Omaha Public Power District stated its reasoning for removing a declining block
13 rate option as follows:

14 One of our goals in designing rates is to send price signals that are consistent
15 with the costs we incur to provide service. Declining blocks send the signal
16 that it is cheaper for us to serve customers if they use more energy. In the
17 current market environment, which is characterized by volatile and high
18 energy prices year-round and new requirements related to how much
19 surplus capacity we must have to serve customers, this is no longer the case.
20 The most accurate price signals in today’s environment are based on when
21 energy is used, not how much.⁵⁹

⁵⁸ State of New York Public Service Commission, “Order Establishing Three-Year Electric Rate Plan,” March 26, 2010, available at https://www.google.com/url?q=https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId%3D%7B60F5E842-B7B6-43CC-A589-8C16347B59FD%7D%26DocTitle%3DConsolidated%2520Edison%2520Company%2520of%2520New%2520York,%2520Inc&sa=D&source=docs&ust=1787257442402321&usg=AOvVaw0g6BMsa5sT-h_Jh1G_vkon, pg. 35.

⁵⁹ Omaha Public Power District, “Rates,” available at <https://www.oppdcommunityconnect.com/declining-block-rates-and-energy-management-credits-changes/widgets/99021/faqs>.

- 1 • The Pennsylvania Public Utilities Commission approved a settlement in a Duquesne
2 Light case which eliminated declining energy blocks for residential customers.
3 According to the Administrative Law Judge in the case, “[these] proposed rate design
4 changes are consistent with sound rate making practices.”⁶⁰
- 5 • In a 2011 rate case, Vectren Energy Indiana put forth a proposal, which was approved
6 by the Indiana Utility Regulatory Commission (“IURC”), to eliminate a declining block
7 rate for electric heating customers. According to the IURC,

8 Mr. Ulrey explained that Rate EH was established many years ago to
9 promote electric space heating. Because of the Company’s focus on energy
10 efficiency and conservation, Mr. Ulrey opined that it is no longer
11 appropriate to provide declining block rates that promote a particular
12 electric use. He stated that Vectren South therefore proposes to close Rate
13 EH to new customers as of the effective date of new rates in the proceeding.
14 Furthermore, he stated that while existing EH customers will continue to be
15 provided a declining block Energy Charge, Vectren South intends to reduce
16 and then eliminate those declining block rates gradually over time, in this
17 and subsequent rate cases.⁶¹
18

19 **Q. Has the Company similarly discontinued any previous tariffs designed as declining**
20 **block rates?**

21 A. Yes. In the Company’s 2008 general electric rate case (Case No. U-15245), Company
22 witness Hubert W. Miller III stated that the Company proposed to discontinue a space-

⁶⁰ Recommended Decision of Larry Gesoff, Administrative Law Judge, Pennsylvania Public Utility Commission, Case No. P-00072247, May 18, 2007, available at <https://www.puc.pa.gov/search/docket-search/?DocketNumber=P-00072247&ufprt=C10382761A1D37B6007C92201602D6E39C17575E300968F7B1054E89B2F9E4D14E9444033CAA1FBCB76BC816780D7164D2C2DFF1CDB90C204ED2A268D42149D7E8960A4E351A631A0F90C5787CDE5025230B49A3FBB9A8AC5B41B2319AC6669074B58714D941FCD578800B92EDA3A6FCD65E0095BA96DCDD13350DAC1A423982A9AD879BBFBAC631A8B40D4E6E41358C623D87E191345914EA13555E79FD07EE659E1DC27872787BAEEE922BD65D01EB6623AA65B906B18165FCD8C80DF1#search-results>, p. 10.

⁶¹ Final Order in Case of Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Indiana Utility Regulatory Commission, Cause No. 43839, April 27, 2011, available at https://iurc.portal.in.gov/_entity/sharepointdocumentlocation/6bb37bab-3b83-e611-810e-1458d04f0178/bb9c6bba-fd52-45ad-8e64-a444aef13c39?file=43839order_042711.pdf, p. 73.

1 heating tariff designed as a declining block rate.⁶² Witness Miller indicated that the rate
2 was “historically used as a means to compete for additional residential electric load” and
3 was designed as a two-tiered structure during the winter months (October through May),
4 where the first 20kWh per day (first tier) was set at the same price as the standard
5 residential rate.⁶³ Any electricity consumption above that amount was provided at a
6 discounted rate (second tier).⁶⁴ Witness Miller stated that the Company proposed
7 discontinuing the rate because “a rate design that better reflects temporal cost spreads
8 (seasonality) would be far simpler and more equitable.”⁶⁵ The Company’s request to
9 discontinue this tariff was subsequently approved by the Commission.⁶⁶

10
11 **Q. What do you recommend to the Commission regarding the REH declining block rate**
12 **proposal?**

13 A. I recommend that the Commission require the Company to modify the structure of the REH
14 rate such that it is not a declining block rate. Nearly two decades ago, the Company
15 discontinued its space-heating tariff that was designed as a declining block rate because a
16 rate with temporal variation would be “simpler and more equitable.” It makes no sense, at
17 a time when electricity rates are rising and demand is increasing, to again propose an
18 electric heating rate as a declining block rate. Instead, the REH rate should be designed to
19 be cost-reflective of distribution system costs with seasonal and temporal TOU elements

⁶² Direct Testimony of Hubert W. Miller III on behalf of Consumers Energy Company, Case No. U-15245, p. 19.

⁶³ *Ibid.*

⁶⁴ *Ibid.*

⁶⁵ *Ibid.*

⁶⁶ Final Order, Case No. U-15245, June 10, 2008.

(as described in subsections B and F). In other words, the rate should be designed to offer lower prices to customers in the winter and during the overnight hours/early hours of the morning (see subsection F) when costs on the system are lower, and when electric heating customers experience higher space heating demand. Although I do not propose specific rate design here, I support the rate design proposed by MEC/NRDC/Sierra Club/Michigan Citizen’s Utility Board (collectively “MNSC”) witness Douglas Jester, which includes seasonal distribution and production rates as well as daily time-variable production rates.

F. TEMPORAL VARIABILITY

Q. In general, why should an electric heating rate include a daily TOU element?

A. Time-differentiated rates, such as TOU, provide more accurate price signals that reflect the true cost of electricity at different times during the day. Within TOU rates, the price differential between on-peak and off-peak use is also an important consideration.⁶⁷ 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.⁶⁸ As stated by the Commission,

[the] cost to produce electricity changes depending on the time of day, week, and year. It costs more to produce electricity on a hot summer weekday, when businesses are open and customers are using air conditioning, than it does on a cool spring weekend, when many businesses are closed and temperatures are moderate. Time-based pricing aligns utility rates with the cost to produce electricity at different times.⁶⁹

⁶⁷ 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.

⁶⁸ *Ibid.*

⁶⁹ Michigan Public Service Commission, “Time-based Pricing,” available at <https://www.michigan.gov/mpsc/commission/workgroups/mi-power-grid/time-based-pricing>.

1
2 Because the Company's current rates are generically designed for average residential use,
3 its current residential TOU rates do not account for variability in energy costs for customers
4 with unique load profiles, such as winter-peaking customers. This is because homes with
5 electric heating typically have load profiles characterized by higher usage in the winter
6 during the early morning, late evening, and overnight hours when heating demand is
7 highest.⁷⁰ For example, in a study of pre- and post-electrification for homes in Connecticut,
8 homes heated by a heat pump used more electricity during off-peak hours.⁷¹ As shown in
9 the figure below (Figure 2), the average home with a heat pump and energy efficiency
10 building envelope improvements (blue line) experienced the greatest electricity demand at
11 night and just before dawn when heating their homes at the coldest time of day in January.⁷²

⁷⁰ 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>.

⁷¹ *Ibid.*

⁷² *Ibid.*

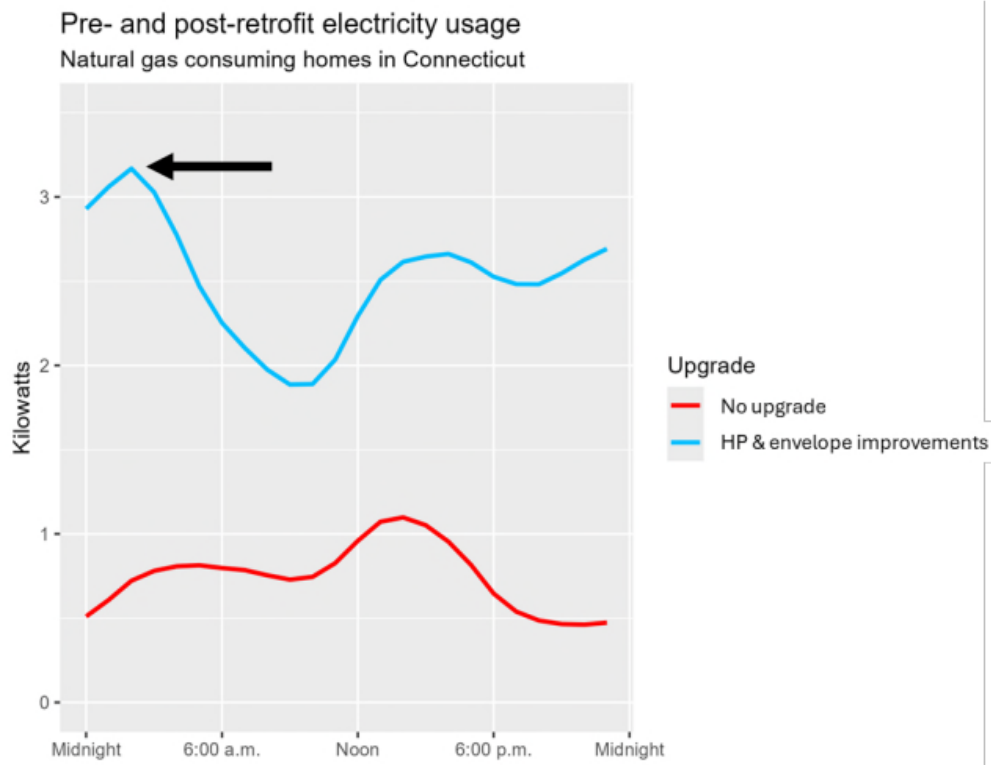


Figure 2. Changes in daily electricity usage before (red line) and after (blue line) energy efficiency upgrades and installation of a heat pump.⁷³

Q. Does the REH rate, as proposed by the Company, include winter daily TOU pricing?

A. No. While a customer on the REH rate would be on the RSP rate in the summer (which includes moderate price differentials between on-peak and off-peak use during the summer months⁷⁴), during the winter months, the customer would be moved onto a declining block rate that does not incorporate TOU elements.

⁷³ *Ibid.*

⁷⁴ Consumers Energy, “Summer Rate,” available at https://www.consumersenergy.com/residential/account-and-billing/rates/electric-rates-and-programs/summer-time-of-use-rate?gad_source=1&gad_campaignid=24069727630&gbraid=0AAAABCW6ixiY4HGC45gA41H0o4PtX1Ff.

1 **Q. Why does the Company not propose to include daily TOU pricing in the REH rate?**

2 A. According to witness Grondin, the utility “prioritized seasonal differentiation to reflect
3 winter heating cost characteristics while avoiding additional temporal complexity.”⁷⁵
4

5 **Q. Do you agree with this assumption?**

6 A. No. In my opinion, this aspect of the REH rate would actually introduce additional
7 complexity (instead of reducing it). Although a customer on the REH rate would be on
8 TOU pricing in the summer, during the winter months, the customer would be moved onto
9 a declining block rate that does not incorporate TOU elements. In other words, the winter
10 rate for REH customers would be determined only based on blocks of electricity usage,
11 without any specific pricing based on the time of day that the energy is used. The RSP rate,
12 which is proposed as the summer pricing for the REH rate, is the standard summer rate for
13 all customers, and is a temporal TOU rate that has on-peak pricing (2 p.m. to 7 p.m.,
14 weekdays) and off-peak pricing (all other times).⁷⁶ In my opinion, this fundamental
15 structural difference between winter and summer rates may actually introduce additional
16 complexity and confusion as ratepayers are switched on and off from TOU pricing (and on
17 and off from a declining block rate) over the course of the year. Maintaining a TOU rate
18 throughout the year and simply shifting the on-peak and off-peak windows seasonally
19 would likely result in much less complexity and confusion for customers.
20

⁷⁵ Grondin Direct, p. 12.

⁷⁶ Consumers Energy, “Summer Rate,” available at <https://www.consumersenergy.com/residential/account-and-billing/rates/electric-rates-and-programs/summer-time-of-use-rate>.

1 **Q. What other reasoning does the Company provide for the lack of a daily TOU**
2 **component in the proposed REH rate?**

3 A. In a discovery response in this case (Exhibit MEIU-1.2), the Company argues that
4 “temporal differentiation would add additional complexity because it requires customers
5 to understand and respond to when they use electricity,” and that this can be a challenge
6 for electric heating customers because “heating demand is largely driven by weather and
7 comfort needs and may be less easily shifted than other household loads.” The Company
8 further stated that:

9 [throughout] the winter season, cold weather can come at any hour and last
10 for any number of days. The customer’s ability or willingness to respond
11 may be relatively limited during the highest-cost winter periods.⁷⁷

12
13 **Q. What are the average hourly temperature patterns in the Company’s service territory**
14 **during the winter months?**

15 A. According to data from the National Oceanic and Atmospheric Administration (“NOAA”)
16 National Centers for Environmental Information (“NCEI”), the average hourly
17 temperatures in Grand Rapids, MI, the largest city in the Company’s territory, during the
18 coldest month of the year (January) are consistently lowest between the hours of 3:00 am
19 and 8:00 am and highest between the hours of 1:00 pm and 5:00 pm.⁷⁸ While these are
20 averages, and variation can still occur, there is ample evidence that, on most winter days,
21 the coldest times of day will be overnight and in the early hours of the morning, and the

⁷⁷ Exhibit MEIU 1.2.

⁷⁸ National Centers for Environmental Information, “Normals Hourly 2006-2020,” National Oceanic and Atmospheric Administration, available at <https://www.ncei.noaa.gov/access/search/datasets/normals-hourly-2006-2020/?stations=USW00094860>.

1 warmest time of day will be in the afternoon. Given this, I strongly disagree with the
2 Company's logic that cold weather, on an hourly scale, cannot be predicted and that a
3 temporal component in the REH rate would be too complex or ineffective.
4

5 **Q. What do you propose with respect to a daily TOU pricing and the REH rate?**

6 A. I recommend that the Commission require the Company to add daily TOU pricing to the
7 REH rate with appropriate on-peak vs off-peak hours and price signals.
8

9 **G. OPT-IN VERSUS OPT-OUT**

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

11 A. As explained previously, an opt-out rate design is one whereby a customer is automatically
12 assigned to a rate class by the utility, whether by default or due to the customer's specific
13 load profile.⁷⁹ In contrast, an opt-in rate design is one that requires a customer to voluntarily
14 subscribe to a rate class to participate.
15

16 **Q. How does the Company propose to enroll customers in the REH rate?**

17 A. The Company proposes to require customers to opt in to the REH rate. According to
18 witness Grondin,

19 the Company prioritized using clear rate differentiation to RSP and opt-in
20 strategies to support customer understanding, minimizing confusion to
21 enrollment, and preserving customer choice.⁸⁰
22

⁷⁹ Neenan, B., *et al.*, "Opt-In vs. Opt-Out: Impact Implications for Full Service Territory," Electric Power Research Institute, July 29, 2014.

⁸⁰ Grondin Direct, p. 12.

1 The Company simply plans to communicate information about the REH rate to customers
2 passively through its website, with any Commission-required notifications provided
3 through a bill insert (Exhibit MEIU-1.3).

4
5 **Q. Is this proposal aligned with the Commission’s Order in the Company’s last general**
6 **electric rate case (Case No. U-21870)?**

7 A. In its Order in the Company’s last general electric rate case (Case No. U-21870), the
8 Commission did not require the Company to utilize an opt-out rate design for the REH rate.
9 However, the Commission did require the Company to consider (among other items)
10 “delivery of the new rate, including strategies and tools for customer and contractor
11 education, such as rate impact calculators and opt-out design strategies.”⁸¹ In my opinion,
12 simply communicating information about the REH rate to customers passively through the
13 Company website does not indicate serious consideration of “strategies and tools for
14 customer and contractor education,” nor does it align with the consideration of “opt-out
15 design strategies.”

16
17 **Q. Do you support the Company’s proposal to require customers to opt-in to the REH**
18 **rate?**

19 A. No. An opt-out strategy, paired with additional customer education, could better support
20 applicable customers’ needs and ensure access to the rate for all eligible customers, all
21 while preserving customer choice.

22

⁸¹ Commission Order, Case No. U-21870, p. 418.

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

2 A. Rather than requiring a customer (particularly a customer that is unfamiliar with electric
3 rate design or who would be surprised to learn that more than one rate option is available)
4 to self-identify as a user of an electric heating appliance or as a customer with high winter
5 electricity usage, an opt-out electric heating rate would proactively enroll customers in the
6 rate that best aligns with their usage patterns, while still allowing customers to opt out if
7 they would rather remain on the standard rate. For time-variant pricing, opt-out rates have
8 been shown to improve customer adoption, with adoption rates around 80 percent for
9 customers given the option to opt out, compared to just 15 percent in an opt-in scenario.⁸²
10 The Sacramento Municipal Utility District (“SMUD”) similarly found in a study of more
11 than 71,000 households that only approximately 19 percent of households opted-in to a
12 TOU rate when encouraged to do so, whereas when automatically enrolled in the same
13 TOU rate, only 2 percent of households decided to opt-out.⁸³ SMUD now has an opt-out
14 TOU rate.⁸⁴

15
16 **Q. Does the Company similarly have rates that are designed as opt-out rates?**

17 A. Yes. Following a settlement agreement in the Company’s 2018 general electric rate case
18 (Case No. U-20134), the Company transitioned all of its residential customers to new

⁸² 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/>.

⁸³ Fowlie, M., *et al.*, “Default Effects and Follow-On Behavior: Evidence From an Electricity Pricing Program,” Poverty Action Lab, August 3, 2020, available at https://www.povertyactionlab.org/sites/default/files/research-paper/DEFAULT_EFFECTS_AND_FOLLOW-ON_2021_5.pdf.

⁸⁴ Sacramento Municipal Utility District, “Time-of-Day (5-8 p.m.) Rate,” available at <https://www.smud.org/Rate-Information/Residential-rates/Time-of-Day-5-8pm-Rate>.

1 summer TOU rates with daily on-peak and off-peak hours.⁸⁵ According to the Company's
2 website, "[the] Summer Rate is not an optional program, and you don't have to sign up."⁸⁶
3

4 **Q. Given that all residential customers will not be on the REH rate, how could load**
5 **profiles be used to identify electric heating customers?**

6 A. Electric heating customers have a unique load profile, characterized by nearly three times
7 as much electricity consumption during the winter months compared to customers who
8 primarily use natural gas, or other delivered fuels, for heating.⁸⁷ These customers also have
9 higher usage during morning and overnight hours when heating demand is greatest.⁸⁸
10

11 The figure below (Figure 3) shows the change in annual energy costs for an example
12 customer in National Grid's service territory who transitions from natural gas to an air-
13 source heat pump.⁸⁹ On the left, electricity usage for the natural gas customer is relatively
14 standard across the months of the year, but the customer does experience higher bills during
15 summer months due to air conditioning.⁹⁰ On the right, electricity usage looks significantly

⁸⁵ Settlement Agreement, Case No. U-20134, Filed December 18, 2018, paragraph 6.

⁸⁶ Consumers Energy, "Summer Rate," available at https://www.consumersenergy.com/residential/account-and-billing/rates/electric-rates-and-programs/summer-time-of-use-rate?utm_source=chatgpt.com.

⁸⁷ 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/>.

⁸⁸ 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.

⁸⁹ 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.

⁹⁰ *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.⁹¹

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

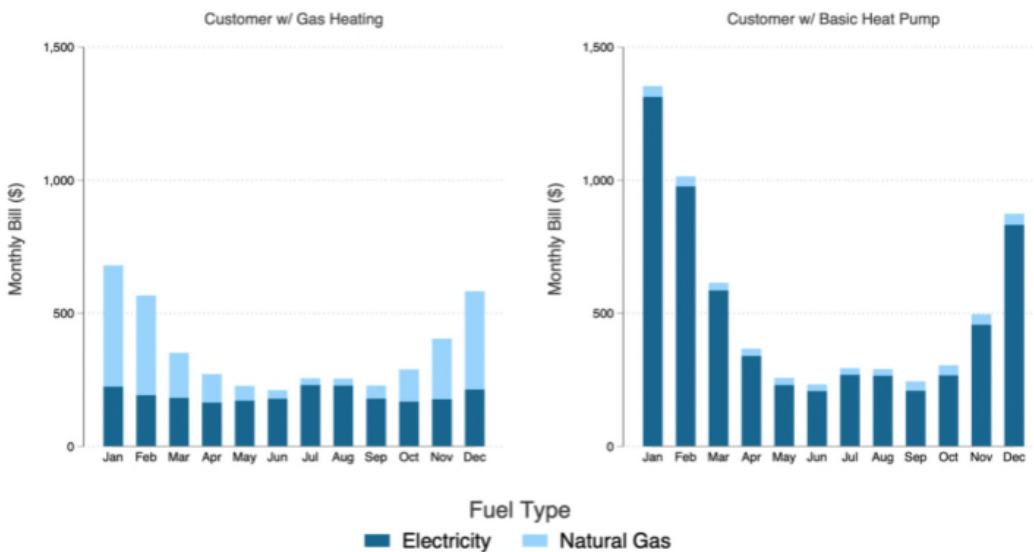


Figure 3. Example monthly energy bills for a customer with natural gas heating (left) and a heat pump (right).⁹²

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.

⁹¹ *Ibid.*

⁹² *Ibid.*

1 Due to the availability of advanced metering infrastructure (“AMI”), it is easier for utilities
2 to measure electricity use in specific time intervals and collect and manage these data.⁹³
3 According to the Company, “almost every home and business we provide energy for has
4 an upgraded meter. These meters have been shown to be more accurate than older ones”
5 and hourly energy usage is available through these new meters.⁹⁴ Further, the Company
6 has already begun to use customer load shapes to identify customers who are utilizing
7 specific technologies, without those customers needing to self-identify. According to the
8 Company’s PowerMIDrive Program Annual Report, the Company was able to use
9 customer AMI data to detect EV charging patterns, stating,

10 The addition of over 1,000 EV customers within the last year highlights
11 both the success of AMI monitoring to help identify likely EV customers
12 and contacting likely EV buyers and leasers in a more targeted manner.
13 These tactics are especially important given how early we are in the EV
14 adoption curve.⁹⁵
15

16 These same principles apply to electric heating customers, and I recommend that the
17 Company similarly utilize AMI data to automatically enroll customers in the REH rate.
18 Even if these AMI data were to capture electric resistance heating customers that may not
19 be using energy-efficient heat pumps, because those customers would still have higher than
20 average electricity use in the winter, they would still benefit from the electric heating rate
21 without impacting costs for other customers.

⁹³ 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.

⁹⁴ Consumers Energy, “How We Read Meters,” available at <https://www.consumersenergy.com/residential/account-and-billing/billing-and-payment/about-your-bill/how-we-read-meters>.

⁹⁵ Consumers Energy, “PowerMIDrive Program Annual Report 2022,” June 2022, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y000003NM62AAG>, p. 43.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20

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

A. Yes. The Company proposes at least a six-month delay in implementation of the REH rate to coincide with implementation of a related project.⁹⁶ If the Commission grants this delay, during this six-month period, the Company could begin to assess customer load profiles to determine which customers should be automatically enrolled in the electric heating tariff. This will enable automatic enrollment of at least a portion of eligible customers when the rate is implemented (through an opt-out design). Assuming that the customer identification process may take longer than six months, the REH rate should also be initially open to customers who opt-in. The Commission should require the Company to transition all existing eligible customers to the REH rate within two years of the final Order in this case, shifting to an entirely opt-out rate design.

III. CONCLUSIONS AND RECOMMENDATIONS

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

A. I recommend that the Commission:

- Approve the REH tariff with the following modifications:
 - (1) remove the declining block structure;
 - (2) include seasonal and daily TOU pricing with appropriate on-peak vs off-peak hours and price signals; and

⁹⁶ Grondin Direct, p. 12.

1 (3) utilize AMI data to automatically enroll customers via an opt-out
2 structure with all eligible customers enrolled to the REH rate within two
3 years of the final Order in this case.

4

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

6 **A. Yes.**

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the Application of	)	
CONSUMERS ENERGY COMPANY	)	
for authority to increase its rates for	)	
the generation and distribution of	)	Case No. U-22070
electricity and for other relief.	)	
	)	
	)	
_____	)	

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**
- 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**
- 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**
- 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**
- 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)

U22070-MEIU-CE-0064

Page 1 of 1

Question:

5. According to witness Grondin (p. 12), the Company “prioritized seasonal differentiation to reflect winter heating cost characteristics while avoiding additional temporal complexity.”

- a. Please describe in detail how temporal differentiation would add additional complexity.
- b. Please describe whether the addition of temporal differentiation would more accurately ensure that the proposed tariff reflects costs.
 - i. If not, please explain why not.

Response:

- a. Temporal differentiation would add additional complexity because it requires customers to understand and respond to when they use electricity, not simply how much they use. For electric heating customers, that can be challenging because heating demand is largely driven by weather and comfort needs and may be less easily shifted than other household loads. The proposed seasonal rate design captures the impact of electric heating load while remaining easy for customers to understand and use.
- b. There is no guarantee or assurance that adding temporal differentiation to the proposed tariff would more accurately reflect costs.
 - i. Throughout the winter season, cold weather can come at any hour and last for any number of days. The customer’s ability or willingness to respond may be relatively limited during the highest-cost winter periods.

Witness: Michael C Grondin

Date: July 13, 2026

U22070-MEIU-CE-0060

Page 1 of 1

Question:

1. According to witness Grondin (p. 12), the Company chose an opt-in strategy for the new winter heating rate design “to support customer understanding, minimizing confusion in enrollment, and preserving customer choice.”

- a. Please describe specifically how the Company plans to educate customers and contractors about the new rate.
- b. Please describe how an opt-in strategy will avoid confusion in enrollment.

Response:

- a. The Company communicates rate information to customers through the website and has a specific section explaining residential electric charges. Any MPSC required notifications would also be communicated through a bill insert.
- b. An opt-in strategy will avoid confusion in enrollment because it allows the customer freedom of choice and to make an informed decision that they feel best suits the needs of their household.

Witness: Michael C Grondin

Date: July 13, 2026

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of **Consumers**)
Energy Company for authority to increase its)
rates for the generation and distribution of)
electricity and for other relief.)
_____)

Case No. U-22070

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

Table of Contents

I.	INTRODUCTION AND QUALIFICATIONS	1
II.	TRANSPORTATION ELECTRIFICATION.....	5
A.	TRANSPORTATION ELECTRIFICATION PLAN AND SUBSEQUENT GENERAL ELECTRIC RATE CASE FILING TIMELINE AND STAKEHOLDER ENGAGEMENT ISSUES.....	5
B.	OVERVIEW OF THE COMPANY’S TRANSPORTATION ELECTRIFICATION PLAN (“TEP”)	20
C.	EV ADOPTION FORECASTS	28
D.	IMPLICATIONS OF EV ADOPTION FOR THE COMPANY AND ITS CUSTOMERS	45
E.	PROPOSED EV CHARGER REBATE PROGRAMS	58
F.	MANAGED CHARGING AND V2G PILOT PROGRAMS.....	95
III.	CONCLUSIONS AND RECOMMENDATIONS.....	115

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” or “DTE”] general electric
17 rate case);
- 18 • U-21585 (Consumers Energy Company 2024 [“Consumers Energy,” “Consumers,”
19 or “the Company”] general electric rate case);
- 20 • U-21492 (Transportation Electrification Plan filing requirements);
- 21 • U-21860 (DTE Electric 2025 general electric rate case);
- 22 • U-21870 (Consumers Energy 2025 general electric rate case);
- 23 • U-21538 (DTE Electric 2027-2031 Transportation Electrification Plan);

- 1 • U-21538 (Consumers Energy 2027-2031 Transportation Electrification Plan); and
- 2 • U-22046 (DTE Electric 2026 general electric rate case).

3

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

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

6 (“EV”) deployment, benefit-cost analyses, direct current fast charging tariffs, Integrated

7 Resource Plan (“IRP”) requirements, and distribution system planning.

8

9 **Q. Please summarize your experiences working with advanced energy companies and**

10 **other key stakeholders on issues related to electric utility regulation.**

11 A. In my role at Michigan EIBC/IEI, I have led the organizations’ transportation

12 electrification work. I have developed and published several pieces of transportation

13 electrification research, including a roadmap highlighting key policy opportunities to

14 enable the state’s transportation electrification goals¹ and a report discussing the critical

15 role of the automotive industry to the Michigan economy.² As described above, I have

16 also participated in several workgroups at the Commission and supported the drafting of

17 written comments in a number of non-adjudicated dockets. I also communicate formally

18 and informally with Michigan EIBC member companies about each of these regulatory

19 proceedings to understand how the advanced energy industry is affected. In addition, I

20 participate in several coalitions focused on enabling the state’s advanced mobility goals

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 and facilitating a safe and equitable transition to EVs for Michigan’s drivers and
2 communities, including the Council on Future Mobility and Electrification’s EV Action
3 Team. In this capacity, I communicate formally and informally with coalition members
4 about current regulatory proceedings and how each impacts any shared objectives.
5

6 **Q. What is the purpose of your testimony?**

7 A. The purpose of my direct testimony is to express support for certain aspects of the
8 Company’s EV proposals as well as describe proposed modifications thereto based on
9 my experiences in the transportation electrification policy space.
10

11 **Q. Are you sponsoring any exhibits?**

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

- 13 ● Exhibit MEIU-2.1: Résumé of Sophia Schuster, MBA, MSCM
- 14 ● Exhibit MEIU-2.2: Michigan EIBC/United Comments to Consumers Energy’s 2026
15 Transportation Electrification Plan (“TEP”)
- 16 ● Exhibit MEIU-2.3: The Ecology Center, the Environmental Law and Policy Center,
17 and Vote Solar (“CEO”) Joint Comments to Consumers Energy’s 2026 TEP
- 18 ● Exhibit MEIU-2.4: Electrification Coalition Comments to Consumers Energy’s 2026
19 TEP
- 20 ● Exhibit MEIU-2.5: The Alliance for Automotive Innovation Comments to
21 Consumers Energy’s 2026 TEP
- 22 ● Exhibit MEIU-2.6: Sierra Club Comments to Consumers Energy’s 2026 TEP

- Exhibit MEIU-2.7: American Council for an Energy-Efficient Economy’s (“ACEEE”) Comments to Consumers Energy’s 2026 TEP
- Exhibit MEIU-2.8: Discovery Response U22070-MEIU-CE-0049
- Exhibit MEIU-2.9: Discovery Response U22070-MEIU-CE-0055
- Exhibit MEIU-2.10: Discovery Response U22070-MEIU-CE-0059

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 DTE’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 DTE to file a TEP in that docket by January 11, 2024. Concurrently, on March 15, 2024, following technical conferences on EV issues held in January 2024, the Commission issued an Order in Case No. U-21492, which reviewed learnings from the technical conferences and directed Staff to

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, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000BD1w7AAD>, pp. 1-2.

1 develop minimum filing requirements for utility TEPs.⁴ On July 2, 2024, the Staff filed
2 proposed TEP Filing Requirements⁵ which were approved by the Commission on
3 January 23, 2025.⁶ The final TEP filing requirements state that “on July 1, 2025, and at
4 least every two years thereafter unless otherwise ordered by the Commission, an electric
5 utility must file a TEP with the Commission in Case No. U-21538.”⁷ Section 8(a) and (b)
6 of the TEP filing requirements allow interested persons 45 business days to submit initial
7 comments and 30 days to submit reply comments evaluating a TEP.⁸ Section 9 of the
8 TEP filing requirements also state that “each electric utility shall file an annual report of
9 its progress...in Case No. U-21538 by June 1 of each year following the electric utility’s
10 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, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000XDvn6AAD>, p. 6.

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 (ostensibly)
5 subsequent general electric rate case.

6
7 **Q. Please detail the timing with which Michigan's utilities have filed TEPs and**
8 **subsequent rate cases.**

9 A. In 2024, DTE filed its TEP in Case No. U-21538 on January 11 and its general electric
10 rate case (Case No. U-21534) on March 28, for a total of 54 business days separating the
11 filings. In 2024, Consumers Energy filed its TEP in Case No. U-21538 on June 25,¹⁰ and
12 *prior to* that filing, its general rate case (Case No. U-21585) on May 31.¹¹

13
14 As described above, on July 2, 2024, the Staff filed proposed TEP Filing Requirements,¹²
15 which were approved by the Commission on January 23, 2025.¹³ In 2025, DTE did not
16 file a TEP progress report in Case No. U-21538, as required by the Commission in

¹⁰ 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>.

¹¹ 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>.

¹² 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>.

¹³ 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>.

1 Section 9 of the TEP filing requirements,¹⁴ but requested recovery for minor program
2 adjustments in its 2025 general electric rate case, Case No. U-21860, which was filed on
3 April 24, 2025.¹⁵ That same year, Consumers Energy filed for approval of the programs
4 and proposals included in the TEP in its general electric rate case (Case No. U-21870)
5 on June 2, 2025 and filed its TEP annual progress report subsequently on June 27, 2025
6 in Case No. U-21538.¹⁶

7
8 Finally, in 2026, DTE filed its TEP in Case No. U-21538 on April 22,¹⁷ and filed for cost
9 recovery approval of the programs included in the TEP in its general electric rate case
10 (Case No. U-22046) four business days later, on April 28, 2026.¹⁸ Similarly, Consumers
11 Energy filed its TEP in Case No. U-21538 on June 1, 2026,¹⁹ and filed for cost recovery
12 approval of the programs included in the TEP in this general electric rate case (Case No.
13 U-22070) the following business day on June 2, 2026.²⁰

¹⁴ Michigan Public Service Commission Staff, Case No. U-21492, “Michigan Transportation Electrification Plan Filing Requirements,” January 24, 2025, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000XDvn6AAD>, p. 6.

¹⁵ 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>.

¹⁶ 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>.

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 (“Kabashi Direct”), 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>.

1
2 **Q. Does the timeline discussed above present challenges for external stakeholders to**
3 **effectively engage with the utilities regarding the TEPs prior to the rate case filings?**

4 A. Yes. As discussed above, in 2024, Consumers filed its TEP in Case No. U-21538 on June
5 25, 2024.²¹ Prior to this filing, Consumers filed for approval of the programs and
6 proposals included in the TEP in its general rate case (Case No. U-21585) on May 31,
7 2024.²² Petitions to intervene in that general rate case were due on June 20, 2024.
8 Hypothetically, changes could have been made to the TEP in response to comments in
9 the Case No. U-21538 docket after June 25, 2024. However, without specific direction
10 from a Commission Order, it is highly unlikely that the Company would have elected to
11 make changes to programs for which it was already seeking cost recovery in an active
12 rate case. As such, any stakeholder comments filed after that date would have effectively
13 served no practical purpose and resulted in no change to the funding, and therefore
14 execution, of the programs.

15
16 In 2025, the Company filed its TEP annual progress report on June 27, 2025 in Case No.
17 U-21538.²³ Prior to this filing, it filed for approval of the programs and proposals
18 included in the TEP in its general electric rate case (Case No. U-21570) on June 2, 2025.²⁴

²¹ 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>.

²² 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>.

²³ 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/068cs00000wdxbWAAQ>.

²⁴ 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>.

1 Petitions to intervene in that general rate case were due on June 25, 2025. Given this
2 timeline, there was again no opportunity to provide feedback that could be expected to
3 be incorporated into the TEP.
4

5 In 2026, DTE filed its TEP in Case No. U-21538 on April 22,²⁵ and filed for cost recovery
6 approval of the programs included in the TEP in its general electric rate case (Case No.
7 U-22046) four business days later, on April 28, 2026.²⁶ Similarly, Consumers filed its
8 TEP in Case No. U-21538 on June 1, 2026,²⁷ and filed for approval of the programs
9 included in the TEP in its general electric rate case (Case No. U-22070) the following
10 business day on June 2, 2026.²⁸ Although the Company held stakeholder engagement
11 workshops prior to filing its TEP and rate case, it is unclear to me specifically what
12 feedback was incorporated and if or how these workshops helped reshape the Company's
13 TEP strategy prior to the rate case filing in which it requested cost recovery for its
14 proposed TEP programs.
15

16 Presumably, as it relates to the official 45-business day comment period open to
17 stakeholders in Case No. U-21538, TEP comments would be most useful to inform any
18 needed changes to the TEP *prior* to a utility requesting approval for its transportation

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, Case No. U-22046, April 28, 2026, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001xwP3ZAAU>.

²⁷ 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>.

²⁸ 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>.

1 electrification programs in the *subsequent* relevant rate case. However, since 2024, utility
2 TEPs have been either filed within less than a week of or directly *after* the rate case in
3 which the utility was seeking approval for related programs. In either instance, there is
4 currently no viable path to proposing changes to the utilities' TEPs and having those
5 changes reflected in the filings in the general electric rate cases. In theory, comments
6 proposed during an ongoing general electric rate case that do not impact cost allocation
7 could be incorporated by the utility during or after the rate case (i.e., in a subsequent
8 TEP). However, I am not aware of any such changes being made to any of the Company's
9 TEPs.

10
11 **Q. Has MEIU raised concerns about this timeline issue in previous rate cases or other**
12 **dockets relevant to the utilities' TEPs?**

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

16 it is unclear what value or purpose there would be for stakeholders to
17 submit comments in the open docket when the only place where changes
18 can actually be made to the TEP proposals and programs is the already
19 ongoing general rate case.²⁹
20

21 To address this concern and to ensure that stakeholder comments meant to improve the
22 TEPs are assessed and incorporated prior to when the utility finalizes and files its next

²⁹ 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, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000EgvDMAAZ>, p. 14.

1 general rate case in which TEP programs are evaluated, MEIU recommended at that time
2 “that the Commission ensure that TEP filings are required at least 180 days prior to a
3 utility general rate case filing.”³⁰
4

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

7 A. I recommend, as MEIU has previously, “that the Commission establish an appropriate
8 filing schedule to ensure that comments filed on the TEPs help to inform utility filings in
9 general rate cases.”³¹ Specifically, I recommend that the Company be required to file its
10 TEP at least 180 days prior, or within a timeframe deemed appropriate by the
11 Commission, to its subsequent general electric rate case filing. This would allow the
12 Company time to adequately assess and incorporate relevant stakeholder comments
13 provided in the 45-business day comment period and the subsequent 30-day reply period
14 into the TEP programs filed for cost recovery in the general rate case. This would also
15 provide the Commission with ample time to review the TEP and direct necessary
16 modifications before the Company formally requests TEP program cost recovery in its
17 rate case. Even without Commission action, the Company should voluntarily submit
18 future TEPs at least 180 days prior to any general electric rate case filing, ensuring
19 stakeholders have ample time to provide meaningful input.
20

³⁰ *Ibid.*

³¹ *Ibid.*

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

4 A. Yes. Until 2025, the presumed appropriate docket to discuss issues related to the TEP
5 was in the general electric rate case, as this is the venue in which cost recovery related to
6 the TEP programs is decided. In 2024, several parties discussed TEP program funding,
7 program design, and procedural issues in the general electric rate case proceedings, and
8 the Commission provided feedback and ruled on these issues. However, in both the 2025
9 DTE³² and Consumers³³ rate cases, several of the same parties again offered comments
10 on TEP program funding, design, and procedure, and the Commission indicated that
11 programmatic design elements and procedural issues were not appropriate to discuss in
12 the general electric rate case and were better suited for the TEP docket (Case No. U-
13 21538). As such, in addition to the timeline issues expounded upon above, I am also
14 concerned about the lack of oversight in the TEP docket, particularly as it relates to
15 interested parties’ concerns regarding the Company’s programmatic design and other
16 process issues.

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, 2025, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000X23rkAAB>, pp. 259-262.

³³ Michigan Public Service Commission, Case No. U-21870, “Order in the matter of the application of Consumers Energy Company for authority to increase its rates for the generation and distribution of electricity and for other relief,” March 27, 2026, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000X23rkAAB>, pp. 234-235.

1 **Q. What does the history of intervenor engagement on TEP issues in the Company's**
2 **2024 and 2025 general electric rate cases (Case No. U-21585 and Case No. U-21870,**
3 **respectively) and the Commission's subsequent response suggest?**

4 A. The history of intervenor engagement on TEP issues shows that there exists an
5 inconsistency in the Commission's approach to determining what is appropriate to
6 include in general electric rate case proceedings from one year to the next. Unfortunately,
7 intervenors who dedicated time to engaging on topics of program funding, program
8 design, and procedural issues in 2025 did so without clear, advanced notice of these
9 evolving standards.

10
11 **Q. With respect to the current TEP, did MEIU file comments in the TEP docket (Case**
12 **No. U-21538) in accordance with the Commission's Order in the Company's 2025**
13 **general electric rate case (Case No. U-21870)?**

14 A. Yes. In line with the filing requirements that allow interested parties to file comments in
15 the TEP docket within 45 business days of the TEP filing,³⁴ MEIU (represented as
16 Michigan EIBC/United) filed comments in the TEP docket (Case No. U-21538) on
17 August 5, 2026 (Exhibit MEIU-2.2). The comments included:

- 18 • A similar discussion of the stakeholder engagement process, specifically pointing to
19 the issues related to the time between TEP and general electric rate case filings, and

³⁴ 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>.

1 the challenges this, coupled with the Commission’s order to address programmatic
2 design and procedural elements in the TEP docker, presents for interested parties;

- 3 ● Support for the Company’s EV adoption forecast;
- 4 ● Support for the Company’s benefit-cost analysis (“BCA”). Given the 2025
5 Commission’s order to DTE (Case No. U-21860) to include “associated network
6 effects” in the BCA,³⁵ these comments also argued that all revenue attributable to EV
7 charging should be included in the Company’s BCA and that societal benefits
8 constitute network effects of increased EV adoption. Therefore, to ensure consistency
9 between BCA requirements among Michigan’s utilities, societal benefits should also
10 be required to be included in the Company’s BCA;
- 11 ● A discussion of opportunities to improve the Company's Education and Outreach
12 (“E&O”) efforts to improve the efficiency and effectiveness of rebate program
13 deployment across customer segments within its service territory;
- 14 ● Support for the Company’s proposed changes to its EV charging rebate programs;
15 and
- 16 ● A discussion of opportunities to improve the Company’s managed charging and
17 vehicle-to-grid (“V2G”) efforts.

18

³⁵ 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, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001kHayeAAC>, p. 434.

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

4 **A.** Yes, in addition to MEIU, several parties also filed comments in the TEP docket,
5 including:

- 6 • *CEO* – Broadly, CEO supports the Company’s proposed rebate and O&M spending
7 levels, expanded BCA framework, and focus on equity. However, like Michigan
8 EIBC/United, it also encourages the Company to establish a robust pilot program to
9 explore the opportunities for V2G, particularly for school districts, within its service
10 territory, propose a compensation mechanism, and more actively engage with
11 interested stakeholders (Exhibit MEIU-2.3);
- 12 • *Electrification Coalition* – The Electrification Coalition points to shortcomings in the
13 Company’s E&O efforts, particularly as it relates to fleet customers. As such, similar
14 to Michigan EIBC/United, the Electrification Coalition encourages the Company’s
15 fleet services team to more proactively engage with fleet customers to help them
16 better understand the value and business case of switching to electrified
17 transportation. Additionally, the Electrification Coalition also points to significant
18 market shifts, such as the expansion of the used EV market and fuel price volatility
19 as counterbalances to the negative impact that the loss of the federal tax credits has
20 had on EV sales in the United States. As such, Electrification Coalition encourages
21 the Company to assert a more ambitious EV adoption forecast, which the Company
22 could complement with more program funding flexibility. Like Michigan
23 EIBC/United and CEO, the Electrification Coalition points to successful V2G pilots

1 and programs implemented throughout the country as evidence that the Company can
2 and should be doing more to accelerate V2G opportunities within its service territory.
3 Finally, the Electrification Coalition asserts that TEP program eligibility should be
4 accessible to local government entities, discourages the Company from sunseting its
5 multi-dwelling unit (“MDU”) bill credit, and, like Michigan EIBC/United,
6 encourages the Company to improve stakeholder engagement to ensure expert input
7 is effectively integrated into future TEPs and annual progress reports (Exhibit MEIU-
8 2.4);

- 9 • *The Alliance for Automotive Innovation* (“Auto Innovators”) – Auto Innovators
10 encourages the Company to develop an optimized charging program that prioritizes
11 the use of time-varying signals reflective of real-time and expected grid conditions to
12 maximize driver, utility, and ratepayer savings. Auto Innovators also highlights the
13 importance of establishing meaningful enrollment milestones that will allow the
14 Company to better assess the program at scale, and encourages the Commission to
15 “prohibit Consumers Energy from capping enrollment, which risks consumer
16 frustration and losing out on more program benefits.”³⁶ Auto Innovators calls on the
17 Commission to require robust data reporting to evaluate program performance,
18 enrollment, and cost and suggests that because automakers have such deep
19 relationships with their customers, aggregators should be required to use one or more
20 automaker channels to maximize customer enrollment. Furthermore, it asserts that
21 any cost-effectiveness analysis conducted by the Company should be made publicly
22 available to also allow external stakeholders to evaluate the pilot. Finally, Auto

³⁶ Exhibit MEIU-2.5.

1 Innovators suggests that aggregators should be required to “develop a data framework
2 necessary to analyze EV charging impacts between participants and non-participants
3 [so that] Consumers Energy can better understand charging behaviors and the
4 associated grid impacts.” (Exhibit MEIU-2.5);

- 5 • *Sierra Club/5 Lakes Energy (“Sierra Club/5LE”)* – Sierra Club/5LE echoes
6 Michigan EIBC/United’s concerns about the time between the Company’s TEP filing
7 and its request for cost recovery prior to the conclusion of the comment period. To
8 address this concern, like Michigan EIBC/United, Sierra Club/5LE recommends that
9 the Company be required to file its TEP at least 180 days prior to the rate case in
10 which it requests cost recovery. Sierra Club/5LE also finds that while the Company’s
11 EV adoption forecast is robust, it does not fully account for the latest developments
12 in the EV market. As such, the Company should consider an EV adoption forecast
13 guided more by the long-term projected demands on Michigan’s grid, as opposed to
14 short-term market fluctuations. Sierra Club/5LE further asserts that the Company’s
15 projection of \$1.1 billion in customer benefits resulting from its TEP programs is
16 likely conservative and that the Company should be “required to propose a
17 comprehensive accounting framework for its CBA that accurately reflects the full
18 NPV of its TEP, including all network effects, as part of its 2027 TEP annual
19 report.”³⁷ Sierra Club/5LE also makes several recommendations with respect to the
20 Company’s rebate proposals and emphasizes the importance of the development of
21 robust managed charging, battery-integrated DCFC, and V2G pilot programs
22 (Exhibit MEIU-2.6); and

³⁷ Exhibit MEIU-2.6.

- *American Council for an Energy-Efficient Economy (“ACEEE”) – ACEEE encourages the Company to expand its PowerMIFleet rebate program to all fleets in underserved communities and recommends that the Company develop a meaningful active managed charging program, which should include bidirectional charging. ACEEE also indicates that the Company should be providing customers with enhanced hosting capacity maps to aid customers planning to electrify and should engage in more proactive grid planning to accommodate anticipated load resulting from increased EV adoption. Finally, ACEEE recommends the expansion of the Company’s MDU rebate and suggests that the Company consider offering EV purchase incentives (Exhibit MEIU-2.7).*

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

A. While programmatic design and process can have a significant impact on the efficiency and effectiveness of a utility rebate program, in concept, MEIU agrees with the Commission that the rate case may not be the most appropriate venue to debate TEP programmatic design and process issues. Nonetheless, while Section 8(d) of the TEP Filing Requirements indicates that “[t]he Commission on its own motion may respond to a TEP following the reply comments,”³⁸ to date, the Commission has neither engaged in the TEP docket nor enforced the filing timeline requirements established in Case No. U-21538 to ensure meaningful consideration of stakeholder input. This fact essentially

³⁸ Michigan Public Service Commission Staff, Case No. U-21492, “Michigan Transportation Electrification Plan Filing Requirements,” January 24, 2025, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000XDvn6AAD>, p. 6.

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

B. OVERVIEW OF THE COMPANY'S TRANSPORTATION ELECTRIFICATION PLAN ("TEP")

Q. Please summarize the Company's transportation electrification proposals in this case.

A. The Company's proposals regarding transportation electrification are presented primarily in the direct testimony of Alex Gast.³⁹ The Company describes the latest forecast for EV adoption in its service territory and then details the status of its existing TEP program elements approved in Case No. U-21870 (the Company's most recent general electric rate case). The Company also proposes adjustments to its rebate programs. The total

³⁹ Direct Testimony of Alex Gast on behalf of Consumers Energy Company ("Gast Direct"), Case No. U-22070, "In the matter of the application of Consumers Energy Company for authority to increase its rates for the generation and distribution of electricity and for other relief," June 2, 2026, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs0000258C3KAAU>.

1 proposed TEP investment amounts to approximately \$96 million from 2027–2031,^{40, 41}
2 approximately 57% of which would support the Company’s rebate proposals.⁴² Despite
3 the nearly \$500 million in projected ratepayer benefits resulting from the Company’s
4 TEP investments over the same time period,^{43, 44} this marks a nearly \$36.5 million
5 proposed decrease to support the Company’s TEP programs over the same time period
6 indicated in the Company's previous TEP filed in May 2024.⁴⁵ The major elements
7 included in the TEP, by investment category, are:^{46, 47}

- 8 • *Rebate Programs:* The Company proposes an investment of \$54.7 million as a
9 regulatory asset, with annual investments increasing over time from \$9.9 million in
10 2027 to \$12.5 million in 2031, to support its PowerMIDrive Residential,
11 PowerMIDrive Public, and PowerMIFleet EV Charger rebate programs:⁴⁸

⁴⁰ Gast Direct, Exhibit A-118 (AMG-12).

⁴¹ Consumers Energy Company, “Transportation Electrification Plan and Annual Report,” June 1, 2026, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>, p. 66.

⁴² *Ibid.*

⁴³ *Id.*, p. 13.

⁴⁴ Gast Direct, Exhibit A-118 (AMG-12).

⁴⁵ Direct Testimony of Jeffrey Myrom on behalf of Consumers Energy Company, Case No. U-21585, Exhibit A-153 (JAM-3), May 31, 2024, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000Dn1cjAAB>.

⁴⁶ Gast Direct, pp. 71-83.

⁴⁷ Consumers Energy Company, “Transportation Electrification Plan and Annual Report,” June 1, 2026, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>, p. 66.

⁴⁸ *Id.*, p. 67.

- 1 ○ PowerMIDrive Residential Rebates support Level 2 (“L2”) single and dual cord
2 rebates to enable charger deployment to customers living in single-family
3 housing (“SFH”).^{49, 50} The expected average rebate value for this customer
4 segment is \$500 (\$1,000 for LI residents).⁵¹ The Company projects a need for
5 194,000 new plugs by 2030 to support this customer segment.⁵² The total
6 proposed investment for the Company’s PowerMIDrive Residential category is
7 roughly \$20.3 million over the TEP period (2027-2031), which would support the
8 deployment of roughly 32,742 residential customer rebates, or roughly 6,550
9 rebates per year.^{53, 54} In a discovery response (Exhibit MEIU-2.8), the Company
10 indicated that it received 17,779 residential applications from January 1, 2024 to
11 July 2, 2026. This equates to approximately 7,112 rebate applications per year on
12 average, indicating that demand is outpacing supply of rebates.
- 13 ○ PowerMIDrive Public Rebates support deployments of L2 charging for MDU
14 property charging,⁵⁵ Level 1 (“L1”) and L2 for community charging,⁵⁶ L1 and

⁴⁹ 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>, pp. 16-22.

⁵⁰ Gast Direct, pp. 72-73.

⁵¹ 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>, p. 66.

⁵² *Id.*, p. 12.

⁵³ This assumes \$620 in incentives per residential participant – \$500 for the rebate and \$120 for the smart charging incentive over the first 12 months for off-peak charging.

⁵⁴ 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>, p. 66.

⁵⁵ *Id.*, pp. 23-25.

⁵⁶ *Id.*, pp. 25-27.

1 L2 overnight destination charging,⁵⁷ L2 for workplace charging,⁵⁸ at roughly
2 \$7,500 per rebate, and on-route DCFC, at roughly \$50,000 per rebate.^{59, 60} The
3 Company projects a need for 135,000 new plugs by 2030 to support its “equitable
4 access locations” (i.e., multifamily, community charging, workplace, and
5 overnight destination) customer segments, and 4,400 new DCFC plugs by 2030.⁶¹
6 The total proposed investment for the Company’s PowerMIDrive Public category
7 is roughly \$30.5 million, with nearly \$18 million supporting equitable access
8 areas and \$12.5 million supporting larger public DCFC installations of 1 MW or
9 greater.⁶² This proposed investment would support roughly 2,400 rebates to
10 equitable access locations and 250 DCFC rebates over five years.⁶³ In a discovery
11 response (Exhibit MEIU-2.8), the Company indicated that it received 614 public
12 DCFC applications from January 1, 2024 to July 2, 2026. This equates to
13 approximately 246 rebate applications per year on average. In its 2026 TEP,
14 assuming a constant rate of awards, the Company proposes to support 50 DCFC
15 rebate applications per year from 2027-2031. This suggests a significant deficit

⁵⁷ *Id.*, pp. 27-29.

⁵⁸ *Id.*, pp. 29-30.

⁵⁹ *Id.*, pp. 40-43.

⁶⁰ Gast Direct, pp. 73-75.

⁶¹ 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>, p. 12.

⁶² *Id.*, p. 66.

⁶³ This assumes an average of \$7,500 per equitable access area rebate and \$50,000 per DCFC rebate.

1 between demand and the available supply of rebate application over the course of
2 the current TEP.

- 3 ○ PowerMIDrive Fleet Rebates support L2 and DC long duration charger
4 deployments for fleet customers, as well as an enhanced vehicle rebate for
5 income-qualified fleets.^{64, 65} The Company projects a need for 59,700 new plugs
6 by 2030 to support this customer segment.⁶⁶ The total proposed investment for
7 the Company fleet category is roughly \$4.0 million, with \$3,150,000 supporting
8 L2 installations at roughly \$7,500 per rebate and \$825,000 supporting DC long
9 duration installations at roughly \$15,000 per rebate.⁶⁷ This proposed investment
10 would support roughly 420 L2 rebates and 55 DC long duration charger rebates
11 over 5 years.

- 12 ● *E&O*: For its broad E&O efforts, the Company describes several “integrated
13 marketing and outreach activities”⁶⁸ across its PowerMIDrive Residential,
14 PowerMIDrive Public, PowerMIFleet, and direct current fast charger (“DCFC”) pilot
15 programs, including its website, which offers important program information, access
16 to EV specialists, and online applications,⁶⁹ as well as customer engagement events,⁷⁰

⁶⁴ 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>, pp. 35-40.

⁶⁵ Gast Direct, pp. 75-78.

⁶⁶ 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>, p. 12.

⁶⁷ *Id.*, p. 66.

⁶⁸ *Id.*, p. 19.

⁶⁹ *Ibid.*

⁷⁰ *Id.*, p. 20.

1 ⁷¹ “paid and owned communication channels,”⁷² “paid media campaigns,”⁷³ and
2 targeted email outreach.⁷⁴ While the Company indicates a 74 percent reduction in the
3 number of direct customer contacts between 2025 and 2026, the Company proposes
4 to spend \$6.2 million on E&O from 2027 to 2031 – increasing from \$1.1 million in
5 2027 to \$1.5 million in 2031.⁷⁵ It remains unclear specifically what the Company
6 proposes to do with its E&O budget and how this will address the material decline in
7 its customer engagement efforts.

- 8 ● *Program Administration:* The Company proposes to record \$24 million in O&M
9 spending to support program administration, which is not clearly defined in either the
10 Company’s TEP or the direct testimony of witness Gast.⁷⁶

11
12 **Q. Do you support the Company’s transportation electrification proposals?**

13 A. Broadly, yes, I support the Company’s TEP programs. However, I have significant
14 concerns about its budget proposals. As discussed above, despite the fact that the
15 additional margins attributable to increased EV charging and load management savings
16 are expected to extend well beyond the rate of increase in TEP investment,⁷⁷ thereby

⁷¹ *Id.*, p. 32.

⁷² *Id.*, p. 30.

⁷³ *Id.*, p. 31.

⁷⁴ *Ibid.*

⁷⁵ *Id.*, p. 67.

⁷⁶ *Id.*, p. 66.

⁷⁷ *Id.*, p. 13.

1 unlocking significant benefits to all ratepayers,⁷⁸ the Company proposes a budget
2 *decrease* of over \$36 million compared to its previous 2024 TEP budget.^{79, 80} This \$36
3 million equates to approximately 58,000 fewer residential rebates,⁸¹ which is more than
4 the population of several major Michigan cities (e.g., Battle Creek, Saginaw, Midland,
5 and East Lansing).⁸²

6
7 Based on the Company’s budget proposal in this case, demand for rebates is likely to
8 significantly outpace rebate availability. For example, if we only consider the
9 PowerMIDrive Residential rebate program, assuming an average rebate of \$500, the
10 proposed \$20.3 million in rebates would be enough to reach roughly 32,740 residential
11 customers over five years.⁸³ During this time, the Company is expecting approximately
12 400,000 EVs in its service territory.⁸⁴ Assuming that 90 percent of the projected 400,000
13 vehicles are passenger EVs for personal use, this would indicate that the Company is

⁷⁸ *Ibid.*

⁷⁹ Gast Direct, Exhibit A-118 (AMG-12).

⁸⁰ Direct Testimony of Jeffrey Myrom on behalf of Consumers Energy Company, Case No. U-21585, Exhibit A-153 (JAM-3), May 31, 2024, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000Dn1cjAAB>.

⁸¹ This assumes \$620 in incentives per residential participant – \$500 for the rebate and \$120 for the smart charging incentive over the first 12 months for off-peak charging.

⁸² United States Census Bureau, “Quick Facts: Midland city, Michigan; Saginaw city, Michigan; East Lansing city, Michigan; Battle Creek city, Michigan,” accessed September 16, 2026, available at <https://www.census.gov/quickfacts/fact/table/midlandcitymichigan,saginawcitymichigan,eastlansingcitymichigan,battlecreekcitymichigan/PST040225>.

⁸³ This assumes \$620 in incentives per residential participant – \$500 for the rebate and \$120 for the smart charging incentive over the first 12 months for off-peak charging.

⁸⁴ 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>, p. 10.

1 only planning to provide rebates for and manage the load of 9 percent of the EVs on the
2 road in its service territory by 2030. Similarly, the Company indicates that it only expects
3 to support approximately 1.8 percent of the plugs needed to support charging across
4 equitable access areas and 0.8 percent of plugs needed to support fleet customers across
5 its service territory. These budget cuts point to a common theme across the Company’s
6 proposed TEP – that the Company will willingly fall behind on load management even
7 as EV adoption continues to accelerate. This sharp decline in participant reach not only
8 drastically undermines the effectiveness of the Company’s TEP, but it also represents a
9 missed opportunity for strategic load management that could otherwise stabilize the grid
10 and lower ratepayer costs.

11
12 Furthermore, as discussed above, the Company proposes to spend \$6.2 million to support
13 E&O efforts, which amounts to roughly \$1.2 million per year over five years.⁸⁵ This
14 proposal, however, is similar to the Company’s actual E&O spending for its
15 PowerMIDrive program alone in 2021 and is roughly 25 percent of the Company’s actual
16 E&O spending in 2023.⁸⁶ Utility E&O programs are essential to unlocking the benefits
17 that EVs have to offer to all customers and the grid.^{87, 88} Unfortunately, the Company’s

⁸⁵ 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>, pp. 67.

⁸⁶ Direct Testimony of Jeffrey Myrom on behalf of Consumers Energy Company, Case No. U-21585, Exhibit A-152 (JAM-2), May 31, 2024, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000Dn1cjAAB>.

⁸⁷ 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>.

⁸⁸ 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-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000016pyuNAAQ>.

1 E&O proposal mirrors the anemic growth in the rebate categories and, again, severely
2 risks undermining the capacity that the TEP programs have to enable the load
3 management necessary to effectively prepare for the increased number of EVs on the
4 road – and other new large loads (e.g. from data centers) – in the Company’s service
5 territory.

6
7 As detailed in Section II, Subsections E and F (“Proposed EV Charger Rebate Programs”
8 and “Managed Charging and V2G Pilot Programs”) below, I have additional concerns
9 about and propose recommendations to modify the Company’s rebate and pilot program
10 proposals.

11
12 **C. EV ADOPTION FORECASTS**

13
14 **Q. How does the Company predict that EV sales will grow in its service territory?**

15 A. The Company reports that, as of Q4 2025, there were 50,617 EVs in its service territory.⁸⁹
16 This represents 32% of the EVs registered in the State of Michigan.⁹⁰ Using data from
17 S&P Global in partnership with the Michigan Secretary of State to assess historical
18 adoption trends, the Company established a low-, base-, and high-case for its future
19 market share projections for each vehicle segment within the Company’s service
20 territory.⁹¹ According to the Company, “the base case for light-duty EV adoption is

⁸⁹ 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>, p. 13.

⁹⁰ *Ibid.*

⁹¹ *Id.*, p. 43.

1 developed using a rolling quarterly growth rate derived from the most recent two years
2 of historical data.”⁹² Assuming that short-term adoption will follow more recent market
3 trends, the Company “applies the average 12-month rolling quarterly adoption rate
4 throughout the forecast period.”⁹³

5
6 The Company also notes that medium- and heavy-duty (“MHD”) vehicles saw an average
7 annual growth rate of 40 percent in its service territory from 2021 to 2025.⁹⁴ To account
8 for MHD EV growth in its service territory, the Company applies a 40 percent annual
9 growth rate for the years until the Michigan Department of Education’s (“MDE”) Clean
10 Bus Energy Grant funding has been spent. This annual growth rate gradually declines to
11 10 percent over the subsequent five years to reflect the diminished state and federal
12 funding opportunities.⁹⁵ The low- and high-cases for both light-duty and MHD EV
13 adoption take the base case and apply a gradual 25 percent downward or upward
14 adjustment from 2026 to 2031, resulting in adoption levels equal to 75 percent and 125
15 percent of the base case, respectively.⁹⁶ Based on these projections, the Company
16 forecasts that EV registrations, including MHD vehicles, will increase to over 420,000
17 in its service territory by 2031 in the low-case, over 560,000 in the base case, and over
18 700,000 in the high case.⁹⁷

⁹² *Ibid.*

⁹³ *Ibid.*

⁹⁴ *Id.*, p. 44.

⁹⁵ *Ibid.*

⁹⁶ *Ibid.*

⁹⁷ *Id.*, p. 43.

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

A. In 2019, nearly 315,000 new light-duty (“LD”) EVs were sold throughout the United States, making up just 1.8 percent of total vehicle sales at the time.⁹⁸ Only five years later, new LD EV sales reached 1.48 million nationwide, marking a 369.8 percent increase in sales between 2019 and 2024 and bringing the number of total new EVs on the road to 6.4 million.⁹⁹ Today, there are nearly 8.3 million EVs on the road, with EV sales now accounting for almost 10 percent of total automotive sales.¹⁰⁰ Although national EV adoption declined in the fourth quarter of 2025 relative to the third quarter (due to a surge in third quarter sales ahead of the September 30 expiration of several federal tax credits), the overall 2025 annual EV market share was roughly flat compared to 2024 at 8 percent.^{101, 102, 103} In Michigan, the market share for EV sales increased year-over-year from 4.4 percent in the second quarter of 2023 to 11.5 percent in the third quarter of 2025.¹⁰⁴ Equally remarkable is the growth of the MHD market segment

⁹⁸ Atlas Public Policy, *EV Hub - EV Market Dashboard*, July 2026, available at <https://www.atlasevhub.com/market-data/ev-market-dashboard/>.

⁹⁹ *Ibid.*

¹⁰⁰ *Ibid.*

¹⁰¹ *Ibid.*

¹⁰² 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/>.

¹⁰³ 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/>.

¹⁰⁴ Atlas Public Policy, *EV Hub - EV Market Dashboard*, July 2026, Available at <https://www.atlasevhub.com/market-data/ev-market-dashboard/>.

1 nationwide, which grew from about 1,400 new MHD EV purchases in 2021 to over
2 129,000 in 2025 – an astounding 9,100 percent sales increase.¹⁰⁵ These trends across the
3 country and in Michigan clearly indicate a steady and accelerating EV adoption growth
4 rate despite market challenges.

5
6 **Q. Do you agree with the EV deployment rate predicted by the Company and its**
7 **response to current political and economic conditions?**

8 A. Yes, but I suspect that the forecast is conservative given continued technology
9 developments that are likely to reduce EV costs and increase customer value (e.g., battery
10 improvements and bidirectional capabilities).^{106, 107, 108, 109} While in the near-term, there
11 have been modulations in the market due to federal policy changes, growth is still
12 occurring and automotive manufacturing continues to be focused on the next generation
13 of EVs. Experts agree that EVs represent the future of the industry – both in the United

¹⁰⁵ *Ibid.*

¹⁰⁶ 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>.

¹⁰⁷ 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>.

¹⁰⁸ 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/>.

¹⁰⁹ 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/>.

1 States and globally.^{110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121} Global trends clearly indicate
2 stable EV adoption growth, particularly in European, Southeast Asian, and South

¹¹⁰ 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>.

¹¹¹ 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>.

¹¹² 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>.

¹¹³ 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>.

¹¹⁴ 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>.

¹¹⁵ Gross, P., “EV Industry will Persist, Experts Say, Despite Trump Cuts,” *Missoula Current*, March 2025, available at <https://missoulacurrent.com/ev-industry-trump/>.

¹¹⁶ 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/>.

¹¹⁷ 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/>.

¹¹⁸ 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>.

¹¹⁹ 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>.

¹²⁰ 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.

¹²¹ 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 American markets.^{122, 123} To compete with a burgeoning Chinese EV industry, American
2 automakers will need to continue producing EVs to remain globally competitive.¹²⁴ In
3 addition to automakers' motivation to invest in EV development and production, EVs'

¹²² 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>.

¹²³ 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>.

¹²⁴ 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/>.

1 improving range^{125, 126, 127, 128} and price competitiveness,^{129, 130, 131, 132, 133, 134, 135} the
2 growth of the used EV market,¹³⁶ and supportive state actions^{137, 138, 139} will enable

¹²⁵ 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/>.

¹²⁶ 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>.

¹²⁷ 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/>.

¹²⁸ 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/>.

¹²⁹ 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/>.

¹³⁰ 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/>.

¹³¹ 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>.

¹³² 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>.

¹³³ 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/>.

¹³⁴ 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>.

¹³⁵ 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>.

¹³⁶ 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>.

¹³⁷ 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>.

¹³⁸ 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>.

1 continued EV adoption growth through this period of political and economic uncertainty
2 at the federal level.

3
4 **Q. Did the Company evaluate the impacts of the current political and economic climate**
5 **on automotive sales and EV sales specifically?**

6 A. In accordance with the Commission’s Order in the Company’s 2025 rate case (Case No.
7 U-21870),¹⁴⁰ the Company evaluated the impact on its EV adoption forecasts in its
8 current TEP of H.R. 1,¹⁴¹ which repealed several tax credits included in the Inflation
9 Reduction Act, such as the 30C Alternative Fuel Vehicle Refueling Property Credit and
10 the 30D Clean Vehicle Credit.¹⁴²

11
12 **Q. Did the Company evaluate other political and economic influences that could**
13 **impact automotive sales and EV sales specifically?**

14 A. The Company also points to other positive influences at the state level that could impact
15 EV adoption in its service territory, such as the launch of the final round of the Clean

¹³⁹ 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>.

¹⁴⁰ Michigan Public Service Commission, Case No. U-21870, “In the matter of the application of Consumers Energy Company for authority to increase its rates for the generation and distribution of electricity and for other relief,” March 27, 2026, pp. 233-235, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001rd2XbAAI>.

¹⁴¹ 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>.

¹⁴² 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>.

1 Bus Energy Grant funding¹⁴³ and the continuation of the Clean Fuel and Charging
2 Infrastructure (“CFCI”) grant program managed by the Michigan Department of
3 Environment, Great Lakes, and Energy (“EGLE”).¹⁴⁴
4

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

7 A. Yes. While the Company projects a 45 percent reduction in EV deployment across its
8 service territory from its 2024 TEP forecast due to H.R. 1 and other persistent cost
9 barriers,¹⁴⁵ the Company still expects significant growth in the long term. In fact, the
10 updated EV adoption forecast indicates no change in projected EV registrations in its
11 service territory between its 2025 TEP Annual Progress Report¹⁴⁶ and its most recent
12 2026 TEP,¹⁴⁷ suggesting minimal long-term impacts of these policy shifts.
13

¹⁴³ *Id.*, p. 49.

¹⁴⁴ *Id.*, p. 48.

¹⁴⁵ 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>, p. 47.

¹⁴⁶ 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>.

¹⁴⁷ 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>, p. 13.

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^{148, 149, 150, 151} and price competitiveness,^{152, 153, 154,}
4 ^{155, 156, 157, 158} the growth of the used EV market,^{159, 160, 161, 162} and supportive state

¹⁴⁸ 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/>.

¹⁴⁹ 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>.

¹⁵⁰ 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/>.

¹⁵¹ 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/>.

¹⁵² 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/>.

¹⁵³ 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/>.

¹⁵⁴ 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>.

¹⁵⁵ 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>.

¹⁵⁶ 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/>.

¹⁵⁷ 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>.

¹⁵⁸ 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>.

¹⁵⁹ 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>.

¹⁶⁰ 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^{163, 164, 165} 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.^{166, 167} Furthermore, used EVs saw a faster sales
10 turnaround with vehicles spending an average of 50 days on dealership lots,¹⁶⁸ selling

¹⁶¹ 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>.

¹⁶² 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/>.

¹⁶³ 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>.

¹⁶⁴ 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>.

¹⁶⁵ 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>.

¹⁶⁶ 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/>.

¹⁶⁷ 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/>.

¹⁶⁸ *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.^{169, 170} With
3 over 900,000 used EV leases ending between 2026 and 2027,¹⁷¹ 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.^{172, 173} Furthermore, a report from
6 Plug in America and EPRI indicates that 90 percent of surveyed EV drivers reported
7 that they would buy another EV for their next car purchase,¹⁷⁴ suggesting that the
8 used EV adoption forecast is likely conservative.

- 9 • *Continued National Electric Vehicle Infrastructure (“NEVI”) program funding*
10 *deployment* – On June 8, 2026, the Michigan Department of Transportation
11 (“MDOT”) released a \$51 million Request for Proposal for its third round of NEVI
12 formula funding, which is expected to support an additional 60 new charging sites

¹⁶⁹ 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>.

¹⁷⁰ Keating, E., “New-Vehicle Inventory Holds Steady as Industry Navigates Year-End Uncertainty,” *Cox Automotive*, December 11, 2025, available at <https://www.coxautoinc.com/insights/nov-2025-new-vehicle-inventory/>.

¹⁷¹ 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>.

¹⁷² *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>.

¹⁷³ 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>.

¹⁷⁴ Plug In America, “Plug In America and EPRI’s EV consumer survey finds EV experience creates confidence; 9 out of 10 EV driver respondents to stay electric,” September 4, 2024, available at <https://pluginamerica.org/press-release/plugin-america-and-epris-ev-consumer-survey-finds-ev-experience-creates-confidence-9-out-of-10-ev-driver-respondents-to-stay-electric/>.

1 across the state.^{175, 176} Experts assert that the existence of public charging
2 infrastructure directly enables customers to purchase EVs.^{177, 178, 179, 180} As such, it is
3 reasonable to assume that continued deployment of NEVI chargers will improve
4 visibility of new and existing charging opportunities throughout the state, instilling
5 greater confidence that customers will be adequately supported if they purchase an
6 EV.

- 7 • *Volatile fuel costs* – Global oil supply constraints have driven up national average
8 U.S. gas prices by 40 percent, which currently is above \$4.28 per gallon.^{181, 182}
9 Statewide average gas prices in Michigan, however, hover around \$4.54, with some
10 parts of the state, such as northern Michigan and the Upper Peninsula, facing costs

¹⁷⁵ 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>.

¹⁷⁶ 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>.

¹⁷⁷ Osaka, S., “For each public charger, here’s how many EVs are looking to plug in,” *The Washington Post*, May 2024, available at <https://www.washingtonpost.com/climate-solutions/2024/05/20/charging-stations-lag-ev-sales/>.

¹⁷⁸ 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>.

¹⁷⁹ 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>.

¹⁸⁰ 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>.

¹⁸¹ 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>.

¹⁸² AAA, “Fuel Prices,” accessed September 16, 2026, available at <https://gasprices.aaa.com/>.

1 nearing \$5.00 per gallon, adding hundreds of dollars in fuel costs per year per
2 household.^{183, 184, 185} Similarly, the statewide average cost of diesel is close to \$5.46
3 per gallon.¹⁸⁶ Today, the electricity to charge an EV costs less than half on a per-mile
4 basis compared to an ICE vehicle,¹⁸⁷ and electricity prices are historically far more
5 stable than fuel prices – only increasing 8.8 percent between 2018 and 2023.¹⁸⁸ These
6 fuel price increases and fluctuations are driving increased interest in EVs.^{189, 190, 191,}
7 ¹⁹² In addition, EV adoption increased 59 percent between February and March 2026

¹⁸³ *Ibid.*

¹⁸⁴ 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/>.

¹⁸⁵ 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>.

¹⁸⁶ AAA, “Fuel Prices,” accessed August 14, 2026, available at <https://gasprices.aaa.com/>.

¹⁸⁷ EPRI, “The Electric Vehicle (EV) Price Stability Advantage: Electricity vs. Gasoline,” April 15, 2026, available at <https://www.epri.com/research/products/000000003002036139>.

¹⁸⁸ 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.

¹⁸⁹ 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>.

¹⁹⁰ 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>.

¹⁹¹ 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/>.

¹⁹² 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.^{193, 194}

- 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.¹⁹⁵ 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.^{196, 197}
9 With contracts already in place with customers like PepsiCo,¹⁹⁸ DHL,¹⁹⁹ Walmart,²⁰⁰

¹⁹³ 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/>.

¹⁹⁴ 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>.

¹⁹⁵ 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/>.

¹⁹⁶ 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/>.

¹⁹⁷ 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>.

¹⁹⁸ 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.

¹⁹⁹ 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/>.

²⁰⁰ 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 Costco²⁰¹ and the national average cost of diesel up 53 percent,^{202, 203} it is
2 reasonable to expect increased electrification across the commercial sector,
3 especially among heavy-duty fleet operators.

4
5 These additional considerations that overwhelmingly point to accelerating EV adoption
6 in the coming years again call into question the Company's proposal to reduce its budget
7 for all of its rebate programs when, in fact, it should be recommending spending increases
8 to keep pace with EV adoption and effectively manage this new load to maximize the
9 system benefits EV charging can provide.

10
11 **Q. What do you conclude about these factors influencing EV adoption?**

12 A. Based on the discussion above, I believe that the Company's EV adoption forecast is
13 likely low. Given continued deployment of state and federally-funded EV charging
14 infrastructure, increased fuel volatility due to the ongoing crisis in Iran, the increase in
15 used EVs expected to hit the market, as well as critical technological advancements
16 allowing for reduced battery²⁰⁴ and vehicle costs, I expect EV adoption to achieve steady
17 growth that exceeds the Company's forecasts in the next five years.

²⁰¹ *Ibid.*

²⁰² 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>.

²⁰³ AAA, "Fuel Prices," accessed June 5, 2026, available at <https://gasprices.aaa.com/>.

²⁰⁴ 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
2 **Q. Should the Company continue to evaluate external influences impacting the EV**
3 **market when making long-term decisions to plan for increased transportation**
4 **electrification?**

5 A. Yes, but short-term influences should not overshadow the need to plan for the long-term
6 growth of transportation electrification and technology advancements. As the evidence
7 demonstrates, there will always be short- and long-term external forces pushing and
8 pulling the EV market, and understanding those factors can provide valuable context for
9 evaluating adoption trends. However, while it is important to understand the impact of
10 short-term external factors on EV adoption within the Company's service territory, these
11 short-term trends should not be relied upon as a basis for scaling the Company's EV
12 programs, which present significant long-term benefits to the Company and to all
13 ratepayers. Such an approach risks overlooking the broader, long-term trajectory of
14 transportation electrification. Although near-term market conditions may influence the
15 pace of adoption, EV ownership—and the associated electric load—is expected to
16 continue growing over time.^{205, 206, 207, 208, 209} Based on this, and as details above, I believe

²⁰⁵ 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/>.

²⁰⁶ 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/>.

²⁰⁷ 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>.

²⁰⁸ 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>.

²⁰⁹ 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>.

1 that the proposed TEP budget is therefore not prudent for the continued long-term success
2 of load optimization from transportation electrification. The Company must be prepared
3 for this transition by maintaining investments that support EV deployment, grid
4 readiness, and customer adoption. Consequently, I would caution against any proposals
5 to reduce these programs in response to temporary market fluctuations as such reactive
6 measures could leave the Company ill-equipped to meet future demand and capture the
7 long-term benefits of transportation electrification.

8
9 **D. IMPLICATIONS OF EV ADOPTION FOR THE COMPANY AND ITS**
10 **CUSTOMERS**

11
12 **Q. Why is proactive planning important for utilities when it comes to preparing for**
13 **increased EV load growth?**

14 A. Proactive planning for EV adoption can save utilities and ratepayers in the long run.²¹⁰
15 ²¹¹ A 2024 study found that proactive grid maintenance and upgrades in response to
16 increased EV load growth resulted in about \$20 million in savings compared to reactive
17 upgrades in Con Edison's territory (New York City and Westchester County, NY), and
18 \$10-13 million in savings in CenterPoint's service territory (Houston, TX).²¹²

²¹⁰ 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.

²¹¹ 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.

²¹² 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.

1 Additionally, models from the same study showed that even in the lowest EV adoption
2 scenario, an “all proactive” upgrade approach still yielded higher savings than a mixed
3 proactive and reactive approach.²¹³ This suggests that overestimating, and subsequently
4 upgrading to meet, EV load growth carries limited risk.²¹⁴

5
6 Utility TEPs and distribution system plans are critical, informative tools to ensure that
7 the Company is effectively able to predict, plan, and execute necessary distribution
8 system upgrades to meet the resulting load growth attributable to EVs.^{215, 216, 217} More
9 specifically, the customer engagement driven by E&O programs, as well as the customer
10 enrollment in rebate and TOU rates, informs utilities of EV penetration trends in their
11 service territories and where load growth is expected. Delaying upgrades or artificially
12 reducing projected load growth risks impairing utilities’ visibility into future EV-related
13 load growth, potentially resulting in suboptimal upgrade decisions, longer energization
14 timelines for new loads, and grid constraints. In other words, while postponing upgrades
15 required to meet EV adoption growth may yield short-term savings, the long-term

²¹³ *Ibid.*

²¹⁴ *Ibid.*

²¹⁵ 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>.

²¹⁶ 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/>.

²¹⁷ 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>.

1 financial and operational liabilities, as well as customer service impacts, could be far
2 greater.

3
4 **Q. What is the value of enabling EV adoption in the Company's service territory?**

5 A. Experts assert that the existence of public charging infrastructure directly enables
6 customers to purchase EVs,^{218, 219, 220, 221} leading to significant at-home charging and
7 revenue from electricity sales.^{222, 223, 224, 225, 226} The Company's updated BCA, based on

²¹⁸ Osaka, S., "For each public charger, here's how many EVs are looking to plug in," *The Washington Post*, May 2024, available at <https://www.washingtonpost.com/climate-solutions/2024/05/20/charging-stations-lag-ev-sales/>.

²¹⁹ 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.>

²²⁰ 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>.

²²¹ 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>.

²²² 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>.

²²³ 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>.

²²⁴ 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.

²²⁵ 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.

²²⁶ 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 the net present value (“NPV”) of the net revenue requirement, indicates that the proposed
2 TEP portfolio produces over \$1.1 billion in NPV of net rate relief to all Consumers
3 customers from 2025 to 2035, assuming the low-case EV adoption scenario.²²⁷ It is
4 unclear whether this low-case BCA assumes 100 percent of projected EV adoption and
5 accounts for “all revenue attributable to charging and associated network effects,” as was
6 required in the Commission’s final order to DTE Electric’s 2025 general electric rate
7 case (Case No. U-21860).²²⁸ However, these findings are consistent with Consumers’
8 previous 2024 TEP²²⁹ and 2025 TEP Annual Progress reports,²³⁰ which indicated over
9 \$570 million in NPV of net rate relief from 2024 to 2030 and over \$755 million in NPV
10 of net rate relief from 2025 to 2031, suggesting that even under conservative estimates,
11 TEP portfolio yields long-term benefits for all ratepayers.

12
13 If the Company is accounting for all revenue attributable to charging, this methodology
14 would more accurately capture the known network effects of EV charging. Specifically,
15 the existence of public EV charging stations directly enables customers to purchase

²²⁷ 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>, p. 47.

²²⁸ 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, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001kHayeAAC>, p. 434.

²²⁹ 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>, p. 10.

²³⁰ 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 EVs,^{231, 232, 233, 234} leading to significant at-home charging and revenue from electricity
2 sales.^{235, 236, 237, 238, 239} These impacts have been observed in other states. For example, in
3 a Synapse Energy Economic study, from 2012-2019, California utilities Pacific Gas and
4 Electric (“PG&E”) and Southern California Edison (“SCE”) managed EV programs of

²³¹ Osaka, S., “For each public charger, here’s how many EVs are looking to plug in,” *The Washington Post*, May 2024, available at <https://www.washingtonpost.com/climate-solutions/2024/05/20/charging-stations-lag-ev-sales/>.

²³² 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.>

²³³ 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>.

²³⁴ 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>.

²³⁵ 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>.

²³⁶ 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>.

²³⁷ 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.

²³⁸ 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.

²³⁹ 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 about \$220 million and \$150 million, respectively.^{240, 241} This encouraged EV adoption,
2 leading to increased revenue from charging amounting to nearly \$700 million in PG&E’s
3 territory and \$500 million in SCE’s territory.^{242, 243} In 2026, Synapse Energy Economics
4 also conducted a study of Michigan utilities, examining the difference between revenues
5 (i.e., increased electricity sales) and costs (i.e., increased distribution, transmission,
6 capacity, and energy) associated with EVs between 2011 and 2024. Even assuming
7 higher levels of on-peak charging, the study found that battery EV and plug-in hybrid EV
8 drivers in Michigan contributed nearly \$188 million more in revenues than costs from
9 2011 to 2024.²⁴⁴ When utility expenditures on EV programs are included in costs, the net
10 revenue still exceeds costs by approximately \$166.9 million.²⁴⁵ These findings align with
11 recent studies of other utilities in 2026, which found that EV drivers have contributed
12 about \$94.2 million more than their associated costs in Ohio,²⁴⁶ \$135.5 million more in

²⁴⁰ 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>.

²⁴¹ 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.

²⁴² 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>.

²⁴³ 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.

²⁴⁴ 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.

²⁴⁵ *Ibid.*

²⁴⁶ 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>.

1 Illinois,²⁴⁷ \$101.9 more in Virginia,²⁴⁸ \$186 million more in Colorado,²⁴⁹ and \$280.5
2 million more in New Jersey.²⁵⁰ Synapse Energy Economics also conducted deeper studies
3 in Virginia²⁵¹ and New Jersey,²⁵² and found that when utility expenditures on EV
4 programs are included in costs, the net revenue still exceeds costs by approximately \$91.4
5 and \$171.3 million, respectively. It is clear that, as utilities continue to invest in EV
6 programs, the resulting increases in EV adoption leads to significant downward rate
7 pressure for all ratepayers.

8
9 **Q. Are there additional network effects that the Company did not account for in its**
10 **BCA?**

11 A. Yes. In addition to the revenue attributable to charging, the Company should also ensure
12 that its BCAs are accounting for the associated network effects, including societal
13 benefits, provided by its programs. By definition, direct network effects occur when the
14 value of a good increases because the number of users of that good increases.²⁵³ By

²⁴⁷ *Ibid.*

²⁴⁸ *Ibid.*

²⁴⁹ *Ibid.*

²⁵⁰ *Ibid.*

²⁵¹ 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.

²⁵² 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.

²⁵³ 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>.

1 failing to address the societal benefits associated with charging that increase over time as
2 EV adoption and EV charging increase, the Company’s analysis fails to address all of the
3 network effects associated with its programs.

4
5 Societal benefits associated with increased transportation electrification include reduced
6 greenhouse gas emissions, reduced criteria pollutant emissions, reduced noise pollution,
7 reduced transportation fuel costs, improved physical and mental health, job creation, and
8 economic impacts.^{254, 255} As exhibited in Commonwealth Edison²⁵⁶ and Ameren’s²⁵⁷
9 Beneficial Electrification Plans, as well as Xcel Energy’s Minnesota²⁵⁸ and Colorado²⁵⁹
10 TEPs, reduced greenhouse gas emissions and reduced criteria pollutant emissions can be
11 accurately quantified by using the Federal Social Cost of Carbon (“SCC”).²⁶⁰ Developed

²⁵⁴ 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>.

²⁵⁵ 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>.

²⁵⁶ Illinois Commonwealth Edison, “ComEd Beneficial Electrification Plan,” 2022, available at <https://icc.illinois.gov/docket/P2022-0432/documents/325766/files/567114.pdf>.

²⁵⁷ Ameren Illinois Company, “Beneficial Electrification Plan,” 2022, available at <https://www.icc.illinois.gov/docket/P2022-0431/documents/325722/files/567031.pdf>.

²⁵⁸ 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={90B25F8200-00-C32B-B70E-1C25A3E2A491}&documentTitle=20228-188061-07>.

²⁵⁹ 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=.

²⁶⁰ 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>.

1 by a federal interagency working group to calculate the benefits of carbon dioxide
2 (“CO₂”) reductions in 2010 and updated in 2016, the SCC represents an estimate of the
3 monetized net economic damages associated with one metric ton of CO₂ emissions. As
4 discussed in the Direct Testimony of Dr. Laura Sherman in the Company’s 2024 general
5 electric rate case (Case No. U-21585),

6 Greenhouse gas emissions reductions can be quantified by comparing the
7 difference between emissions from EV charging (i.e., based on emissions
8 related to electricity generation) and emissions from internal-combustion
9 engine vehicles.^{261, 262} This difference can then be converted into a cost of
10 avoided emissions using an SCC.²⁶³
11

²⁶¹ 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>.

²⁶² 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.

²⁶³ Direct Testimony of Dr. Laura S. Sherman on behalf of The Michigan Energy Innovation Business Council and Institute for Energy Innovation, Case No. U-21585, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000BpHn3AAF>, p. 22.

1 In addition to several state legislatures (e.g. New Jersey,²⁶⁴ Illinois,²⁶⁵ and Colorado²⁶⁶)
2 and public utility commissions (California,²⁶⁷ Minnesota,²⁶⁸ Nevada,²⁶⁹ New York,²⁷⁰
3 and Illinois²⁷¹) that have identified the SCC as the best mechanism to quantify the social

²⁶⁴ See NJ REV. STAT. § 48:3-87.3(8).

²⁶⁵ See 220 ILCS 3855/1-75(d-5)(1)(B)(i).

²⁶⁶ 2019 Colo. Sess. Laws 3290, available at https://leg.colorado.gov/sites/default/files/documents/2019A/bills/sl/2019a_sl_359.pdf.

²⁶⁷ 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>.

²⁶⁸ 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.

²⁶⁹ 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.

²⁷⁰ 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>.

²⁷¹ 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.^{272, 273, 274, 275, 276}

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

²⁷² 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, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000EmMIXAA3>, pp. 30-32.

²⁷³ Illinois Commonwealth Edison, "ComEd Beneficial Electrification Plan," 2022, available at <https://icc.illinois.gov/docket/P2022-0432/documents/325766/files/567114.pdf>.

²⁷⁴ 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>.

²⁷⁵ 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>.

²⁷⁶ 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 Company, deployment and use of bidirectional
3 capable EVs and EV chargers creates an available demand response tool to balance grid
4 conditions (in the case of vehicle-to-home charging) and allows utilities to defer
5 investment in other more intensive grid-scale options (in the case of V2G capable
6 systems).²⁷⁷ According to a study by EPRI, California ratepayers with V2G-enabled EVs
7 realized an annual relative savings of between \$407 and \$1,018, compared to ratepayers
8 using standard EV charging.²⁷⁸ In 2022, customers in California’s San Diego County
9 school district experienced these benefits during a 10-day heat wave, wherein the school
10 district was able to send energy back to the grid and power 452 homes every day.^{279, 280}
11 Consequently, EVs represent a largely untapped grid resource that would benefit
12 ratepayers and energy providers alike.

13
14 Notably, in the Company’s 2024 TEP, it also indicated that pilots for bidirectional and
15 active managed charging through telematics should already be well underway in 2026
16 and 2027. Yet, as detailed before in Section II, Subsection E, in its current TEP, the

²⁷⁷ 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>.

²⁷⁸ *Ibid.*

²⁷⁹ 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/>.

²⁸⁰ 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 Company did not provide any details with respect to this or future pilots, as required by
2 the Commission.

3
4 **Q. What do you recommend with respect to the Company's BCA?**

5 A. While the Company should be applauded for its continued investment in EV charging
6 deployment across its service territory, it is clear that the Company could be investing
7 significantly more in its EV programs to ensure that ratepayers realize greater benefits
8 more quickly. To ensure more consistent TEP program investment and that the net
9 positive ratepayer benefits of increased EV charging are realized more quickly, the
10 Commission should also require the Company to propose an accounting scheme, after
11 incorporating stakeholder feedback, that would ensure that an appropriate percentage
12 (e.g. 30 percent) of revenue from EV charging is reinvested into TEP programs. In
13 addition, to ensure consistency across TEP BCAs among Michigan's utilities, and in
14 accordance with the Commission's Order in Case No. U-21860, the Commission should
15 require the revenue attributable to 100 percent of EV charging in the Company's service
16 territory, as well as all network effects, and transitively, societal benefits, to be included
17 in the Company's BCA.

E. PROPOSED EV CHARGER REBATE PROGRAMS

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

A. Witness Gast summarizes the Company's proposed TEP rebate program.²⁸¹ Rebates of differing amounts are proposed for SFH residential, MDU, and fleet customers, as well as for the public, L2 community charging, destination overnight charging, and workplace charging settings. As previously discussed, despite the nearly \$500 million in projected ratepayer benefits resulting from the Company's TEP investments over the same time period,^{282, 283} this marks a nearly \$36.5 million proposed decrease to support the Company's TEP programs over the same time period indicated in the Company's previous TEP filed in May 2024.²⁸⁴ Again, this sharp decline in participant reach not only drastically undermines the effectiveness of the Company's TEP, but it also represents a missed opportunity for strategic load management that could otherwise stabilize the grid and lower ratepayer costs.

²⁸¹ Gast Direct, pp. 72-83.

²⁸² *Id.*, p. 13.

²⁸³ Gast Direct, Exhibit A-118 (AMG-12).

²⁸⁴ Direct Testimony of Jeffrey Myrom on behalf of Consumers Energy Company, Case No. U-21585, "", Exhibit A-153 (JAM-3), May 31, 2024, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000Dn1cjAAB>.

PowerMIDrive Residential Rebate Investment Proposal

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

A. The Company proposes to spend approximately \$20.3 million to support the installation of nearly 40,350 home charger rebates at single-family housing residences across its service territory.^{285, 286} The current offerings include:

- *Residential Single Family L2 rebates* - These rebates offer up to \$500 towards the cost of any Underwriters Laboratory (“UL”)-listed, ENERGY STAR-certified Level 2 (“L2”) charger.²⁸⁷ These rebates are also available to LI households for up to \$1,000 towards the cost of an L2 charger.²⁸⁸ Eligibility requires that applicants are current Consumers Energy electric customers, have proof of EV purchase, lease, or order, agree to enroll in the Nighttime Savers or Residential Smart Hours TOU rates, and program weekday charging to occur during super off-peak hours to avoid on-peak charging.²⁸⁹
- *Residential Single Family Dual Cord L2 rebates* - These rebates offer up to \$500 towards the cost of any UL-listed, dual cord L2 charger, power-sharing charge, or EV Supply Equipment (“EVSE”) splitter.²⁹⁰ Eligibility requires that applicants are

²⁸⁵ Consumers Energy Company, 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>, pp. 16-22.

²⁸⁶ *Id.*, p. 67.

²⁸⁷ *Id.*, p. 16.

²⁸⁸ *Ibid.*

²⁸⁹ *Id.*, p. 17.

²⁹⁰ *Id.*, p. 16.

1 current Consumers Energy electric customers, have proof of EV purchase, lease, or
2 order, agree to enroll in a TOU rate, and program weekday charging to occur during
3 super off-peak hours to avoid on-peak charging.²⁹¹

- 4 ● *Monthly enrollment incentive* - To shift more charging to off-peak hours, the
5 Company also offers a \$10 monthly incentive for new customers to enroll in its Smart
6 Charging Incentive Program.²⁹² Participating customers can also earn a referral
7 reward for getting their peers to sign up for a TOU rate.²⁹³

8 The Company proposes to expand the program eligibility to include customers on the
9 standard TOU rate, which the Company suggests would increase participation in its
10 Smart Charging Incentive program.²⁹⁴

11
12 **Q. Do you support the Company's SFH rebate proposal?**

13 A. Broadly, yes, but I also have some concerns. I am strongly supportive of the Company's
14 expansion of the residential program to include standard TOU rate participating
15 customers. Not only will expanding the rebate eligibility ensure that funds allocated to
16 the residential segment are deployed more efficiently, but also, it will enable the
17 Company's forecasted NPV benefits attributed to its TEP portfolio to be realized more
18 readily.

19

²⁹¹ *Id.*, p. 17.

²⁹² *Id.*, p. 16.

²⁹³ *Ibid.*

²⁹⁴ *Id.*, p. 22.

1 However, I am concerned that the proposed rebate will not be adequately enticing for
2 customers to engage in the program, thus impeding and unnecessarily depressing rebate
3 program subscription and therefore risking the load management benefits inherent in
4 program participation. As such, I encourage the Company to increase the rebate levels to
5 better cover the costs of an L2 charger and its installation, and consider a multi-tiered
6 rebate structure for LI, middle-income (“MI”), and non-LI customers to make the rebate
7 offering more attractive to a wider range of customers. For example, the Company could
8 consider adjustments similar to those proposed by DTE in its 2026 TEP, in which it
9 proposes to offer up to \$2,000 to LI customers, up to \$1,500 for MI customers, and up to
10 \$500 for non-LI customers installing an L2 charger to single family residence customers
11 in its service territory.²⁹⁵ Furthermore, the \$10 monthly incentive currently offered to
12 customers is quite low and could be updated to \$20/month to be more attractive for
13 customers who have already received a rebate in the past and now only qualify for the
14 off-peak incentive when they purchase their next EV. While this would reduce the
15 number of rebates that the Company’s TEP proposed PowerMIDrive Residential budget
16 could support, it would likely improve program subscriptions and lead to a more efficient
17 realization of the NPV projected in the Company’s BCA.

18

²⁹⁵ 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>, p. 43.

1 Additionally, it is well documented that EV drivers continue to drive EVs and will likely
2 add more EVs to their household.^{296, 297, 298} The Company should make it clearer to
3 customers that their rebates stack. For example, a first-time applicant with two or more
4 EVs can receive a \$500 rebate for the 50 amp circuit upgrade and an additional \$500
5 rebate for a dual cord L2 that is plugged into it, for a total of \$1,000. The monthly
6 incentive for off-peak charging per vehicle is on top of that initial rebate. As such, the
7 customer would realize significant cost savings with the dual cord and the Company
8 would ensure that the new load is spread over off-peak hours.

9
10 Finally, I also strongly urge the Company to consider developing a rebate level for its
11 SFH customer segment for bidirectional charger installations. Much of the Company's
12 efforts to shed new load from EVs has been focused on stopping on-peak charging
13 through TOU rates and encouraging customer behavioral changes. However, load-
14 shedding customers' whole homes via bidirectional chargers as opposed to just focusing
15 on stopping on-peak charging (a comparatively small opportunity) could greatly increase
16 the cost-effectiveness of future V2G pilot results, and the Company should be trying to
17 capture that value now. Not only will customers be lowering their bills with off-peak

²⁹⁶ Johnson, P., "Once you go EV, you don't go back: Study finds 96% of owners plan to stay electric," *Electrek.com*, February 18, 2026, available at <https://electrek.co/2026/02/18/once-you-go-ev-you-dont-go-back-96-of-owners-agree/>.

²⁹⁷ Washington, N., "New Toyota bZ4X Owner Says It's So Quiet He Accidentally Hit 100 MPH, Now He Gets Why EV Drivers Never Go Back," *Torque News*, April 8, 2026, available at <https://www.torquenews.com/17998/new-toyota-bz4x-owner-says-its-so-quiet-he-accidentally-hit-100-mph-now-he-gets-why-ev>.

²⁹⁸ Edelstein, S., "Study: Only 1% of EV buyers would go back to gas-powered cars," *Green Car Reports*, December 13, 2024, available at https://www.greencarreports.com/news/1145270_study-only-1-of-ev-buyers-would-go-back-to-gas-powered-cars.

1 charging, but also, the Company could realize significant potential for avoided
2 Midcontinent Independent System Operator (“MISO”) energy purchase costs during
3 peak periods.

4
5 *PowerMIDrive Public: MDU Rebate Investment Proposal*

6 **Q. What are some of the unique challenges that MDU customers face regarding the**
7 **installation of EV chargers?**

8 A. The Company indicates that approximately 33 percent of its customers reside in
9 MDUs.²⁹⁹ However, lack of charging access is a primary obstacle that prevents many
10 MDU households from switching to an EV. While access to public charging can partly
11 alleviate this concern, public charging is generally more expensive than at-home
12 charging. According to the American Automobile Association, the average cost of all L1,
13 L2, and DCFC public charging in Michigan is approximately \$0.396 per kilowatt hour³⁰⁰
14 compared with an average of \$0.151 to \$0.246 per kilowatt hour for at-home charging,
15 depending on off-peak versus on-peak charging.³⁰¹ This means that customers dependent
16 on public charging could pay more than double those who have access to at-home
17 charging, amounting to an additional \$500 a year in fuel costs for the average Michigan
18 driver (Exhibit MEIU-2.7). This makes it difficult for MDU residents, who typically fall

²⁹⁹ 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>, p. 23.

³⁰⁰ AAA, “Fuel Prices: EV Charging Prices,” accessed July 10, 2026, available at <https://gasprices.aaa.com/ev-charging-prices/>.

³⁰¹ 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>.

1 into lower income brackets,³⁰² to fully take advantage of the fuel savings benefits that
2 EVs have to offer.³⁰³ Furthermore, the realizable fuel cost savings for MDU customers
3 heavily depends on their building's meter configuration. While MDU customers on a
4 separate meter can take service under a more favorable EV residential rate (e.g.,
5 Nighttime Savers Rate – Rate Code 1050), customers living in MDUs with a single
6 master meter are often served under a small C&I rate (e.g., Rate GS).³⁰⁴ The latter are
7 therefore disadvantaged in achieving equivalent fuel cost savings. Consequently,
8 continued support for charging rebate programs is critical to ensure that there is an
9 equitable deployment of EV chargers across the Company's service territory.
10 Unfortunately, MDU property owners face several unique challenges to the installation
11 of EV charging on premises for their residents, including:

- 12 • *Fact-finding to determine project feasibility and tenants' needs* – It can be
13 daunting for property owners to know where to turn for information about
14 choosing the right chargers, understanding the building's electrical capacity,
15 and choosing between business models.
- 16 • *Identifying and applying for appropriate funding* – Between local utility
17 rebate programs and any state or local rebates programs targeting MDUs,

³⁰² 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.

³⁰³ 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/>.

³⁰⁴ 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>.

1 knowing what funding they are eligible to apply for and how to apply for it
2 can serve as a barrier for some property owners.

- 3 • *Long and unclear energization timelines* – In a discovery response (Exhibit
4 MEIU-2.8), the Company indicated that it took 537 days on average for MDU
5 charging installations to move from the date of application submission to the
6 date of energization. These long timelines can make the application process
7 more daunting for MDU property owners, especially if they are not working
8 with a project partner with expertise in deploying EV charging.

- 9 • *Facing higher costs* – Commercial-grade L2 chargers typically cost between
10 \$1,000 to \$2,000 per charging port, but variables such as equipment costs,
11 labor costs, network costs, permitting fees, and costs from electrical system
12 and utility-side grid upgrades can lead to total project costs upwards of
13 \$10,000 per port.^{305, 306} In fact, the Company reports an average installation
14 cost of \$13,780 per port and points to significant site-specific variability.³⁰⁷

- 15 • *Interoperability challenges* – The lack of open interoperability standards may
16 cause EV charging stations to become stranded assets by preventing

³⁰⁵ 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>.

³⁰⁶ 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>.

³⁰⁷ DTE Electric Company, Case No. U-21538, “2027-2031 Transportation Electrification Plan,” April 22, 2026, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>, p. 43.

1 equipment from switching between different software networks.^{308, 309, 310}
2 When a proprietary software provider goes out of business or terminates
3 service, functionally sound hardware can be left unable to operate, and
4 upgrading closed-system chargers can be cost prohibitive for site hosts.^{311, 312}
5 Given the fluidity of the EV charging market, which has seen the exit of
6 several hardware and software companies in the last two years,^{313, 314, 315} the
7 lack of interoperability requirements for utility-rebated EV charging could
8 leave site hosts and drivers in a difficult position.
9

³⁰⁸ 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/>.

³⁰⁹ 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/>.

³¹⁰ 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/>.

³¹¹ 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/>.

³¹² 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>.

³¹³ 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/>.

³¹⁴ 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>.

³¹⁵ 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 The Company reports that of the 250 rebate applications approved as of February 2026,
2 78 have been issued, resulting in a 31.2 percent completion rate.³¹⁶ The current program
3 offers a rebate of up to \$7,500 for the installation of at least two L2 charging ports on a
4 maximum 100-amp circuit.³¹⁷ Applicants are eligible for an additional rebate of an
5 unstated quantity for installing more than two chargers, but those chargers must not
6 exceed 50 amps or 9.6 kW of power per port.³¹⁸ The installed chargers must be UL-listed
7 and ENERGY STAR certified.³¹⁹ Alternatively, applicants may choose to install at least
8 two NEMA 14-50 outlets on 100 amps of service.³²⁰ Eligibility also requires that
9 applicants are current Consumers Energy commercial electric or combination customers,
10 own or have permission to install charging at the indicated MDU, agree to a separate
11 meter to monitor charging load, and enroll in a commercial TOU rate.³²¹ When at least
12 80 percent of charging occurs outside weekday peak hours of 2 p.m. to 7 p.m., site hosts
13 awarded a rebate are also eligible for a \$20 monthly bill credit for the first 12 months of
14 participation.³²²
15

³¹⁶ 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>, p. 24.

³¹⁷ *Id.*, p. 23.

³¹⁸ *Ibid.*

³¹⁹ *Ibid.*

³²⁰ *Ibid.*

³²¹ *Ibid.*

³²² *Ibid.*

1 The Company indicates that the program has performed exceptionally well, with load
2 from rebated chargers increasing by 290 percent and delivering approximately 158,000
3 kWh from March 2025 to February 2026.³²³ Of this load, more than 87 percent has been
4 delivered during off-peak hours.³²⁴ Since February 2026, 38 of the Company's MDU
5 sites also applied for EGLE's CFCI grant program and 29 have been awarded more than
6 \$1.6 million in EGLE grants and \$540,000 in utility rebates.³²⁵

7
8 **Q. What does the Company propose in terms of MDU rebates?**

9 A. To alleviate these burdens and ensure that MDU residents and property owners have
10 adequate access and support to install EV chargers, the Company proposes to spend \$4.7
11 million to support the installation of nearly 625 L2 chargers at MDU properties across its
12 service territory.³²⁶ It also proposes to sunset its \$20 monthly bill credit, suggesting that
13 the off-peak charging rates achieved from 2024 (72.3 percent) to 2026 (87.3 percent) are
14 indicative of successful charging behavior adjustments resulting from appropriate E&O,
15 TOU rates, and signage.³²⁷

16
17 **Q. Do you support the Company's MDU rebate proposals?**

18 A. In general, I am supportive of the Company's proposed revisions to eliminate the \$20 bill
19 credit incentive. While this credit, for 625 rebated properties, would cost \$75,000 from

³²³ *Id.*, p. 24.

³²⁴ *Id.*, p. 48.

³²⁵ *Ibid.*

³²⁶ *Id.*, p. 67.

³²⁷ *Id.*, p. 34.

1 2027 to 2031, which amounts to less than 2 percent of the total budget, eliminating it
2 would provide relief in the MDU budget to allow for additional, larger rebates to be
3 issued, as suggested below.

4
5 **Q. Do you have any recommendations to improve the Company's MDU rebate**
6 **proposals?**

7 A. Yes, I have some specific recommendations to further strengthen the Company's efforts
8 to engage with MDU property owners and tenants. Specifically, I recommend that the
9 Company consider:

- 10 • *Implementing supplementary tenant guidance* – Program outreach is typically
11 exclusively to building managers and property owners. However, tenants remain an
12 important touchpoint to communicate building occupant interests. As such, it could
13 be beneficial for the Company to have supplementary resources available to tenants
14 who want to approach their rental property management about EV charging. This
15 could also include signage indicating parking spaces that are meant only for actively
16 charging EVs or encouraging tenant off-peak charging behavior.
- 17 • *Clarify communication of rebate stackability* – The Company should ensure that it is
18 clear to MDU customers that they are currently eligible for more than just \$7,500 per
19 2 ports, and that these rebates can be multiplied to install significantly more ports.
20 For example, for 10 rebates worth \$75,000, an MDU property owner would be able
21 to install 20 ports. This creates economies of scale as a higher percentage of
22 construction costs are covered than they would be for a single 2-port rebate applicant.

Promoting the potential for larger projects would likely garner more interest and instill further driver confidence.

- *Establishing a dedicated tariff or submetering rules for EV charging at MDU properties with a single master meter* – 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 MDU properties receive the same financial benefits as homeowners or renters with separate meters. As such, MDU residents would then be able to take advantage of rates more similar to SFH residents, who have more opportunity to enjoy the incentive of charging off peak, thus helping to close a glaring equity gap in charging deployment. Such a rate could:

- o Replicate the existing SFH TOU rate and allow it to apply to a parking lot with a separate meter; or
- o Serve as a specialized TOU tariff designed for separately metered EV charging at MDU residences, like apartments and condominiums. The Potomac Energy Power Company (“Pepco”), for example, implemented its MDU service – plug-in vehicle charging schedule (“MDU-PIV”), which features peak and off-peak pricing to encourage overnight charging, avoids costly commercial demand charges, and offers an opt-in green energy rider.^{328, 329}

³²⁸ 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.

³²⁹ 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 To this end, the Commission should require the Company to convene an external
2 stakeholder working group, bringing together charging providers, MDU property
3 managers, and other industry experts, to discuss appropriate tariffs and incentive
4 mechanisms that effectively balance increased EV adoption among MDU residents
5 with the need to encourage off-peak charging.

- 6 • *Expanding the MDU budget and increasing the rebate target* – To reach more MDU
7 customers in its service territory, I also recommend that the Company expand its
8 MDU budget and increase its rebate target to 3,000 ports and rebate amount to \$5,000
9 per port to support not only a higher cost of the equipment, but also the installation
10 of energy management software that could help better manage load. While these
11 rebates can currently be paired with EGLE’s CFCI grant program funding, the \$10
12 million in EGLE grants available for multifamily housing properties has largely been
13 allocated and applications are now closed.³³⁰ This means that, at least in the near-
14 term, MDU property owners in the Company’s service territory have no additional
15 funding streams to decrease the cost of charger installations. As such, though the
16 Company’s MDU program has been successful so far, a \$7,500 rebate is likely going
17 to prove less meaningful moving forward. To continue to attract MDU customers, the
18 Company should therefore expand its MDU rebate budget to \$15 million and increase
19 the rebate to \$5,000 per port or a flat \$10,000 rebate.

³³⁰ Michigan Department of Environment, Great Lakes, and Energy, “Clean Fuel and Charging Infrastructure Program,” accessed July 23, 2026, available at <https://www.michigan.gov/egle/about/organization/materials-management/energy/rfps-loans/clean-fuel-and-charging-infrastructure-program>.

1 *PowerMIDrive Public: Community Charging Rebate Investment Proposal*

2 **Q. What does the Company propose in terms of public community charging rebates?**

3 A. The Company's Community Charging program aims to reach municipalities and
4 business customers with a public parking lot within one to three walkable blocks from an
5 MDU property to serve as site hosts for local overnight L2 charging.³³¹ This program
6 offers site hosts a rebate of \$7,500, with the opportunity for additional rebates when more
7 charging ports are installed. Possible configurations eligible for the rebate include at least
8 two UL-listed, ENERGY STAR certified L2 charging ports or a bring-your-own-charger
9 option, which allows for the installation of two NEMA 14-50 receptacles rated for
10 outdoor use or at least five 120-volt L1 charging port outlets, on a circuit of no more than
11 100 amps.³³² Eligibility also requires that applicants are current Consumers Energy
12 commercial electric or combination customers, own or have permission to install
13 charging at the indicated public parking lot or curbside location, agree to a separate meter
14 to monitor charging load, and enroll in a commercial TOU rate.³³³

15
16 As of February 2026, the Company reports that it has issued 92 rebates from its
17 Community Charging program, with an additional 20 rebates committed to 12 different
18 site hosts.³³⁴ Delivered energy to these charging stations has reached 360,000 kWh,

³³¹ 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>, p. 25.

³³² *Ibid.*

³³³ *Ibid.*

³³⁴ *Id.*, p. 26.

1 representing a 78 percent increase from March 2025 to February 2026.³³⁵ From March
2 2025 to February 2026, the Company invested \$120,000 in the Community Charging
3 rebates.³³⁶ The Company proposes to invest \$2,625,000 in its Community Charging
4 rebate program to support 350 L2 rebates and \$37,500 to support 5 L1 rebates from 2027
5 to 2031, marking an increase of \$412,500 per TEP year compared to the previous year
6 (March 2025 to February 2026).³³⁷ In a discovery response (Exhibit MEIU-2.8), the
7 Company indicated that the average energization timeline for Community charging
8 projects in its service territory from 2022 to present was roughly 194 days.

9
10 The Company also proposes the following changes to its PowerMIDrive Public
11 Community Charging rebate program:

- 12 • *Increase maximum output per port from 9.6 kW to 11.5 kW for L2 charging* - The
13 Company indicates that this adjustment will better align with newer EV models
14 capable of accepting higher power levels, which would improve the efficiency of
15 drivers' charging experiences while remaining compatible with existing
16 infrastructure;³³⁸
- 17 • *Waive separate metering requirement for applicants with 10 or fewer total parking*
18 *spaces* - The Company indicates that this adjustment would reduce barriers for
19 smaller sites where “the installation of a separately metered service can cost upwards

³³⁵ *Id.*, p. 27.

³³⁶ *Id.*, p. 66.

³³⁷ *Ibid.*

³³⁸ *Id.*, p. 33.

1 of \$15,000,” thereby placing a disproportionate financial burden on prospective site
2 hosts.³³⁹ The Company expects that by reducing this financial burden, participation
3 in the rebate program will improve;³⁴⁰

- 4 • *Remove non-billing meter requirement for primary rate customers* - The Company
5 indicates that primary rate customer participants in its public L2 rebate programs are
6 already largely charging during off-peak hours, thus rendering the insight from the
7 non-billing meter inconsequential.³⁴¹ Reducing the unnecessary upfront costs and
8 eliminating the ongoing maintenance costs associated with the non-billing meter
9 should improve program participation;³⁴² and

- 10 • *Utilize the Low-Income Population indicator within EGLE’s MiEJScreen tool* - The
11 Company indicates that use of this indicator would allow it to “more directly identify
12 communities where more than 50% of residents live at or below 200% of the Federal
13 Poverty Level,”³⁴³ making it easier to identify those communities with greater
14 economic need to participate in the Company’s rebate programs.

15
16 **Q. Do you support the Company’s community charging rebate proposals?**

17 A. I strongly support the continuation of this rebate program and the Company’s proposed
18 changes. However, as detailed above, to reach more community charging customers in

³³⁹ *Id.*, pp. 33-34.

³⁴⁰ *Id.*, p. 34.

³⁴¹ *Ibid.*

³⁴² *Ibid.*

³⁴³ *Id.*, pp. 34-35.

1 its service territory, I also recommend that the Company expand its community charging
2 rebate budget and increase its rebate target to 2025 TEP target levels or to 1,250 L2 ports
3 and 75 L1 ports. Subsequently, the rebate amount per L2 port should be increased to
4 \$5,000 per L2 port to support not only a higher cost of the equipment, but also the
5 installation of energy management software that could help better manage load. I believe,
6 however, that the per L1 port rebate of \$1,500 is sufficient. These adjustments would
7 result in a community charging L2 rebate budget of \$6,250,000 and an L1 rebate budget
8 of \$150,000, thus leading to a total budget increase of \$3,737,500 over the TEP period.

9
10 *PowerMIDrive Public: Overnight Destination Charging Rebate Investment Proposal*

11 **Q. What does the Company propose in terms of overnight destination charging**
12 **rebates?**

13 A. The Company's Overnight Destination Charging program aims to reach destinations
14 frequented by local and out-of-state tourists, and where visitors often park for extended
15 hours, such as "hotels, motels, campgrounds, and long-term airport parking."³⁴⁴ This
16 program offers site hosts where visitors are likely to park for extended hours a rebate of
17 \$7,500, with the opportunity for additional rebates when they install more charging ports.
18 Possible configurations eligible for the rebate include at least two UL-listed, ENERGY
19 STAR certified L2 charging ports or at least five 120-volt L1 charging port outlets, on a
20 circuit of no more than 100 amps.³⁴⁵ Eligibility also requires that applicants are current
21 Consumers Energy commercial electric or combination customers, agree to a separate

³⁴⁴ *Id.*, p. 27.

³⁴⁵ *Ibid.*

1 meter to monitor charging load, enroll in a commercial TOU rate, and agree to post
2 signage provided by the Company to indicate charging EV-only parking spaces.³⁴⁶

3
4 As of February 2026, the Company reports the issuance of 163 rebates from its Overnight
5 Destination Charging program, with an additional 138 rebates committed to more than
6 50 different site hosts.³⁴⁷ Delivered energy to these charging stations has reached nearly
7 400,000 kWh, representing a 75 percent increase from March 2025 to February 2026.³⁴⁸
8 From March 2025 to February 2026, the Company invested \$357,734 in the Overnight
9 Destination Charging rebates.³⁴⁹ The Company proposes to invest \$4,612,500 in its
10 Overnight Destination Charging rebate program to support 615 L2 rebates and \$37,500
11 to support 5 L1 rebates from 2027 to 2031, marking an increase of over \$572,000 per
12 TEP year compared to the previous year (March 2025 to February 2026).³⁵⁰ In a
13 discovery response (Exhibit MEIU-2.8), the Company indicated that the average
14 energization timeline for overnight destination charging projects in its service territory
15 from 2022 to present was roughly 179 days.

16
17 The Company proposes the same changes to its PowerMIDrive Public Overnight
18 Destination Charging rebate program as it proposes to its Community Charging rebate
19 program, including to increase the maximum output per port, waive separate metering

³⁴⁶ *Ibid.*

³⁴⁷ *Id.*, p. 28.

³⁴⁸ *Id.*, p. 27.

³⁴⁹ *Id.*, p. 66.

³⁵⁰ *Ibid.*

requirements for smaller parking lots, remove the additional meter requirement for primary customers, and utilize the low-income population indicator within EGLE's MiEJScreen tool.

Q. Do you support the Company's overnight destination charging rebate proposals?

A. I strongly support the continuation of this rebate program and the Company's proposed changes. However, as detailed above, to reach more overnight destination charging customers in its service territory, I also recommend that the Company expand its community charging rebate budget and increase its rebate target to 2025 TEP target levels or to 2,500 L2 ports and 75 L1 ports. Subsequently, the rebate amount per L2 port should be increased to \$5,000 per L2 port to support not only a higher cost of the equipment, but also the installation of energy management software that could help better manage load. I believe, however, that the per L1 port rebate of \$1,500 is sufficient. These adjustments would result in a community charging L2 rebate budget of \$12,500,000 and an L1 rebate budget of \$150,000, thus leading to a total budget increase of \$8,000,000 over the TEP period.

PowerMIDrive Public: Workplace Charging Rebate Investment Proposal

Q. What does the Company propose in terms of workplace charging rebates?

A. The Company's Workplace Charging program aims to deploy L2 chargers at workplaces for employee use.³⁵¹ This program offers site hosts a rebate of \$7,500 for the installation

³⁵¹ *Id.*, p. 29.

1 of at least two L2 charging ports.³⁵² To aid charging access, businesses can also
2 participate in the Enhanced Workplace Charging rebate program if the business location
3 is adjacent (within one to three walkable blocks) to neighborhoods or MDU properties
4 with the opportunity for additional rebates when they install more charging ports.³⁵³
5 Participants in the enhanced rebate program can receive from \$7,500 up to \$10,000 for
6 the installation of at least two L2 charging ports.³⁵⁴ The two L2 charging ports must be
7 UL-listed and ENERGY STAR certified on a circuit of no more than 100 amps.³⁵⁵
8 Eligibility also requires that applicants are current Consumers Energy commercial
9 electric or combination customers, agree to a separate meter to monitor charging load,
10 enroll in a commercial TOU rate, and agree to post signage provided by the Company to
11 indicate charging EV-only parking spaces.³⁵⁶

12
13 From March 2025 to February 2026, the Company reports the issuance of 38 rebates
14 from its Workplace Charging program, of which 10 awards participated in the Enhanced
15 Workplace Charging program.³⁵⁷ Delivered energy to these charging stations has reached
16 nearly 642,000 kWh, representing 2.5 percent of L2 load, the largest energy consumption
17 among the Company's public L2 programs.³⁵⁸ From March 2025 to February 2026, the

³⁵² *Ibid.*

³⁵³ *Ibid.*

³⁵⁴ *Ibid.*

³⁵⁵ *Id.*, p. 30.

³⁵⁶ *Ibid.*

³⁵⁷ *Ibid.*

³⁵⁸ *Ibid.*

1 Company invested \$316,595 in the Workplace Charging rebates.³⁵⁹ The Company
2 proposes to invest \$3,225,000 in its standard Workplace Charging rebate program to
3 support 430 L2 rebates and \$250,000 in its proposed Enhanced Workplace Charging
4 rebate program to support 25 L2 rebates from 2027 to 2031, marking an increase of over
5 \$378,000 per TEP year compared to the previous year (March 2025 to February 2026).³⁶⁰
6 In a discovery response (Exhibit MEIU-2.8), the Company indicated that the average
7 energization timeline for workplace charging projects in its service territory from 2022
8 to present was roughly 131 days.

9
10 The Company again proposes the same changes to its PowerMIDrive Public Workplace
11 Charging rebate program as it proposes for its Community Charging and Overnight
12 Destination Charging programs, including to increase the maximum output per port,
13 waive separate metering requirements for smaller parking lots, remove the additional
14 meter requirement for primary customers, and utilize the low-income population
15 indicator within EGLE's MiEJScreen tool.

16
17 **Q. Do you support the Company's workplace charging rebate proposals?**

18 A. I strongly support the continuation of this rebate program and recommend expanding
19 upon the Company's proposed budget, which would allow the Company to reach more
20 prospective site hosts that fit the stated criteria. I also strongly support the Company's
21 workplace and community charger bonus rebate opportunity of \$10,000, which is an

³⁵⁹ *Id.*, p. 66.

³⁶⁰ *Ibid.*

1 excellent innovation to increase utilization and reach underserved areas gain charging
2 confidence. In fact, given that more than one in four workplace host sites have also agreed
3 to serve as community charging locations,³⁶¹ I believe that the Company should prioritize
4 promoting this rebate opportunity.

5
6 **Q. Do you have additional recommendations with respect to the Company's workplace**
7 **charging rebate proposals?**

8 A. Yes. Unless there are fees or signage in place, workplace charging is likely to have EVs
9 plugged in during the peak hours of the day. As such, the workplace setting represents
10 an ideal location to begin incentivizing bidirectional chargers at a higher rebate value
11 than the \$7,500. This will prepare the Company for future demand response events and
12 peak cost mitigation. Therefore, the Commission should require the Company to address,
13 propose, and launch bidirectional pilot opportunities like this in its 2027 TEP Annual
14 Progress Report in preparation for launching such a program in its next TEP, expected to
15 be filed no later than July 1, 2028.

16
17 *PowerMIFleet Rebate Investment Proposal*

18 **Q. What does the Company propose in terms of fleet charging rebates?**

19 A. Fleet EV charger rebates primarily target two major sub-segments - public transit and
20 school bus electrification - for L2 charging ports up to 240 volts and long-duration DC
21 ports of up to 50 kW.³⁶² This program offers site hosts a rebate of up to \$7,500 per two

³⁶¹ *Id.*, p. 30.

³⁶² *Id.*, p. 35.

1 UL-listed, ENERGY STAR certified L2 charging ports on 100 amps of service and up
2 to \$15,000 per long-duration DC port.³⁶³ Eligibility requires that applicants are current
3 Consumers Energy commercial electric or combination customers, own or lease the site
4 where chargers will be located, own or lease and operate at least one EV, agree to a
5 separate meter to monitor charging load, and enroll in a commercial TOU rate.³⁶⁴ The
6 program offers complementary fleet assessments to overcome critical technical barriers
7 associated with fleet electrification.³⁶⁵

8
9 From March 2025 to February 2026, the Company awarded 15 L2 fleet rebates, leading
10 to the deployment of 17 fleet EVs across the Company's service territory.³⁶⁶ Since
11 February 2026, the number of rebates awarded has increased by 320 percent, leading to
12 the deployment of 78 L2 rebates and 21 long-duration DC rebates.³⁶⁷ The Company
13 points to delays in MDE's Clean School Bus Grant program, which announced the
14 allocation of nearly \$44 million to Michigan school districts across the state,³⁶⁸ as an
15 explanation for why its fleet program lagged in program participation up to early 2026.³⁶⁹

³⁶³ *Ibid.*

³⁶⁴ *Ibid.*

³⁶⁵ *Id.*, pp. 35-36.

³⁶⁶ *Id.*, p. 36.

³⁶⁷ *Ibid.*

³⁶⁸ *Id.*, p. 48.

³⁶⁹ *Id.*, p. 36.

1 The Company indicates that average energization for fleet projects across its service
2 territory is approximately 8 months.³⁷⁰

3
4 Additionally, the Company offers enhanced vehicle rebates for fleets serving income-
5 qualified customers.³⁷¹ In the Company's 2024 general electric rate case (Case No. U-
6 21585), the Commission approved the Company's proposed budget of \$3 million, which
7 the Company had pulled from unused dollars set aside for fleet make-ready
8 investments.³⁷² Of the 20 nonprofit organizations and potential candidates for this
9 funding, five have received rebates.³⁷³

10
11 The Company proposes the following changes to its PowerMIFleet rebate program:

- 12 • *Waive separate metering requirement for primary rate customers* - The Company
13 indicates that primary rate customers are already incentivized to shift load off peak,
14 suggesting that the separate meter serves as an inconsequential purpose at a great
15 expense to the Company and customer.³⁷⁴ Eliminating it would drive down costs to
16 the customer and enable the Company to reach more prospective participants, thus
17 driving stronger program participation;³⁷⁵

³⁷⁰ *Ibid.*

³⁷¹ *Id.*, p. 37.

³⁷² *Ibid.*

³⁷³ *Ibid.*

³⁷⁴ *Id.*, p. 39.

³⁷⁵ *Ibid.*

- 1 ● *Offer enhanced rebates of up to \$100,000 for eligible businesses looking to electrify*
2 *at least 20 fleet vehicles* - By expanding this rebate offering, the Company hopes to
3 attract larger fleets to participate in the program.³⁷⁶ This would ensure that these fleet
4 customers would be encouraged to charge during off-peak hours.³⁷⁷ The Company
5 suggests that the enhanced program can be supported through its existing budget;³⁷⁸
6 and
7 ● *Continue offering income-qualified enhanced rebates for nonprofit organizations* -
8 The Company proposes to formalize the approach approved in its 2024 general
9 electric rate case (Case No. U-21585), in which the Commission allowed the
10 Company to redirect approved make-ready funding for fleets to support the purchase
11 of EVSE and light-duty fleet vehicles, as well as cargo and transit vans.³⁷⁹ In a
12 discovery response (Exhibit MEIU-2.8), the Company indicated that it is proposing
13 a budget of \$500,000 per year, or \$2.5 million from 2027-2031, to support
14 approximately 50 nonprofit organizations over the course of the TEP. This marks a
15 \$500,000 decline in support of this enhanced, income-qualified fleet vehicle rebate
16 for nonprofit organizations. The Company indicates that, if approved, it would
17 develop a formal application and selection process later in 2026.³⁸⁰

³⁷⁶ *Ibid.*

³⁷⁷ *Ibid.*

³⁷⁸ *Ibid.*

³⁷⁹ *Ibid.*

³⁸⁰ *Ibid.*

1 From March 2025 to February 2026, the Company invested \$90,000 to support the
2 issuance of long-duration DC rebates, \$153,750 to support the issuance of fleet L2
3 rebates, and \$2,116,393 to support the issuance of income-qualified enhanced rebates.³⁸¹

4 The Company proposes to invest \$825,000 to support the issuance of long-duration DC
5 rebates, \$3,150,000 to support the issuance of fleet L2 rebates, and \$2,500,000 to support
6 the issuance of income-qualified enhanced rebates from 2027 to 2031.³⁸²

7
8 **Q. Do you support the Company’s fleet charging rebate proposals?**

9 A. I strongly support the Company’s proposed revisions to waive the separate metering
10 requirement for primary rate customers and to continue offering income-qualified rebates
11 to nonprofit entities.

12
13 **Q. Do you have concerns or additional recommendations with respect to the**
14 **Company’s fleet charging rebate proposals?**

15 A. In concept, I also support the Company’s proposal to offer enhanced rebates to larger
16 fleet customers. However, I question the usefulness of this proposal and am concerned
17 that imposing such a stringent criterion (i.e., that fleet operators electrify at least 20
18 vehicles to qualify) could lead to underwhelming customer engagement. According to a
19 discovery response (Exhibit MEIU-2.9), the Company indicates that it established this
20 vehicle threshold by determining “how many vehicles the Company believed would add
21 roughly 500 MWh of added load” to incentivize growth in areas of the grid “where

³⁸¹ *Id.*, p. 66.

³⁸² *Ibid.*

1 existing infrastructure is not being fully used during most hours.”³⁸³ While there is some
2 merit to this rationale, and this threshold could better maximize the use of available grid
3 capacity, the Company could also accomplish this by engaging with multiple smaller
4 fleets in a local area. Such a process would take advantage of the natural peer effects of
5 EV ownership,^{384, 385} thereby enabling vehicle electrification across a greater breadth of
6 customers.

7
8 The Company also assumes that these rebates are the most appropriate incentive to entice
9 larger customers. However, larger fleets have electrification plans based on the clear
10 economics of cost per mile delivery and company-wide goals that they are trying to meet,
11 whereas smaller fleets often require more guidance throughout the electrification process.
12 Both are critical customers, but the approaches to engage with them are likely very
13 different. For example, the \$100,000 rebate is hardly going to have an impact on a fleet
14 that might be replacing 10 percent of its vehicles in a single year. Motivated by the
15 opportunity to use new equipment as quickly as possible, larger fleet operators may be
16 more interested in a utility’s contribution in aid of construction (“CIAC”) policies or
17 assurances that the utility has ample supply of transformers to ensure that the energization
18 timeline for their stations is kept to a minimum.

19

³⁸³ Exhibit MEIU-2.10.

³⁸⁴ Bartlett, J.S., “More Americans Would Buy an Electric Vehicle, and Some Consumers Would Use Low-Carbon Fuels, Survey Shows,” *Consumer Reports*, July 7, 2022, available at <https://www.consumerreports.org/cars/hybrids-evs/interest-in-electric-vehicles-and-low-carbon-fuels-survey-a8457332578/>.

³⁸⁵ Zukowski, D., “EV adoption is higher where consumers see more electric vehicles, studies show,” *Smart Cities Dive*, July 8, 2022, available at <https://www.smartcitiesdive.com/news/electric-vehicle-EV-influencer-buy/626795/>.

1 Conversely, operators of small and medium-sized fleets of less than 20 vehicles would
2 likely find such a rebate opportunity quite attractive, as the capital investment required
3 to cover the cost of multiple vehicles and charging ports can be cost prohibitive.
4 Adjusting the rebate to a lower quantity per vehicle being electrified, thus resulting in
5 more ports being installed, would therefore unlock economies of scale and vastly
6 improve the business case for operators of small or medium-sized fleets electrifying
7 multiple vehicles. As such, I encourage the Company to develop a tiered rebate structure
8 open to fleet operators of a wider variety of sizes with all criteria clearly stated for
9 prospective participants. Furthermore, I strongly urge the Company, instead, to offer up
10 to 10 rebates of \$10,000 per vehicle being electrified to cover a larger portion of the
11 construction costs for charging installations. These adjustments will alleviate burdens
12 associated with fleet electrification, such as higher installation costs and the loss of
13 critical federal and state funding streams, while ensuring that funding remains flexible to
14 reach a wider variety of participants.

15
16 Additionally, I also recommend that the Company expand its PowerMIFleet budget and
17 develop a tiered rebate structure for its long-duration DC to make the program more
18 attractive to prospective fleet customers and allow program flexibility. DTE made such
19 a proposal in its 2026 TEP, wherein it recommended the development of a tiered rebate
20 based on the kW output capacity of each port, recommending a rebate of \$17,000 per
21 port for long-duration DC with a 24 kW output capacity, \$26,000 for long-duration DC
22 with a 50 kW output capacity, \$36,000 for long-duration DC with a 62.5 kW output
23 capacity, \$46,000 for long-duration DC with a 100 kW output capacity, and \$100,000 for

1 long-duration DC with a 150 kW output capacity.³⁸⁶ If the Company were to develop a
2 similarly tiered rebate structure for its fleet long-duration DC offering, to remain current
3 with the available technology, the Company could eliminate the 62.5 kW tier, which is
4 no longer common, and create a new tier of \$150,000 for output capacity of 200 kW or
5 more and allow and advertise that rebates can be applied to bidirectional charging. To
6 continue to attract and meet the evolving needs of a wider variety of fleet customers, the
7 Company should therefore consider establishing a tiered rebate, open to and encouraging
8 bidirectional chargers, ranging from \$17,000 to \$150,000 to account for varying kW
9 output capacities.

10
11 Furthermore, in support of the Company's non-profit vehicle rebate opportunity, I
12 recommend that the Company incorporate a driver education program into its
13 PowerMIFleet E&O efforts to ensure that non-profits feel comfortable making the
14 transition from ICE to EV. This will also expose more non-profit employees and
15 community members to EVs, capitalizing on word of mouth to spread awareness about
16 the technology.

17
18 Finally, recognizing that anticipated funding streams and new market forces could have
19 a balancing effect on fleet electrification in the Company's service territory, I caution the
20 Company from being overly conservative in its rebate forecasts for the 2027-2031 TEP.
21 To meet this growing demand, the Company should double the number of its targeted
22 long-duration DC rebate deployments from 55 to 110. Assuming the implementation of

³⁸⁶ 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>, p. 52.

1 a tiered rebate structure, as discussed above, the Company should expand its total
2 PowerMIFleet rebate budget to \$7 million by adding about \$3 million to the fleet long-
3 duration DC budget.

4
5 *DCFC Pilot Rebate Investment Proposal*

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

7 A. The Company indicates that 24 of the 137 DCFC projects under the previous DCFC pilot
8 also received funds from the federal NEVI program.³⁸⁷ The previous pilot offered
9 \$40,000 per site for make-ready funding to support utility side of the meter upgrades and
10 was designed to deploy infrastructure that supported at least twice the NEVI-required
11 aggregated load of 150 kW per site.³⁸⁸ As of February 2026, the Company reports that
12 117 of the 137 rebated sites from this first pilot phase are operational; 15 of the remaining
13 20 are NEVI-supported sites.³⁸⁹ From March 2025 to February 2026, Consumers
14 indicates that “more than 9 million kWh of energy were delivered through DCFC
15 [rebated] ports,” representing 75.5 percent of all charging load in the Company’s service
16 territory.³⁹⁰

17
18 In its 2025 general electric rate case (Case No. U-21870), the Company proposed
19 adjustments to its DCFC pilot and was authorized to offer rebates up to \$50,000 per

³⁸⁷ 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>, p. 41.

³⁸⁸ *Ibid.*

³⁸⁹ *Ibid.*

³⁹⁰ *Id.*, pp. 41-42.

1 DCFC port for chargers rated 150 kW or more.³⁹¹ To ensure DCFC are deployed
2 spanning a broader geographic reach, the Company limited rebates to communities with
3 fewer than four 150 kW DCFC ports.³⁹² The Company also indicated that sites would
4 also be required to meet a variety of accessibility and operational requirements.³⁹³ These
5 criteria and other mechanisms of site evaluation, as well as a map of eligible
6 communities, will be published by the end of 2026.³⁹⁴ This pilot program will remain
7 available for up to seven years or until funds are fully deployed.³⁹⁵

8
9 From March 2025 to February 2026, the Company invested \$2,100,000 to support the
10 issuance of DCFC rebates across its service territory.³⁹⁶ The Company proposes to invest
11 \$12,500,000 to support the issuance of 250 DCFC rebates from 2027 to 2031, marking
12 an increase of over \$400,000 per TEP year compared to the previous year (March 2025
13 to February 2026).³⁹⁷

14
15 In a discovery response (Exhibit MEIU-2.8), the Company indicated that the average
16 energization timeline for DCFC projects in its service territory from 2022 to present was

³⁹¹ *Id.*, p. 42.

³⁹² *Ibid.*

³⁹³ *Ibid.*

³⁹⁴ *Id.*, pp. 42-43.

³⁹⁵ *Id.*, p. 42.

³⁹⁶ *Id.*, p. 66.

³⁹⁷ *Ibid.*

1 roughly 467 days. However, it also indicated that energization timelines for DCFC
2 projects in its service territory vary, often due to customer errors in the application
3 process and challenges with executing easements, particularly when contingent upon
4 third-party landowner approval.³⁹⁸ The Company also points to long lead times for
5 critical equipment and materials, such as distribution transformers, which currently face
6 lead times of 18 months or more.³⁹⁹ To address this challenge, the Company's EV team
7 works closely with its Supply Chain team to proactively procure transformers in advance
8 of confirmed site energization to reduce project lags.⁴⁰⁰

9
10 **Q. How does the subscription rate to the public on-route DCFC rebate program**
11 **compare to the Company's other rebate segments?**

12 A. During the previous TEP period (2024-2027), the current public DCFC rebates accounted
13 for approximately 46.8 percent of the total TEP rebate investment budget.⁴⁰¹ In discovery
14 responses, the Company indicated that for the same period, the Company received 653
15 applications (Exhibit MEIU-2.8) requesting approximately \$25.6 million for public on-
16 route DCFC installations (Exhibit MEIU-2.8). As such, of the \$42.7 million requested
17 across all rebate segments over the same time period, public on-route DCFCs account for
18 approximately 58.7 percent of the total requested rebate amounts (Exhibit MEIU-2.8).

³⁹⁸ *Id.*, p. 62.

³⁹⁹ *Id.*, p. 63.

⁴⁰⁰ *Ibid.*

⁴⁰¹ Exhibit MEIU-2.8.

1

2 **Q. Do you support the Company’s public DCFC rebate proposal?**

3 A. Yes, given the critical role that public charging has in enabling equitable EV adoption,⁴⁰²,
4 ^{403, 404, 405} I strongly support the Company’s proposal to maintain its current public DCFC
5 rebate pilot.

6

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

9 A. Yes. I urge the Company to consider a tiered rebate structure similar to that proposed in
10 DTE’s 2026 TEP for its public on-route DCFC rebates, which offers applicants in DAC
11 and rural areas a \$70,000 per port rebate and \$50,000 per port for applicants in non-DAC,
12 non-rural areas.⁴⁰⁶ In its 2025 general electric rate case (Case No. U-21870), the
13 Company noted that “the median and average costs of a 150 kW DCFC construction

⁴⁰² Osaka, S., “For each public charger, here’s how many EVs are looking to plug in,” *The Washington Post*, May 2024, available at <https://www.washingtonpost.com/climate-solutions/2024/05/20/charging-stations-lag-ev-sales/>.

⁴⁰³ 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.>

⁴⁰⁴ 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>.

⁴⁰⁵ 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>.

⁴⁰⁶ 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>, p. 48.

1 project range between approximately \$200,000 and \$237,000.”⁴⁰⁷ Under previous
2 conditions where the applicant could access the 30C tax credit, the Company’s \$50,000
3 DCFC rebate would cover about one-third of the total project costs, or the entirety of the
4 make-ready costs, for a two-port DCFC installation.”⁴⁰⁸ However, based on the
5 Company’s 2025 cost assumptions, the make-ready cost per DCFC port would increase
6 to between \$75,000 and \$93,500 without the tax credit. This cost increase has made it
7 more difficult to establish a workable business case for DCFC investments, especially in
8 rural and seasonal travel communities where charging is most needed. If the goal is to
9 deploy funds efficiently and prioritize communities currently lacking DCFC, it may be
10 necessary to increase the rebate amount. As such, the Company should propose to
11 increase the DCFC rebate amount to up to \$70,000 per port, at least for DAC and rural
12 communities.⁴⁰⁹

13
14 This recommended budget increase is strongly supported by the overwhelmingly positive
15 projected benefits to ratepayers of the Company’s TEP programs presented in the
16 Company’s BCA. Furthermore, beyond mobility, public DCFC also creates economic
17 opportunities. For example, drivers typically spend time on-site while charging,

⁴⁰⁷ Direct Testimony of Jeffrey A. Myrom on behalf of Consumers Energy, Case No. U-21870, June 2, 2025, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000s6UQyAAM>, p. 13.

⁴⁰⁸ *Ibid.*

⁴⁰⁹ The Company estimates that the cost of a two-port DCFC installation is roughly between \$140,000 and \$166,000, after factoring in the 30C tax credit. As such, the cost per port with the 30C tax credit is \$70,000-83,000. Without the tax credit, however, the cost of a two-port DCFC installation remains the same as the Company’s pre-tax credit estimate of \$200,000-\$237,000. As such the cost per port increases to between \$75,000 and \$93,500, a difference of between \$5,000 and 10,500. Assuming the maximum cost per port, increasing the Company’s public DCFC rebate by \$20,000 would then roughly cover the cost increase of two port.

1 increasing foot traffic and boosting local business revenue by 3-5 percent for nearby
2 retailers, restaurants, and service businesses.^{410, 411} DCFC also support ride share drivers
3 and MDU residents who lack access to at-home charging.

4
5 **Q. Please summarize your recommendations on the TEP rebates.**

6 A. With respect to the Company's proposed TEP rebate program adjustments, I recommend
7 that the Commission:

- 8 • Require the Company to increase funding to its TEP programs, for example by
9 reverting to the 2025 TEP budget to ensure that the Company does not risk falling
10 behind on load management and failing to effectively pace EV charging
11 infrastructure deployment with EV adoption in the Company's service territory;
- 12 • Approve the Company's SFH EV charging rebate proposal and require the Company
13 to increase the rebate levels of its residential program to better cover the costs of an
14 L2 charger and its installation costs, and consider a multi-tiered rebate structure for
15 LI, middle-income, and non-LI customers to make the rebate offering more attractive
16 to a wider range of customers;
- 17 • Require the Company to develop a bidirectional rebate offer for bidirectional charger
18 installations for SFH, workplace, and fleet applications no later than the Company's
19 2027 Annual Progress Report;

⁴¹⁰ 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/.

⁴¹¹ 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>.

- 1 • Approve the Company’s MDU EV charging rebate proposal and require the
2 Company to implement supplementary tenant guidance, strengthen engagement with
3 apartment and condominium associations, and establish a dedicated tariff or
4 submetering rules for EVs charging at MUD properties with a single master meter;
- 5 • Require the Company to increase the MDU rebate target to 2,000 ports and the rebate
6 amount to \$5,000 per port to support not only a larger cost of the equipment, but also
7 the installation and energy management software that could help better manage load;
- 8 • Approve adjustments to the Company’s current PowerMIDrive Community
9 Charging rebate program, as proposed;
- 10 • Approve adjustments to the Company’s current PowerMIDrive Overnight
11 Destination Charging rebate program, as proposed;
- 12 • Approve adjustments to the Company’s current PowerMIDrive Workplace Charging
13 rebate program, as proposed;
- 14 • Approve the Company’s proposal to waive the separate metering requirement for
15 PowerMIFleet customers;
- 16 • Require the Company to incorporate driver education into PowerMIFleet advisory
17 services for non-profit fleet vehicle rebate opportunity;
- 18 • Require the Company to establish a tiered long-duration DC rebate structure for fleets
19 participating in the standard rebate program to attract more customers and allow
20 greater program flexibility;
- 21 • Require the Company to establish a tiered rebate structure for fleets participating in
22 the enhanced rebate program such that small- and medium-size fleets are not
23 excluded simply due to the number of vehicles being electrified; and

- Require the Company to offer a tiered rebate structure for public DCFC stations 150 kW or more of \$70,000 per port for chargers located in DAC and/or rural areas, and \$50,000 per port for chargers located in non-DAC, non-rural areas.

F. MANAGED CHARGING AND V2G PILOT PROGRAMS

Managed Charging Pilot

Q. Please describe the Company's current managed charging efforts.

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.⁴¹² The Company's managed charging portfolio, however, largely focuses on passive managed charging (primarily through TOU rates and customer education).⁴¹³ The Company also points to a partnership with Rhythmos, or ElectronGrid, Inc., with which it is working

on a Real-World Deployment Grant awarded by the Michigan Economic Development Corporation (MEDC) through the Michigan Mobility Funding Platform for the development of mobility technologies. Through this grant, Electron and Consumers Energy have been collaborating to further investigate solutions for proactively and precisely managing customer EV charging loads within the available capacity of existing distribution assets, including service transformers and upstream distribution infrastructure. The core objective of this pilot is to integrate precision grid-edge load capacity awareness with existing EV managed charging programs to support longer-term EV customer program development and distribution system planning. This approach is intended to position Consumers Energy to defer or avoid the need for residential distribution system upgrades while

⁴¹² 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>, p. 8.

⁴¹³ 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>.

1 maintaining high levels of customer reliability, even as EV adoption
2 continues to increase.⁴¹⁴
3

4 Unfortunately, Company witness Gast does not provide any further details regarding the
5 partnership with Rhythmos/ElectronGrid, what the Company hopes to learn from it, and
6 how it will work to enable the development of more robust managed charging or V2G
7 pilot programs.
8

9 **Q. Do you have any concerns about the Company's existing managed charging efforts?**

10 A. Yes. While the Company's passive managed charging efforts should be applauded, in its
11 2024 (Case No. 21585) and 2025 (Case No. 21870) general electric rate cases, Company
12 witness Jeffrey Myrom indicated that TOU rates alone are not sufficient in the long term
13 to optimize off-peak charging and that, consequently, TEP programming must focus on
14 optimizing EV load.^{415, 416} As discussed above, the Company does not elaborate in the
15 current TEP or in testimony, nor has the Company, to my knowledge, collected any
16 stakeholder input regarding how it plans to develop a stronger managed charging pilot.
17 As such, I am concerned that, absent stakeholder engagement and industry expertise,
18 Consumers will experience similar pitfalls to DTE and its Smart Charge pilot, which has

⁴¹⁴ *Id.*, p. 49.

⁴¹⁵ Direct Testimony of Jeffrey A. Myrom on behalf of Consumers Energy Company, Case No. U-21585, May 31, 2024, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000s6UQyAAM>, p. 6.

⁴¹⁶ Direct Testimony of Jeffrey A. Myrom on behalf of Consumers Energy Company, Case No. U-21870, June 2, 2025, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000s6UQyAAM>, pp. 10-11.

1 seen poor customer participation and a number of called events too small to effectively
2 evaluate customer behavior.⁴¹⁷

3
4 **Q. Are there any key markers of a strong managed charging pilot?**

5 A. Yes. A recent report from the Smart Electric Power Alliance and Vehicle-Grid
6 Integration Council (“VGIC”) notes that small demonstrations cannot adequately capture
7 peak impacts or customer behavior to inform the cost effectiveness of future programs at
8 scale.⁴¹⁸ In fact, to make a managed charging program successful, Auto Innovators notes
9 that setting the right goals and opening the program to a large enough set of participants,
10 and establishing meaningful, publicly available reporting requirements, are critical to
11 maximizing grid benefits and ensuring program cost-effectiveness.⁴¹⁹

12
13 Furthermore, it is often much easier to train new EV adopters on managed charging at
14 the time of purchase, rather than waiting to enroll them at a later date, because it helps
15 establish default habits.⁴²⁰ As such, it would be useful to study several events under
16 various conditions, including bidirectional charging for load shedding, and leverage a

⁴¹⁷ Direct Testimony of Sophia Schuster on behalf of The Michigan Energy Innovation Business Council and Institute for Energy Innovation, Case No. U-22070, August 26, 2026, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00002PNEqvAAH>, pp. 45-48.

⁴¹⁸ 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>.

⁴¹⁹ *Id.*, pp. 2-5.

⁴²⁰ 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 variety of partnerships, including managed charging software firms, automakers, and car
2 dealerships, prior to arriving at any conclusions. This would allow the Company to better
3 understand the value of a pilot and the most impactful customer engagement methods to
4 maximize participation, creating a stronger evidence base for long-term program
5 integration.

6
7 **Q. What are the benefits of active managed charging?**

8 A. Active managed charging represents a significant opportunity to capitalize on all the
9 benefits that EVs have to offer, and pilots across the country have shown great promise.
10 In fact, a 2024 United States Department of Energy study of five states’ (California,
11 Illinois, New York, Oklahoma, and Pennsylvania) EV charging infrastructure and
12 associated distribution system upgrade requirements found that the cost savings from
13 optimized EV charging through managed charging can decrease needed incremental
14 distribution grid investments by 30 percent.⁴²¹ According to a 2026 study by the Brattle
15 Group, an evaluation of an active managed charging program in the State of Washington
16 showed that active management can “[improve] utilization of the existing grid in EV
17 adoption hotspots and reduce[] distribution grid costs by up to \$230 per EV per year in
18 the long run,”⁴²² and that it can even “allow distribution grid assets to host 1.3 to 3.2

⁴²¹ 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>.

⁴²² 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, available at <https://www.brattle.com/wp-content/uploads/2026/01/Demonstrating-the-Full-Value-of-Managed-Electric-Vehicle-Charging-1.pdf>, p. 8.

1 times more EVs”⁴²³ than they could absent managed charging. Depending on the existing
2 grid conditions, this could defer grid upgrades by up to 10 years even in areas facing
3 existing EV-related capacity constraints.⁴²⁴ Consequently, enabling robust and
4 meaningful managed programs would likely allow all ratepayers in the Company’s
5 service territory to realize the benefits associated with its TEP programs more efficiently
6 than currently projected.

7
8 **Q. Did MEIU submit comments in the 2026 TEP docket (Case No. U-21538) with**
9 **respect to the Company's managed charging efforts?**

10 A. Yes. MEIU’s (represented as Michigan EIBC/United in Case No. U-21538) comments
11 in the TEP docket are included as Exhibit MEIU-2.2. The discussion above is reflective
12 of the arguments made by Michigan EIBC/United in the TEP docket.

13
14 **Q. Did other parties file comments in the TEP docket (Case No. U-21538) with respect**
15 **to the Company's managed charging efforts?**

16 A. Yes. Auto Innovators also submitted comments in the TEP docket (Exhibit MEIU-2.5).
17 Like Michigan EIBC/United, Auto Innovators also pointed to studies across the country
18 that have proven the benefits of 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
21 transformer upgrades an average of 9.1 years, totaling \$75 million in
22 annual deferred investments.
- 23 • The Brattle Group and ev.energy found that optimized charging can
24 avoid up to \$575 in ratepayer costs annually per EV.

⁴²³ *Id.*, p. 7.

⁴²⁴ *Ibid.*

- 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.
- 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.
- 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.
- 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.
- Argonne National Lab and Smart Electric Power Alliance estimated roughly \$300/year per EV in deferred transformer and feeder upgrades.⁴²⁵

Q. What did Auto Innovators recommend with respect to the Company’s managed charging efforts?

A. In its 2026 TEP comments, Auto Innovators encouraged the Company to develop an optimized charging program that prioritizes the use of time-varying signals reflective of real-time and expected grid conditions to maximize driver, utility, and ratepayer savings.⁴²⁶ Auto Innovators also highlights the importance of establishing meaningful enrollment milestones that will allow the Company to better assess the program at scale, and encourages the Commission to “prohibit Consumers Energy from capping enrollment, which risks consumer frustration and losing out on more program

⁴²⁵ Alliance for Automotive Innovation, “Auto Innovators’ comments on Consumers Energy’s 2027-2031 Transportation Electrification Plan, MPSC Case No. U-21538,” August 7, 2026, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00002KYumSAAT>, pp. 1-2.

⁴²⁶ *Ibid.*

benefits.”⁴²⁷ Auto Innovators also called on the Commission to require robust data reporting to evaluate program performance, enrollment, and cost and suggested that because automakers have such deep relationships with their customers, aggregators should be required to use one or more automaker channels to maximize customer enrollment. Furthermore, it asserts that any cost-effectiveness analysis conducted by the Company should be made publicly available to also allow external stakeholders to evaluate the pilot. Finally, Auto Innovators suggested that aggregators should be required to “develop a data framework necessary to analyze EV charging impacts between participants and non-participants [so that] Consumers Energy can better understand charging behaviors and the associated grid impacts.”⁴²⁸

Q. Are there additional opportunities to weave bidirectional charging into the Company’s current or future managed charging pilot?

A. Yes, especially in times of high energy demand when LMPs go well above what was predicted in the rate model. To illustrate, high energy demand frequently correlates with severe weather events, such as summer heatwaves and unforeseen transmission or generation constraints, which drive regional locational marginal prices (“LMPs”) significantly above a utility’s forecasted baseline.^{429, 430} For example, if the Company’s

⁴²⁷ *Id.*, p. 3.

⁴²⁸ *Id.*, p. 4.

⁴²⁹ 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/>.

⁴³⁰ 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/>.

1 rate model assumes a summer average LMP of \$50 per megawatt-hour (“MWh”),
2 extreme weather can spike real-time market prices to \$1,000 per MWh or higher,
3 dramatically exceeding the Company’s procurement projections. By incorporating
4 bidirectional charging into the Company’s managed charging portfolio, the Company can
5 utilize vehicle-grid integration (“VGI”)⁴³¹ as a flexible demand-side resource. During
6 peak market spikes, targeted load shedding and power from bidirectional vehicles would
7 allow the Company to curtail high-priced energy purchases from MISO. This localized
8 peak-shaving helps suppress upward pressure on LMPs, bringing procurement costs
9 closer to assumed averages and generating systemic fuel and purchase power savings for
10 all ratepayers within the service territory.⁴³² This would complement the current off-peak
11 charging programs that already take advantage of charging when LMPs are below the
12 standard rate forecast.

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

15 A. I recommend that the Company continue to explore opportunities to improve its active
16 managed charging efforts based on the learnings from its partnership with Rhythmios.
17 With several managed charging and V2G pilot programs being implemented across the
18 country, there is a wealth of resources, such as from industry experts and peer utilities,
19 to tap into to develop a stronger pilot.

⁴³¹ 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>.

⁴³² 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
2 I also recommend that the Commission require the Company to host a stakeholder
3 engagement event to evaluate the current managed charging pilot or the development of
4 an active managed charging successor. Subsequently, given that the Company did not
5 truly provide an update to its current managed charging program, as required by the
6 Commission in its order to the Company's 2025 general electric rate case (Case No. U-
7 21870), the Company should present learnings from this stakeholder engagement event
8 and its experience with Rhythmos by December 31, 2026.

9
10 Furthermore, to transition successfully from traditional, one-way managed charging to a
11 robust VGI framework, the Commission should require the Company to propose an
12 appropriate VGI tariff no later than June 1, 2027 or the Company's next rate case,
13 whichever comes first. This tariff should be informed by stakeholder input and approved
14 by the Commission. This tariff must fairly compensate EV participants for the quantified
15 grid services they provide—specifically, the avoided capacity and wholesale energy
16 purchases that keep system-wide costs down. Formalizing this compensation structure
17 will incentivize participant enrollment, optimize the utility's DER portfolio, and unlock
18 the full stack of VGI benefits for both EV drivers and the broader grid.

19
20 I also urge the Commission to require the Company to develop comprehensive data
21 reporting requirements for its managed charging pilot to allow interested parties to better
22 understand the pilot's overall performance, provide opportunities to improve enrollment,
23 establish value streams, and increase the pilot's cost-effectiveness.

V2G Pilot Program

Q. What did the Commission require with respect to the Company’s V2G efforts in the 2025 general electric rate case?

A. In its Order to the Company’s 2025 general electric rate case (Case No. U-21870), the Commission indicated that it “believes they would benefit from further analysis in the Consumers’ next TEP filing...[and] that [vehicle-to-everything (“V2X”)] capabilities and system benefits should be evaluated in Consumers’ 2026 TEP, instead of waiting for the TEP to be filed in 2028.”⁴³³

Q. What did the Company discuss with respect to its V2G efforts in its 2026 TEP and rate case?

A. In its 2026 TEP, the Company makes note of V2X at several points:

- *In the Executive Summary* - The Company points to the Commission Order, indicating that the Company was directed to “address and evaluate telematics and actively managed charging, the [V2G] School Bus Pilot, [V2X] capabilities and system benefits.”⁴³⁴
- *In reference to the future of its PowerMIFleet rebate program* - The Company indicates that it is

⁴³³ Michigan Public Service Commission, Case No. U-21870, “Order in the matter of the application of Consumers Energy Company for authority to increase its rates for the generation and distribution of electricity and for other relief,” March 27, 2026, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001rd2XbAAI>, pp. 234-235.

⁴³⁴ 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>, p. 5.

1 evaluating the next evolution of electric transportation, including Vehicle-
2 to-Building (V2B) and Vehicle-to-Grid (V2G) technologies, which have
3 the potential to enable EVs to function as flexible energy assets for both
4 customers and the electric system. These emerging capabilities may
5 support enhanced customer resilience, improved energy cost
6 management, and deeper integration of EVs with customer facilities and
7 the broader electric grid. As part of this evaluation, the Company is
8 reviewing lessons learned from pilot efforts conducted across the industry
9 to better understand technical performance, customer experience
10 considerations, and operational requirements. These insights will inform
11 the potential design of a future pilot that builds on demonstrated successes
12 while prioritizing customer value, grid benefits, and scalability.⁴³⁵
13

- 14 ● *In reference to its future TEP Roadmap* - The Company indicates that it is

15 actively researching innovative ways for EV growth to provide benefits
16 to the electric grid. Technologies under consideration include V2G, V2H,
17 V2B, and additional battery storage capabilities that support the
18 integration of renewable energy into EV infrastructure. Each of these
19 technologies is currently in the early stages of evaluation. Over the next
20 year, the Company expects to complete feasibility assessments for V2G,
21 V2H, and V2B solutions, which may include evaluations of technological
22 readiness, economic feasibility, customer participation potential, and grid
23 impacts.⁴³⁶
24

- 25 ● *In reference to its 2026 TEP stakeholder engagement meetings* - The Company
26 indicates that “[a]cross both meetings, stakeholders raised questions regarding the
27 proposed program enhancements and the inclusion of emerging technology such as
28 V2G in the TEP.”⁴³⁷

⁴³⁵ *Id.*, p. 40.

⁴³⁶ *Id.*, p. 53.

⁴³⁷ *Id.*, p. 54.

1 Despite these references, however, at no point does the Company provide an evaluation
2 of V2X technologies or its capabilities in its 2026 TEP or in the instant case.

3
4 In a discovery response (Exhibit MEIU-2.10), the Company indicated that it is “still
5 evaluating whether conducting a pilot is necessary at this time” and notes that “to invest
6 in a new pilot the Company needs to prove customer demand which has not manifested
7 to date.”⁴³⁸ The Company, however, also notes that “there has been no engagement...[or]
8 methodology by which the Company has connected with prospective participants to
9 engage” in a pilot.⁴³⁹ Based on these responses, it is unclear to me how the Company can
10 presume that no demand for a V2G pilot exists if no prospective participant engagement
11 has occurred. Pilots can serve many purposes but are often designed to test a variety of
12 conditions, including but not limited to customer demand, engagement patterns, grid
13 impacts, cost effectiveness, and opportunities to improve upon each of these should it
14 warrant development of a permanent program. If the Company is not engaging with

⁴³⁸ Exhibit MEIU-2.10.

⁴³⁹ 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>, p. 54.

1 potential partners to establish a pilot, I question how it could ever hope to learn anything
2 about the potential use of V2G technologies in its service territory.

3
4 **Q. Please provide examples of successful V2G pilots and programs in other parts of the**
5 **country and elaborate on the benefits that V2G has to offer local communities.**

6 A. Despite the challenges cited by the Company, enabling grid-parallel V2G represents a
7 critical opportunity for utilities and their customers to fully leverage bidirectional EV
8 technology. For EV owners who opt in to provide power during times the grid is
9 constrained, EVs with bidirectional charging features can not only help reduce the impact
10 of grid power outages for those EV owners and their communities, but they can also offer
11 significant cost savings for all ratepayers. For example, the Massachusetts Clean Energy
12 Center (“MassachusettsCEC”) reports that the state’s ConnectedSolutions virtual power
13 plant through National Grid allows certain light-duty bidirectional EVs to earn roughly
14 \$3,000 in revenue per summer.^{440, 441} MassachusettsCEC also indicates that school
15 districts have the opportunity to earn up to \$12,000 in revenue per bidirectional ESB per
16 summer.⁴⁴² In fact, a study by Converge Strategies and the VGIC indicates that a single

⁴⁴⁰ 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/>.

⁴⁴¹ 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.

⁴⁴² 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/>.

1 school bus in Beverly, Massachusetts discharged 10.78 MWh to National Grid’s electric
2 system and generated \$23,500 in revenue over two summers.^{443, 444}

3
4 MassachusettsCEC also announced the next phase in its ConnectedSolutions program,
5 which is an initiative that will install 60 bidirectional charging systems in residential
6 homes.⁴⁴⁵ Contrary to current behavior, this pilot will encourage customers to plug in
7 their EVs between 5:00pm and 8:00pm on weeknights to be able to respond to peak
8 events whenever possible.⁴⁴⁶ While passenger EV batteries are smaller in capacity (40 to
9 100 kWh) compared to extended range ESBs (250 to 660 kWh),⁴⁴⁷ passenger EVs greatly
10 outnumber ESBs on the road – 5.5 million⁴⁴⁸ compared to nearly 8,500.⁴⁴⁹ As such,
11 ensuring that any future pilot is open to SFH passenger vehicles will allow local utilities
12 to better understand how to capture all of the benefits that EVs can provide and
13 appropriately scale V2G programs to take advantage of the significantly larger pool of
14 vehicles within the residential market.

⁴⁴³ *Ibid.*

⁴⁴⁴ 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.

⁴⁴⁵ 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>.

⁴⁴⁶ *Ibid.*

⁴⁴⁷ 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>.

⁴⁴⁸ 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.edmunds.com/electric-car/articles/percentage-of-electric-cars-in-us.html>.

⁴⁴⁹ 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
2 Bidirectional EVs thus provide opportunities for their owners (including school districts)
3 to earn money by offering their EVs as grid assets when they would otherwise be sitting
4 idle. As such, they have the capability to aid grid-operators in balancing grid conditions,
5 therefore maximizing grid utilization, particularly during times when the grid is
6 constrained, and potentially delaying the need for grid upgrades.⁴⁵⁰ According to a study
7 by EPRI, California’s goal of 5 million EVs on the road by 2030 could translate to \$1
8 billion in annual benefits to the electric grid.⁴⁵¹ Furthermore, an Ernst & Young report
9 indicates that with the right smart charging and V2G policies and programs in place, EVs
10 could contribute enough to power 30 million homes per year and drive 4 billion Euros in
11 annual savings to European utilities.⁴⁵² These examples clearly illustrate the value that
12 EVs offer to EV drivers, local communities, and grid operators alike.
13

⁴⁵⁰ 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>.

⁴⁵¹ 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/>.

⁴⁵² 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.

1 Fortunately, additional programs similar to National Grid’s are taking shape across the
2 country. For example:

- 3 • *Maryland* – In 2024, Sunrun and Baltimore Gas and Electric launched a V2G pilot
4 program with several Ford F-150 Lightning vehicles.^{453, 454}
- 5 • *California* – Following California’s 2020 blackouts, the California Public Utilities
6 Commission rolled out an emergency reliability offering that offered EV drivers
7 \$2/kWh in load reduction for participating in demand response events during critical
8 grid emergencies.⁴⁵⁵ This was developed in conjunction with the California Energy
9 Commission’s Replicable V2X Deployment for Schools program, which offered
10 funding to four California public schools to install bidirectional EV charging
11 systems.⁴⁵⁶
- 12 • *Midwest and Southeast United States* – In 2020, the North Carolina Utilities
13 Commissions approved a V2G pilot program for up to 30 ESBs in Duke Energy’s
14 electric service territory.⁴⁵⁷ In 2022, Duke Energy also announced a demand response
15 pilot for Ford F-150 Lightning lessees, in which drivers could reduce their lease

⁴⁵³ 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, p. 19.

⁴⁵⁴ 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/>.

⁴⁵⁵ 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, p. 24.

⁴⁵⁶ *Id.*, p. 23.

⁴⁵⁷ 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>.

1 payments in return for allowing their bidirectional EVs to serve energy back to the
2 grid.⁴⁵⁸

3
4 **Q. Is bidirectional charging functionality available broadly enough to make V2G pilots**
5 **scalable?**

6 A. Yes. As stated above, meaningful learnings are driven by larger VGI demonstrations
7 across a wider variety of use cases,⁴⁵⁹ and America’s automakers are ready to participate
8 in scaled V2G programs to support the nation’s grid as it faces increasing constraints.
9 For example, on June 9, 2026, General Motors announced that it would integrate
10 bidirectional features as a foundational standard across its EV portfolio and even activate
11 the technology for existing customers without the need for any hardware upgrades.^{460, 461}
12 General Motors also issued an “open letter” to the nation’s utilities urging them to
13 streamline interconnection, redesign rate structures, and allow EVs to serve as distributed

⁴⁵⁸ 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/>.

⁴⁵⁹ 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>.

⁴⁶⁰ 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>.

⁴⁶¹ 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/>.

1 energy resources to provide needed grid support.^{462, 463, 464, 465} The next week, Rivian
2 announced a new partnership with ChargeScape to support nationwide bidirectional
3 charging programs.^{466, 467} Not only do announcements and calls to action like those from
4 General Motors and Rivian indicate that the automotive industry is eagerly embracing
5 this technology, but also, the utility pilots and commitment from public utility
6 commissions across the country clearly suggest that other programs are launching
7 successfully. Thus, the Company should be encouraged and motivated to continue
8 working with key stakeholders to develop impactful V2G pilots that offer scalable growth
9 opportunities across the state. Failure to do so risks lagging behind leading states that are
10 working to leverage this technology to benefit all ratepayers.

⁴⁶² 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>.

⁴⁶³ 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/>.

⁴⁶⁴ 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/>.

⁴⁶⁵ 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>.

⁴⁶⁶ 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/>.

⁴⁶⁷ 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 **Q. Did MEIU submit comments in the TEP docket (Case No. U-21538) with respect to**
2 **the Company's V2G efforts?**

3 A. Yes. MEIU's (represented as Michigan EIBC/United in Case No. U-21538) comments
4 in the TEP docket are included as Exhibit MEIU-2.2. The discussion above is reflective
5 of the arguments made by Michigan EIBC/United in that docket.

6
7 **Q. Did other parties file comments in the TEP docket (Case No. U-21538) with respect**
8 **to the Company's V2G pilot?**

9 A. Yes. As discussed above, the CEO (Exhibit MEIU-2.3), the Electrification Coalition
10 (Exhibit MEIU-2.4), and Auto Innovators (Exhibit MEIU-2.5) also submitted comments
11 regarding the Company's V2G pilot in the TEP docket. In summary, those comments
12 stated:

- 13 ● *CEO* – Points to the over 190 electric school buses that have been awarded rebates in
14 its service territory, including 33 that will be put into service during the current TEP
15 period, references several peer utilities with existing V2G school bus pilots, and
16 encourages the Company to propose a robust pilot program, informed by stakeholder
17 engagement, that is capable of scaling to multiple school districts, as well as a
18 compensation mechanism in anticipation of a future tariff. CEO also suggests that the
19 Commission convene a Technical Conference within six months on V2G and grid
20 integration strategies (Exhibit MEIU-2.3);

- 21 ● *Electrification Coalition* – Points to successful V2G pilots and programs
22 implemented throughout the country as evidence that the Company can and should

1 be doing more to accelerate V2G opportunities within its service territory (Exhibit
2 MEIU-2.4); and

- 3 • *Auto Innovators* – Emphasizes that the technology to start testing and developing
4 meaningful bidirectional programs is already available and that utilities should be
5 establishing optimized charging programs that balance charging and discharging to
6 serve the grid without sacrificing mobility for participating vehicles. Auto Innovators
7 encourages the Commission to require the Company “to propose a near term
8 bidirectional charging offering through its managed charging portfolio.” (Exhibit
9 MEIU-2.5).

10
11 **Q. What do you recommend with respect to the Company's V2G pilot?**

12 A. To make much-needed improvements to the Company’s existing V2G efforts and ensure
13 that Michigan does not lag further behind other states, I recommend that the Commission:

- 14 • Require the Company to file, in its 2027 Annual TEP Progress Report, a thorough
15 evaluation of V2X capabilities and system benefits in its service territory, as well as
16 a comprehensive report of the Company’s learnings based on its ongoing work with
17 Rhythmos. This report should also include, at a minimum, a thorough benchmarking
18 of the pilot compared to other V2G pilots and programs nationwide, and a discussion
19 of (1) what specifically the Company seeks to learn from existing and future pilots,
20 (2) how the existing pilot(s) would support the pursuit of a more scalable long-term
21 program for all Consumers Energy customers and customer segments, and (3)
22 possible export compensation mechanisms for customers that could be implemented
23 under various conditions of program scale;

- 1 ● Require the Company to host a series of stakeholder meetings to inform future V2G
2 pilots and identify potential target customer segments (e.g., school districts, transit
3 agencies, private fleets, neighborhoods, etc.), inviting industry experts to provide
4 insights and lessons learned;
- 5 ● Require the Company to propose a new V2G pilot (or pilots) across customer
6 segments (e.g., SFH, workplace, and fleet) and seasons, informed by feedback
7 provided by industry experts and interested parties, no later than the next TEP refresh,
8 expected to be filed no later than July 1, 2028;
- 9 ● Require the Company to propose, no later than December 1, 2027, a V2G-specific
10 tariff informed by stakeholder engagement for Commission approval; and
- 11 ● Strongly encourage the Company to solicit V2G applications for its Emerging
12 Technology Fund.

13
14 Finally, as discussed above, I also strongly urge the Company to consider developing a
15 separate rebate level for its SFH customer segment for bidirectional charger installations.
16

17 **III. CONCLUSIONS AND RECOMMENDATIONS**

18
19 **Q. Please summarize your recommendations to the Commission.**

20 **A. I recommend that the Commission:**

- 21 ● Establish a clear TEP filing timeline that allows adequate time for interested parties
22 to engage on TEP issues prior to any subsequent cost recovery request;

- 1 • Engage in the TEP docket to rule on matters of programmatic design and process
2 issues, or allow intervenor testimony related to these issues and rule on them in the
3 general electric rate case;
- 4 • Approve the Company's EV adoption forecast;
- 5 • Approve the Company's BCA;
- 6 • Require the Company to account for all revenue associated with EV charging and
7 incorporate societal benefits into future BCAs to appropriately capture all the
8 network effects of EV charging in its service territory, remaining consistent with the
9 Commission's Order in the DTE 2025 general electric rate case (Case No. U-21860);
- 10 • Require the Company to propose an accounting scheme, open to stakeholder and
11 Staff engagement and subject to Commission approval, that would ensure a certain
12 percentage of revenue from EV charging is reinvested in TEP programs;
- 13 • Require the Company to increase funding to its TEP programs, for example by
14 reverting to the 2025 TEP budget to ensure that the Company does not risk falling
15 behind on load management and failing to effectively pace EV charging
16 infrastructure deployment with EV adoption in the Company's service territory;
- 17 • Approve the Company's SFH EV charging rebate proposal and require the Company
18 to increase the rebate levels of its residential program to better cover the costs of an
19 L2 charger and its installation costs, and consider a tiered rebate structure for LI,
20 middle-income, and non-LI customers to make the rebate offering more attractive to
21 a wider range of customers;

- 1 • Require the Company to develop a bidirectional rebate offer for bidirectional charger
2 installations for SFH and fleet applications no later than the Company's 2027 Annual
3 Progress Report;
- 4 • Approve the Company's MDU EV charging rebate proposal and require the
5 Company to implement supplementary tenant guidance, strengthen engagement with
6 apartment and condominium associations, and establish a dedicated tariff or
7 submetering rules for EVs charging at MUD properties with a single master meter;
- 8 • Require the Company to increase the MDU rebate target to 2,000 ports and the rebate
9 amount to \$5,000 per port to support not only a larger cost of the equipment, but also
10 the installation and energy management software that could help better manage load;
- 11 • Approve adjustments to the Company's current PowerMIDrive Community
12 Charging rebate program, as proposed;
- 13 • Approve adjustments to the Company's current PowerMIDrive Overnight
14 Destination Charging rebate program, as proposed;
- 15 • Approve adjustments to the Company's current PowerMIDrive Workplace Charging
16 rebate program, as proposed;
- 17 • Approve the Company's proposal to waive the separate metering requirement for
18 PowerMIFleet customers;
- 19 • Require the Company to incorporate driver education into PowerMIFleet advisory
20 services for non-profit fleet vehicle rebate opportunity;
- 21 • Require the Company to establish a tiered DCFC rebate structure for fleets
22 participating in the standard rebate program to attract more customers and allow
23 greater program flexibility;

- 1 • Require the Company to establish a tiered rebate structure for fleets participating in
2 the enhanced rebate program such that small- and medium-size fleets are not
3 excluded simply due to the number of vehicles being electrified;
- 4 • Require the Company to offer a tiered rebate structure for public DCFC stations 150
5 kW or more of \$70,000 per port for chargers located in DAC and/or rural areas, and
6 \$50,000 per port for chargers located in non-DAC, non-rural areas;
- 7 • Require the Company to continue exploring opportunities to improve its active
8 managed charging efforts, to establish clear and robust data reporting requirements
9 for any future pilot, to propose a VGI-specific tariff, informed by stakeholder input,
10 for Commission approval no later than December 1, 2027, and to host a series of
11 stakeholder engagement events to evaluate the future of managed charging in its
12 service territory;
- 13 • Require the Company in its 2027 Annual TEP Progress Report to provide a
14 comprehensive report of the Company's learnings from its ongoing work with
15 Rhythmox, as well as a thorough benchmarking of its pilot compared to other V2G
16 pilots across the country;
- 17 • Require the Company to host a series of stakeholder meetings to inform
18 improvements to future V2G pilots and identify target customer segments;
- 19 • Require the Company to propose, no later than December 1, 2027, a V2G-specific
20 tariff informed by stakeholder engagement for Commission approval;
- 21 • Require the Company to propose a new V2G pilot (or pilots) no later than the next
22 TEP refresh; and
- 23 • Require the Company to solicit V2G applications for its Emerging Technology Fund.

1

2 **Q. Does that conclude your testimony?**

3 **A. Yes.**

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of **Consumers**)
Energy Company for authority to increase its)
rates for the generation and distribution of)
electricity and for other relief.)
_____)

Case No. U-22070

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	

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)
and for other related matters.)
_____)

Case No. U-21538

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”) TEP and ordered it to file a TEP in this docket by January 11, 2024. Concurrently, following technical conferences on electric vehicle (“EV”) issues held in January 2024, on March 15, 2024, the

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>.

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 June 1, 2026, Consumers Energy Company (“Consumers” or “the Company”) 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 EIBC/United”)⁹ and their member companies have been

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 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 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 Consumers Energy Company, “2027-2031 Transportation Electrification Plan,” June 1, 2026, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs0000024ndTGAAAY>.

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.

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.

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 fact that cost recovery for TEP programs is determined in a rate case.

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 filed its TEP in Case No. U-21538 on June 25, 2024.¹² Prior to this filing, Consumers 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 filed its TEP annual progress report on June 27, 2025 in Case No. U-21538.¹⁵ Prior to this filing, Consumers filed for approval of the programs and proposals included in the TEP in its

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>.

general electric rate case (Case No. U-21570) 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 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 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 TEPs were either filed within less than a week of or, in the case of Consumers Energy, directly

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/068cs000024ndTGAAAY>.

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>.

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

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

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.*

“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, as of Q4 2025, there were 50,617 EVs in its service territory.²⁴ This represents 32% of the EVs registered in the State of Michigan.²⁵ Using data from S&P Global in partnership with the Michigan Secretary of State to assess historical adoption trends, the Company established a low-, base-, and high-case for its future market share projections for each vehicle segment within the Company’s service territory.²⁶ According to the Company, “the base case for light-duty EV adoption is developed using a rolling quarterly growth rate derived from the most recent two years of historical data.”²⁷ Assuming that short-term adoption will follow more recent

²³ *Ibid.*

²⁴ Consumers Energy, Case No. U-21538, “Transportation Electrification Plan & Annual Report 2026,” June 2026, p. 13, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000024ndTGAAY>.

²⁵ *Ibid.*

²⁶ *Id.*, p. 43.

²⁷ *Ibid.*

market trends, the Company “applies the average 12-month rolling quarterly adoption rate throughout the forecast period.”²⁸ The Company also notes that medium- and heavy-duty (“MHD”) vehicles saw an average annual growth rate of 40 percent in its service territory from 2021 to 2025.²⁹ To account for MHD EV growth in its service territory, the Company applies a 40 percent annual growth rate for the years until the Michigan Department of Education’s (“MDE”) Clean Bus Energy Grant funding has been spent. This annual growth rate gradually declines to 10 percent over the subsequent five years to reflect the diminished state and federal funding opportunities.³⁰ The low- and high-cases for both light-duty and MHD EV adoption take the base case and apply a gradual 25 percent downward or upward adjustment from 2026 to 2031, resulting in adoption levels equal to 75 percent and 125 percent of the base case, respectively.³¹ Based on these projections, the Company forecasts that EV registrations, including MHD vehicles, will increase to over 420,000 in its service territory by 2031 in the low-case, over 560,000 in the base case, and over 700,000 in the high case.³²

In accordance with the Commission’s Order in the Company’s 2025 rate case (Case No. U-21870),³³ the Company evaluated the impact of H.R. 1,³⁴ which repealed several tax credits included in the Inflation Reduction Act, such as the 30C Alternative Fuel Vehicle Refueling

²⁸ *Ibid.*

²⁹ *Id.*, p. 44.

³⁰ *Ibid.*

³¹ *Ibid.*

³² *Id.*, p. 43.

³³ Michigan Public Service Commission, Case No. U-21870, “In the matter of the application of Consumers Energy Company for authority to increase its rates for the generation and distribution of electricity and for other relief,” March 27, 2026, pp. 233-235, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001rd2XbAAI>.

³⁴ 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>.

Property Credit and the 30D Clean Vehicle Credit,³⁵ on its EV adoption forecasts in its current TEP. While the Company projects a 45 percent reduction in EV deployment across its service territory from its 2024 TEP forecast due to H.R. 1 and other persistent cost barriers,³⁶ the Company still expects significant growth in the long term. In fact, the updated EV adoption forecast indicates no change in projected EV registrations in its service territory between its 2025 TEP Annual Progress Report³⁷ and its most recent 2026 TEP,³⁸ suggesting minimal long-term impacts of these policy shifts. The Company also points to other positive influences at the state level that could impact EV adoption in its service territory, such as the launch of the final round of the Clean Bus Energy Grant funding³⁹ 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”).⁴⁰

³⁵ 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>.

³⁶ Consumers Energy, Case No. U-21538, “Transportation Electrification Plan 2024,” June 2024, p. 47, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000EFQgtAAH>.

³⁷ 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>.

³⁸ Consumers Energy, Case No. U-21538, “Transportation Electrification Plan & Annual Report 2026,” June 2026, p. 13, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000024ndTGAAY>.

³⁹ *Id.*, p. 49.

⁴⁰ *Id.*, p. 48.

Broadly, EVs’ improving range^{41, 42, 43, 44} and price competitiveness,^{45, 46, 47, 48, 49, 50, 51} the growth of the used EV market,^{52, 53, 54, 55} and supportive state actions^{56, 57, 58} will enable continued EV

⁴¹ 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/>.

⁴² 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>.

⁴³ 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/>.

⁴⁴ 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/>.

⁴⁵ 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/>.

⁴⁶ 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/>.

⁴⁷ 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>.

⁴⁸ 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>.

⁴⁹ 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/>.

⁵⁰ 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>.

⁵¹ 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>.

⁵² 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>.

⁵³ Agostino, S., “Used EV sales are surging — how their ownership costs compare to gas-powered cars,” *CNBC*, May 3, 2026, available at <https://www.cnn.com/2026/05/03/ev-ownership-costs.html>.

⁵⁴ 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>.

⁵⁵ 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/>.

⁵⁶ 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>.

⁵⁷ 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>.

⁵⁸ 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.⁵⁹

⁶⁰ Experts assert that the existence of public charging infrastructure directly enables customers to purchase EVs.^{61, 62, 63, 64} 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.
- *The war in Iran:* The ongoing war in Iran has severely constricted global oil supplies, primarily by disrupting tanker traffic through the Strait of Hormuz. This

⁵⁹ 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>.

⁶⁰ 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>.

⁶¹ 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/>.

⁶² 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.>

⁶³ 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>.

⁶⁴ 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>.

supply constraint has driven up national average U.S. gas prices by 40 percent, which currently sit above \$4.10 per gallon.^{65, 66} 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 \$4.40 per gallon, adding hundreds of dollars in fuel costs per year per household.^{67, 68, 69} Similarly, the statewide average cost of diesel is close to \$5.19 per gallon.⁷⁰ Today, the electricity to charge EVs costs less than half on a per-mile basis compared to gas-powered vehicles,⁷¹ and electricity prices are historically far more stable - only increasing 8.8 percent between 2018 and 2023.⁷² These fuel price increases and promises for more stability and predictability are driving increased EV interest⁷³ and EV adoption. In fact, EV adoption increased 59 percent between February and

⁶⁵ 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>.

⁶⁶ AAA, “Fuel Prices,” accessed July 24, 2026, available at <https://gasprices.aaa.com/>.

⁶⁷ *Ibid.*

⁶⁸ 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/>.

⁶⁹ 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>.

⁷⁰ AAA, “Fuel Prices,” accessed July 24, 2026, available at <https://gasprices.aaa.com/>.

⁷¹ EPRI, “The Electric Vehicle (EV) Price Stability Advantage: Electricity vs. Gasoline,” April 15, 2026, available at <https://www.epri.com/research/products/000000003002036139>.

⁷² 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.

⁷³ 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/>.

March 2026 - reaching the highest level of national EV adoption since the loss of the federal tax credits in Q4 of 2025.^{74, 75}

- *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.⁷⁶ 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.^{77, 78} With contracts already in place with customers like PepsiCo,⁷⁹ DHL,⁸⁰ Walmart,⁸¹ and Costco⁸² and the national average cost of diesel up 53 percent,^{83, 84} it is reasonable

⁷⁴ 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/>.

⁷⁵ 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.cnn.com/2026/04/02/evs-autos-energy-oil-iran-war-electric-transport-fossil-fuels.html>.

⁷⁶ 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/>.

⁷⁷ 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/>.

⁷⁸ 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>.

⁷⁹ 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-YndqWMCX93AtLi1bckWq9kEYdYArb60TK2b3mflZmtcyXfNU80I1UUwnCnEtF9zh0JuNV5PYw-7FyUmulYbegsCsmjpRWm5BGRHwYeNHs1A1eU_-SAzmfrzYnsHrpjV__XvYHj_z3ZeW.

⁸⁰ 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/>.

⁸¹ 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/>.

⁸² *Ibid.*

⁸³ 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>.

⁸⁴ AAA, “Fuel Prices,” accessed June 5, 2026, available at <https://gasprices.aaa.com/>.

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 EV adoption within the Company's service territory, Michigan EIBC/United caution 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.^{85, 86, 87, 88, 89} 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 temporary market fluctuations could leave utilities ill-equipped to meet future demand and capture the long-term benefits of transportation electrification.

⁸⁵ 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/>.

⁸⁶ 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/>.

⁸⁷ 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>.

⁸⁸ 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>.

⁸⁹ 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>.

Recommendation

Michigan EIBC/United strongly support the Company's EV adoption forecasts. While recognizing current market volatility and external headwinds, Consumers Energy'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 the war in Iran, 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")

The Company's updated BCA, based on the net present value ("NPV") of the net revenue requirement, indicates that the proposed TEP portfolio produces over \$1.1 billion in NPV of net rate relief to all Consumers customers from 2025 to 2035, assuming the low-case EV adoption scenario.⁹⁰ It is unclear whether this low-case BCA assumes 100 percent of projected EV adoption and accounts for "all revenue attributable to charging and associated network effects," as was required in the Commission's final order to DTE Energy's 2025 general electric rate case (Case No. U-21860).⁹¹ However, these findings are consistent with Consumers' previous 2024 TEP⁹²

⁹⁰ Consumers Energy, Case No. U-21538, "Transportation Electrification Plan & Annual Report 2026," June 2026, p. 47, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000024ndTGAAY>.

⁹¹ 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>.

⁹² Consumers Energy, Case No. U-21538, "Transportation Electrification Plan 2024," June 2024, p. 10, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/0688y00000EFQgtAAH>.

and 2025 TEP Annual Progress reports,⁹³ which indicated over \$570 million in NPV of net rate relief from 2024 to 2030 and over \$755 million in NPV of net rate relief from 2025 to 2031, suggesting that long-term benefits are provided across TEP portfolio for all ratepayers.

Assuming the Company is accounting for all revenue attributable to charging, this 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,^{94, 95, 96, 97} leading to significant at-home charging and revenue from electricity sales.^{98, 99, 100, 101, 102} 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

⁹³ 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>.

⁹⁴ 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/>.

⁹⁵ 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.>

⁹⁶ 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>.

⁹⁷ 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>.

⁹⁸ 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>.

⁹⁹ 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>.

¹⁰⁰ 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.

¹⁰¹ 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.

¹⁰² 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.

associated costs in Michigan.¹⁰³ 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 if this value is not already included in the projection.

In addition to the revenue attributable to charging, the Company should also ensure that its BCAs are accounting for the associated network effects, including societal benefits, provided by its programs. By definition, direct network effects occur when the value of a good increases because the number of users of that good increases.¹⁰⁴ 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.^{105, 106} As exhibited in Commonwealth Edison¹⁰⁷ and Ameren's¹⁰⁸ Beneficial

¹⁰³ 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.

¹⁰⁴ 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>.

¹⁰⁵ 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>.

¹⁰⁶ 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>.

¹⁰⁷ Illinois Commonwealth Edison, "ComEd Beneficial Electrification Plan," 2022, available at <https://icc.illinois.gov/docket/P2022-0432/documents/325766/files/567114.pdf>.

¹⁰⁸ 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 Minnesota¹⁰⁹ and Colorado¹¹⁰ TEPs, reduced greenhouse gas emissions and reduced criteria pollutant emissions can be accurately quantified by using the Federal Social Cost of Carbon (“SCC”).¹¹¹ 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.^{112, 113} This difference can then be converted into a cost of avoided emissions using an SCC.¹¹⁴

¹⁰⁹ 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>.

¹¹⁰ 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=.

¹¹¹ 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>.

¹¹² 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>.

¹¹³ 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.

¹¹⁴ 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,¹¹⁵ Illinois,¹¹⁶ and Colorado¹¹⁷) and public utility commissions (California,¹¹⁸ Minnesota,¹¹⁹ Nevada,¹²⁰ New York,¹²¹ and Illinois¹²²) 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.^{123, 124, 125, 126, 127}

The adoption and use of the SCC clearly shows that societal costs and benefits can be quantified and monetized, and as demonstrated by many utilities, those benefits can be applied to utility TEP BCAs when evaluating TEP portfolios. In the case of transportation electrification, as EV adoption

¹¹⁵ See NJ REV. STAT. § 48:3-87.3(8).

¹¹⁶ See 220 ILCS 3855/1-75(d-5)(1)(B)(i).

¹¹⁷ 2019 Colo. Sess. Laws 3290, available at https://leg.colorado.gov/sites/default/files/documents/2019A/bills/sl/2019a_sl_359.pdf.

¹¹⁸ 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>.

¹¹⁹ 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.

¹²⁰ 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.

¹²¹ 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>.

¹²² See 220 ILCS 3855/1-75(d-5)(1)(B)(i).

¹²³ 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>.

¹²⁴ Illinois Commonwealth Edison, "ComEd Beneficial Electrification Plan," 2022, available at <https://icc.illinois.gov/docket/P2022-0432/documents/325766/files/567114.pdf>.

¹²⁵ 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>.

¹²⁶ 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>.

¹²⁷ 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=

and EV charging increase, the societal benefits of reduced emissions across the Company's service territory will also increase. 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.

Recommendation

To ensure consistency across TEP BCAs among Michigan's utilities, and in accordance with the Commission's Order in Case No. U-21860, the evaluation of all network effects, and transitively, societal benefits should also be included in the Company's BCA. Therefore, Michigan EIBC/United recommend 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.

Education and Outreach ("E&O")

For its broad E&O efforts, the Company describes several "integrated marketing and outreach activities"¹²⁸ across its PowerMIDrive Residential, PowerMIDrive Public, PowerMIFleet, and direct current fast charger ("DCFC") pilot programs, including its website, which offers important program information, access to EV specialists, and online applications,¹²⁹ as well as customer engagement events,^{130, 131} "paid and owned communication channels,"¹³² "paid media

¹²⁸ Consumers Energy, Case No. U-21538, "Transportation Electrification Plan & Annual Report 2026," June 2026, p. 19, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000024ndTGAAY>.

¹²⁹ *Ibid.*

¹³⁰ *Id.*, p. 20.

¹³¹ *Id.*, p. 32.

¹³² *Id.*, p. 30.

campaigns,”¹³³ and targeted email outreach.¹³⁴ The Company proposes to spend \$6.2 million on E&O from 2027 to 2031.¹³⁵ Throughout its TEP, the Company also refers to various target metrics and key performance indicators (“KPIs”) (e.g., application and rebate dates, project location, project details including number of chargers, ports, the power associated with each port and charger, and total project costs, relevant meter information, etc.) by which it monitors each rebate program’s performance.¹³⁶ However, the Company does not publish these targets or KPI outcomes in its TEP, which arguably could be useful for any parties interested in providing feedback on how to improve the rebate program offerings and the E&O associated with each program.

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 purposes.¹³⁷ 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, specifically, the Company proposes to do with its \$6.2 million E&O budget.¹³⁸ Moreover, the level of E&O and

¹³³ *Id.*, p. 31.

¹³⁴ *Id.*, p. 31.

¹³⁵ *Id.*, p. 67.

¹³⁶ 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/068cs000024ndTGAAAY>.

¹³⁷ 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>.

¹³⁸ DTE Electric Company, “2027-2031 Transportation Electrification Plan,” April 22, 2026, p. 70, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

customer engagement from 2025 to 2026 markedly declined. For example, in its 2026 annual TEP report, the Company reports reaching 3,335 customers with approximately 33 direct customer contacts per day via the EV specialists.¹³⁹ However, in its 2025 annual TEP progress reports reaching nearly 4,000 customers with approximately one event per week and 127 customer contacts via the EV specialists per day.¹⁴⁰ This marks a 74 percent decline in direct customer contacts and nearly 17 percent decline in customers reached between 2025 and 2026. This is a material reduction of 74 percent in effort promoting transportation electrification in Michigan despite the benefits these efforts have proven to deliver.

Michigan EIBC/United raised similar concerns in DTE'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,"¹⁴¹ the Company largely relies on passive communication methods. Broadly, while traditional, passive communication works well for established technologies, introducing new innovations demands highly active strategies to drive consumer engagement and prompt action.^{142, 143, 144, 145} More

¹³⁹ Consumers Energy, Case No. U-21538, "Transportation Electrification Plan & Annual Report 2026," June 2026, p. 20, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00002ndTGAAY>.

¹⁴⁰ Consumers Energy, Case No. U-21538, "Transportation Electrification Plan: Annual Progress Report 2025," June 2025, pp. 40-41, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000wdxWAAQ>.

¹⁴¹ DTE Electric Company, "2027-2031 Transportation Electrification Plan," April 22, 2026, p. 69, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

¹⁴² 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>.

¹⁴³ 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>.

¹⁴⁴ 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/>.

¹⁴⁵ 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>.

proactive engagement with key stakeholders like car dealerships, multi-family housing property owners, fleet operators, and community leaders can build upon and improve conversion success rate and enable businesses to optimize spending.^{146, 147} 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.¹⁴⁸

Despite the evidence that E&O could have a significant impact on TEP program cost-efficiency and effectiveness and the data, even by more conservative estimates, that shows TEP programs produce significant downward rate pressure on all ratepayers, in its final Order in DTE’s 2025 general electric rate case (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.”¹⁴⁹

Given this, stakeholders are still unable to determine the following: 1) if and how the Company’s E&O efforts are passively and proactively engaging with its various customer segment, 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

¹⁴⁶ *Ibid.*

¹⁴⁷ 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>.

¹⁴⁸ McKinsey & Company, “What is personalization?,” May 30, 2023, available at <https://www.mckinsey.com/featured-insights/mckinsey-explainers/what-is-personalization>.

¹⁴⁹ 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 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. At minimum, the Company should report in detail, in its future Annual Progress Reports and TEPs, the targets that it is setting for each rebate program, the KPIs by which it is evaluating each rebate program, how each rebate program has performed based on the identified targets and KPIs, and how each program is performing.

Charger Rebate Program Comments

PowerMIDrive Residential Rebate Investment Proposal

The Company proposes to spend approximately \$20.3 million to support the installation of nearly 40,350 home charger rebates at single-family housing residences across its service territory.^{150, 151}

The current offerings include:

- *Residential Single Family L2 rebates* - These rebates offer up to \$500 towards the cost of any Underwriters Laboratory (“UL”)-listed, ENERGY STAR-certified Level 2 (“L2”) charger.¹⁵² These rebates are also available to LI households for up to \$1,000 towards the cost of an L2 charger.¹⁵³ Eligibility requires that applicants are current Consumers Energy electric customers, have proof of EV purchase, lease, or order, agree to enroll in the Nighttime Savers or Residential Smart Hours time-of-use (“TOU”) rates, and program weekday charging to occur during super off-peak hours to avoid on-peak charging.¹⁵⁴
- *Residential Single Family Dual Cord L2 rebates* - These rebates offer up to \$500 towards the cost of any UL-listed, dual cord L2 charger, power-sharing charge, or EV Supply Equipment (“EVSE”) splitter.¹⁵⁵ Eligibility requires that applicants are current Consumers Energy electric customers, have proof of EV purchase, lease, or order, agree to enroll in a TOU rate, and program weekday charging to occur during super off-peak hours to avoid on-peak charging.¹⁵⁶

¹⁵⁰ Consumers Energy, Case No. U-21538, “Transportation Electrification Plan & Annual Report 2026,” June 2026, pp. 16-22, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000024ndTGAAY>.

¹⁵¹ *Id.*, p. 67.

¹⁵² *Id.*, p. 16.

¹⁵³ *Id.*, p. 16.

¹⁵⁴ *Id.*, p. 17.

¹⁵⁵ *Id.*, p. 16.

¹⁵⁶ *Id.*, p. 17.

- *Monthly enrollment incentive* - To shift more charging to off-peak hours, the Company also offers a \$10 monthly incentive for new customers to enroll in its Smart Charging Incentive Program.¹⁵⁷ Participating customers can also earn a referral reward for getting their peers to sign up for a TOU rate.¹⁵⁸

The Company proposes to expand the program eligibility to include Consumers Energy customers on the standard TOU rate, which the Company suggests would increase participation in its Smart Charging Incentive program.¹⁵⁹

Recommendation

Michigan EIBC/United strongly support the Company's expansion of the residential program to include standard TOU rate participating customers. 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.

In addition, Michigan EIBC/United strongly urge the Company to increase the rebate levels of its residential program to better cover the costs of an L2 charger and its installation costs, and consider a tiered rebate structure for LI, middle-income ("MI"), and non-LI customers to make the rebate offering more attractive to a wider range of customers. For example, the Company could consider adjustments similar to those proposed by DTE in its 2026 TEP, in which it proposes to offer up to \$2,000 to LI customers, up to \$1,500 for MI customers, and up to \$500 for non-LI customers

¹⁵⁷ *Id.*, p. 16.

¹⁵⁸ *Ibid.*

¹⁵⁹ *Id.*, p. 22.

installing an L2 charger to single family residence customers in its service territory.¹⁶⁰ Furthermore, the \$10 monthly incentive currently offered to customers is quite low and could be updated to \$20/month to be more attractive for customers who have already received a rebate in the past and now only qualify for the off-peak incentive when they purchase their next EV. While this would reduce the number of rebates that the Company's TEP proposed PowerMIDrive Residential budget could support, it would likely improve program subscriptions and lead to a more efficient realization of the NPV projected in the Company's BCA.

Additionally, it is well documented that EV drivers continue to drive EVs and will likely add more EVs to their household.^{161, 162, 163} The Company should make it clearer to customers that their rebates stack. For example, a first-time applicant with two or more EVs can receive a \$500 rebate for the 50 amp circuit upgrade and an additional \$500 rebate for a dual cord L2 that is plugged into it, for a total of \$1,000. The monthly incentive for off-peak charging per vehicle is on top of that initial rebate. As such, the customer would realize significant cost savings with the dual cord and the Company would ensure that the new load is spread over off-peak hours.

Finally, Michigan EIBC/United also strongly urge the Company to consider developing a rebate level for its SFH customer segment for bidirectional charger installations. Much of the Company's

¹⁶⁰ DTE Electric Company, "2027-2031 Transportation Electrification Plan," April 22, 2026, p. 43, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

¹⁶¹ Johnson, P., "Once you go EV, you don't go back: Study finds 96% of owners plan to stay electric," *Electrek.com*, February 18, 2026, available at <https://electrek.co/2026/02/18/once-you-go-ev-you-dont-go-back-96-of-owners-agree/>.

¹⁶² Washington, N., "New Toyota bZ4X Owner Says It's So Quiet He Accidentally Hit 100 MPH, Now He Gets Why EV Drivers Never Go Back," *Torque News*, April 8, 2026, available at <https://www.torquenews.com/17998/new-toyota-bz4x-owner-says-its-so-quiet-he-accidentally-hit-100-mph-now-he-gets-why-ev>.

¹⁶³ Edelstein, S., "Study: Only 1% of EV buyers would go back to gas-powered cars," *Green Car Reports*, December 13, 2024, available at https://www.greencarreports.com/news/1145270_study-only-1-of-ev-buyers-would-go-back-to-gas-powered-cars.

efforts to shed new load from EVs has been focused on stopping on-peak charging through TOU rates and encouraging customer behavioral changes. However, load-shedding the home via bidirectional chargers as opposed to just focusing on stopping on-peak charging (a very small opportunity) could greatly increase the cost-effectiveness of future V2G pilot results and Consumers should be trying to capture that value now. Not only will customers be gaining downward rate pressure from off-peak charging, but the Company could realize significant potential for avoided Midcontinent Independent System Operator (“MISO”) energy purchase costs during high locational marginal prices (“LMP”) during summer heat waves.

PowerMIDrive Public: Multi-Dwelling Unit (“MDU”) Rebate Investment Proposal

The Company indicates that approximately 33% of its customers reside in MDUs.¹⁶⁴ However, lack of charging access is a primary obstacle that prevents many MDU households from switching to an EV. While access to public charging can partly alleviate this concern, this makes it difficult for MDU residents, who typically fall into lower income brackets,¹⁶⁵ to fully take advantage of the fuel savings benefits that EVs have to offer.¹⁶⁶ 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, MDU property owners face several unique dilemmas to install EV charging on premises for their residents, including:

¹⁶⁴ 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>.

¹⁶⁵ 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.

¹⁶⁶ 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/>.

- *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 deciding between business models.
- *Identifying and applying to appropriate funding* - Between local utility rebate programs and any state or local rebates programs targeting MDUs, 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.^{167, 168} In fact, DTE reports an average installation cost of \$13,780 per port and points to significant site-specific variability.¹⁶⁹

The Company reports that of the 250 rebate applications approved as of February 2026, 78 have been issued, resulting in a 31.2 percent completion rate.¹⁷⁰ The current program offers a rebate of up to \$7,500 for the installation of at least two L2 charging ports on a maximum 100-amp circuit.¹⁷¹ Applicants are eligible for an additional rebate of an unstated quantity for installing more than two chargers, but those chargers must not exceed 50 amps or 9.6kW of power per port.¹⁷² The installed chargers must be UL-listed and ENERGY STAR certified.¹⁷³ Alternatively, applicants may choose

¹⁶⁷ 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/MDU-case-study-final.pdf>.

¹⁶⁸ 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>.

¹⁶⁹ DTE Electric Company, "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 Consumers Energy, Case No. U-21538, "Transportation Electrification Plan & Annual Report 2026," June 2026, p. 24, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000024ndTGAAY>.

¹⁷¹ *Id.*, p. 23.

¹⁷² *Ibid.*

¹⁷³ *Ibid.*

to install at least two NEMA 14-50 outlets on 100 amps of service.¹⁷⁴ Eligibility also requires that applicants are current Consumers Energy commercial electric or combination customers, own or have permission to install charging at the indicated MDU, agree to a separate meter to monitor charging load, and enroll in a commercial TOU rate.¹⁷⁵ When at least 80 percent of charging occurs outside weekday peak hours of 2 p.m. to 7 p.m., site hosts awarded a rebate are also eligible for a \$20 monthly bill credit for the first 12 months of participation.¹⁷⁶

The Company indicates that the program has performed exceptionally well, with load from rebated chargers increasing by 290 percent and delivering approximately 158,000 kWh from March 2025 to February 2026.¹⁷⁷ Of this load, more than 87 percent has been delivered during off-peak hours.¹⁷⁸ Since February 2026, 38 of the Company's MDU sites also applied for EGLE's CFCI grant program and 29 have been awarded more than \$1.6 million in EGLE grants and \$540,000 in utility rebates.¹⁷⁹

Moving forward, the Company proposes to spend \$4.7 million to support the installation of nearly 625 L2 chargers at MDU properties across its service territory.¹⁸⁰ It also proposes to sunset its \$20 monthly bill credit, suggesting that the off-peak charging rates achieved from 2024 (72.3 percent) to 2026 (87.3 percent) are indicative of successful charging behavior adjustments resulting from appropriate E&O, TOU rates, and signage.¹⁸¹

¹⁷⁴ *Ibid.*

¹⁷⁵ *Ibid.*

¹⁷⁶ *Ibid.*

¹⁷⁷ *Id.*, p. 24.

¹⁷⁸ *Id.*, p. 48.

¹⁷⁹ *Id.*, p. 48.

¹⁸⁰ *Id.*, p. 67.

¹⁸¹ *Id.*, p. 34.

Recommendation

Michigan EIBC/United support the Company's proposed revisions to eliminate the \$20 bill credit incentive. While this credit, for 625 rebated properties, would cost \$75,000 from 2027 to 2031, which amounts to less than 2 percent of the total budget, eliminating it would provide relief in the MDU budget to allow for additional, larger rebates to be issued, as suggested below.

Furthermore, the Company should ensure that it is clear to MDU customers that they are currently eligible for more than just \$7,500 per 2 ports, and that these rebates can be multiplied to install significantly more ports. For example, for 10 rebates worth \$75,000, an MDU property owner would be able to install 20 ports. This creates economies of scale as a higher percentage of construction costs are covered than they would be for a single 2-port rebate applicant. Promoting the potential for larger projects would likely garner more interest and instill further driver confidence.

Additionally, to reach more MDU customers in its service territory, Michigan EIBC/United also recommend that the Company propose to expand its MDU budget and increase its rebate target to 3,000 ports and rebate amount to \$5,000 per port or a flat \$10,000 rebate to support not only a larger cost of the equipment, but also the installation of energy management software that could help better manage load. While these rebates can currently be paired with EGLE's CFCI grant program funding, the \$10 million in EGLE grants available for multifamily housing properties has

largely been allocated and applications are now closed.¹⁸² This means that MDU property owners in the Company’s service territory will have no additional funding streams to cut down on the cost of charger installations in the future. As such, though the Company’s MDU program has been successful so far, a \$7,500 rebate is likely going to prove less meaningful in the near future. To continue to attract MDU customers, the Company should therefore expand its MDU rebate budget to \$15 million and increase the rebate to \$5,000 per port or a flat \$10,000 rebate.

PowerMIDrive Public: Community Charging Rebate Investment Proposal

The Company’s Community Charging program aims to reach municipalities and business customers with a public parking lot within one to three walkable blocks from an MDU property to serve as site hosts for local overnight L2 charging.¹⁸³ This program offers site hosts a rebate of \$7,500, with the opportunity for additional rebates when more charging ports are installed. Possible configurations eligible for the rebate include at least two UL-listed, ENERGY STAR certified L2 charging ports or a bring-your-own-charger option, which allows for the installation of two NEMA 14-50 receptacles rated for outdoor use or at least five 120-volt Level 1 (“L1”) charging port outlets, on a circuit of no more than 100 amps.¹⁸⁴ Eligibility also requires that applicants are current Consumers Energy commercial electric or combination customers, own or have permission to install charging at the indicated public parking lot or curbside location, agree to a separate meter to monitor charging load, and enroll in a commercial TOU rate.¹⁸⁵

¹⁸² Michigan Department of Environment, Great Lakes, and Energy, “Clean Fuel and Charging Infrastructure Program,” accessed July 23, 2026, available at <https://www.michigan.gov/egle/about/organization/materials-management/energy/rfps-loans/clean-fuel-and-charging-infrastructure-program>.

¹⁸³ Consumers Energy, Case No. U-21538, “Transportation Electrification Plan & Annual Report 2026,” June 2026, p. 25, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000024ndTGAAY>.

¹⁸⁴ *Ibid.*

¹⁸⁵ *Ibid.*

As of February 2026, the Company reports that it has issued 92 rebates from its Community Charging program, with an additional 20 rebates committed to 12 different site hosts.¹⁸⁶ Delivered energy to these charging stations has reached 360,000 kWh, representing a 78 percent increase from March 2025 to February 2026.¹⁸⁷ From March 2025 to February 2026, the Company invested \$120,000 in the Community Charging rebates.¹⁸⁸ The Company proposes to invest \$2,625,000 in its Community Charging rebate program to support 350 L2 rebates and \$37,500 to support 5 L1 rebates from 2027 to 2031, marking an increase of \$412,500 per TEP year compared to the previous year (March 2025 to February 2026).¹⁸⁹

The Company also proposes the following changes to its PowerMIDrive Public Community Charging rebate program:

- *Increase maximum output per port from 9.6 kW to 11.5kW for L2 charging* - The Company indicates that this adjustment will better align with newer EV models capable of accepting higher power levels, which would improve the efficiency of drivers' charging experiences while remaining compatible with existing infrastructure;¹⁹⁰
- *Waive separate metering requirement for applicants with no more than 10 total parking spaces* - The Company indicates that this adjustment would reduce barriers for smaller sites where "the installation of a separately metered service can cost upwards of \$15,000," thereby placing a disproportionate financial burden on prospective site hosts.¹⁹¹ Consumers

¹⁸⁶ *Id.*, p. 26.

¹⁸⁷ *Id.*, p. 27.

¹⁸⁸ *Id.*, p. 66.

¹⁸⁹ *Id.*, p. 66.

¹⁹⁰ *Id.*, p. 33.

¹⁹¹ *Id.*, pp. 33-34.

expects that by reducing this financial burden, participation in the rebate program will improve;¹⁹²

- *Remove non-billing meter requirement for primary rate customers* - The Company indicates that primary rate customer participants in its public L2 rebate programs are already largely charging during off-peak hours, thus rendering the insight from the non-billing meter inconsequential.¹⁹³ Reducing the unnecessary upfront costs and eliminating the ongoing maintenance costs associated with the non-billing meter should improve program participation;¹⁹⁴ and
- *Utilize the Low-Income Population indicator within EGLE's MiEJScreen tool* - The Company indicates that use of this indicator would allow it to “more directly identify communities where more than 50% of residents live at or below 200% of the Federal Poverty Level,” making it easier to identify those communities with greater economic need to participate in the Company’s rebate programs.¹⁹⁵

Recommendation

Michigan EIBC/United strongly supports the continuation of this rebate program, and the Company’s proposed changes and budget, which would allow the Company to reach more prospective site hosts that fit the stated criteria.

¹⁹² *Id.*, p. 34.

¹⁹³ *Ibid.*

¹⁹⁴ *Ibid.*

¹⁹⁵ *Id.*, pp. 34-35.

PowerMIDrive Public: Overnight Destination Charging Rebate Investment Proposal

The Company's Overnight Destination Charging program aims to reach destinations frequented by local and out-of-state tourists, and where visitors often park for extended hours, such as "hotels, motels, campgrounds, and long-term airport parking."¹⁹⁶ This program offers site hosts where visitors are likely to park for extended hours a rebate of \$7,500, with the opportunity for additional rebates when they install more charging ports. Possible configurations eligible for the rebate include at least two UL-listed, ENERGY STAR certified L2 charging ports or at least five 120-volt L1 charging port outlets, on a circuit of no more than 100 amps.¹⁹⁷ Eligibility also requires that applicants are current Consumers Energy commercial electric or combination customers, agree to a separate meter to monitor charging load, enroll in a commercial TOU rate, and agree to post signage provided by the Company to indicate charging EV-only parking spaces.¹⁹⁸

As of February 2026, the Company reports the issuance of 163 rebates from its Overnight Destination Charging program, with an additional 138 rebates committed to more than 50 different site hosts.¹⁹⁹ Delivered energy to these charging stations has reached nearly 400,000 kWh, representing a 75 percent increase from March 2025 to February 2026.²⁰⁰ From March 2025 to February 2026, the Company invested \$357,734 in the Overnight Destination Charging rebates.²⁰¹ The Company proposes to invest \$4,612,500 in its Overnight Destination Charging rebate program to support 615 L2 rebates and \$37,500 to support 5 L1 rebates from 2027 to 2031, marking an

¹⁹⁶ *Id.*, p. 27.

¹⁹⁷ *Ibid.*

¹⁹⁸ *Ibid.*

¹⁹⁹ *Id.*, p. 28.

²⁰⁰ *Id.*, p. 27.

²⁰¹ *Id.*, p. 66.

increase of over \$572,000 per TEP year compared to the previous year (March 2025 to February 2026).²⁰²

Like the Community Charging rebate program, the Company proposes the same changes to its PowerMIDrive Public Overnight Destination Charging rebate program:

- *Increase maximum output per port from 9.6 kW to 11.5kW for L2 charging* - The Company indicates that this adjustment will better align with newer EV models capable of accepting higher power levels, which would improve the efficiency of drivers' charging experiences while remaining compatible with existing infrastructure;²⁰³
- *Waive separate metering requirement for applicants with no more than 10 total parking spaces* - The Company indicates that this adjustment would reduce barriers for smaller sites where "the installation of a separately metered service can cost upwards of \$15,000," thereby placing a disproportionate financial burden on prospective site hosts.²⁰⁴ Consumers expects that by reducing this financial burden, this enhancement will improve participation in these rebate programs;²⁰⁵
- *Remove non-billing meter requirement for primary rate customers* - The Company indicates that primary rate customer participants in its public L2 rebate programs are already largely charging during off-peak hours, thus rendering the insight from the non-billing meter inconsequential.²⁰⁶ Reducing the unnecessary upfront costs and eliminating

²⁰² *Id.*, p. 66.

²⁰³ *Id.*, p. 33.

²⁰⁴ *Id.*, pp. 33-34.

²⁰⁵ *Id.*, p. 34.

²⁰⁶ *Ibid.*

the ongoing maintenance costs associated with the non-billing meter should improve program participation;²⁰⁷ and

- *Utilize the Low-Income Population indicator within EGLE’s MiEJScreen tool* - The Company indicates that use of this indicator would allow it to “more directly identify communities where more than 50% of residents live at or below 200% of the Federal Poverty Level,” making it easier to identify those communities with greater economic need to participate in the Company’s rebate programs.²⁰⁸

Recommendation

Michigan EIBC/United strongly supports the continuation of this rebate program, and the Company’s proposed budget, which would allow the Company to reach more prospective site hosts that fit the stated criteria.

PowerMIDrive Public: Workplace Charging Rebate Investment Proposal

The Company’s Workplace Charging program aims to deploy L2 chargers at workplaces for employee use.²⁰⁹ This program offers site hosts a rebate of \$7,500 for the installation of at least two L2 charging ports.²¹⁰ To aid charging access, businesses can also participate in the Enhanced Workplace Charging rebate program if the business location is adjacent (within one to three walkable blocks) to neighborhoods or MDU properties with the opportunity for additional rebates when they install more charging ports.²¹¹ Participants in the enhanced rebate program can receive

²⁰⁷ *Ibid.*

²⁰⁸ *Id.*, pp. 34-35.

²⁰⁹ *Id.*, p. 29.

²¹⁰ *Ibid.*

²¹¹ *Ibid.*

from \$7,500 up to \$10,000 for the installation of at least two L2 charging ports.²¹² The two L2 charging ports must be UL-listed and ENERGY STAR certified on a circuit of no more than 100 amps.²¹³ Eligibility also requires that applicants are current Consumers Energy commercial electric or combination customers, agree to a separate meter to monitor charging load, enroll in a commercial TOU rate, and agree to post signage provided by the Company to indicate charging EV-only parking spaces.²¹⁴

From March 2025 to February 2026, the Company reports the issuance of 38 rebates from its Workplace Charging program, of which 10 awards participated in the Enhanced Workplace Charging program.²¹⁵ Delivered energy to these charging stations has reached nearly 642,000 kWh, representing 2.5 percent of L2 load, the largest energy consumption among the Company public L2 programs.²¹⁶ From March 2025 to February 2026, the Company invested \$316,595 in the Workplace Charging rebates.²¹⁷ The Company proposes to invest \$3,225,000 in its standard Workplace Charging rebate program to support 430 L2 rebates and \$250,000 in its proposed Enhanced Workplace Charging rebate program to support 25 L5 rebates from 2027 to 2031, marking an increase of over \$378,000 per TEP year compared to the previous year (March 2025 to February 2026).²¹⁸

²¹² *Ibid.*

²¹³ *Id.*, p. 30.

²¹⁴ *Ibid.*

²¹⁵ *Ibid.*

²¹⁶ *Ibid.*

²¹⁷ *Id.*, p. 66.

²¹⁸ *Ibid.*

Like its Community Charging and Overnight Destination Charging rebate programs, the Company proposes the same changes to its PowerMIDrive Public Workplace Charging rebate program:

- *Increase maximum output per port from 9.6 kW to 11.5kW for L2 charging* - The Company indicates that this adjustment will better align with newer EV models capable of accepting higher power levels, which would improve the efficiency of drivers' charging experiences while remaining compatible with existing infrastructure;²¹⁹
- *Waive separate metering requirement for applicants with no more than 10 total parking spaces* - The Company indicates that this adjustment would reduce barriers for smaller sites where "the installation of a separately metered service can cost upwards of \$15,000," thereby placing a disproportionate financial burden on prospective site hosts.²²⁰ Consumers expects that by reducing this financial burden, this enhancement will improve participation in these rebate programs;²²¹
- *Remove non-billing meter requirement for primary rate customers* - The Company indicates that primary rate customer participants in its public L2 rebate programs are already largely charging during off-peak hours, thus rendering the insight from the non-billing meter inconsequential.²²² Reducing the unnecessary upfront costs and eliminating the ongoing maintenance costs associated with the non-billing meter should improve program participation;²²³ and
- *Utilize the Low-Income Population indicator within EGLE's MiEJScreen tool* - The Company indicates that use of this indicator would allow it to "more directly identify

²¹⁹ *Id.*, p. 33.

²²⁰ *Id.*, pp. 33-34.

²²¹ *Id.*, p. 34.

²²² *Ibid.*

²²³ *Ibid.*

communities where more than 50% of residents live at or below 200% of the Federal Poverty Level,” making it easier to identify those communities with greater economic need to participate in the Company’s rebate programs.²²⁴

Recommendation

Michigan EIBC/United strongly support the continuation of this rebate program, and the Company’s proposed budget, which would allow the Company to reach more prospective site hosts that fit the stated criteria. Michigan EIBC/United also strongly support the Company’s workplace and community charger bonus rebate opportunity of \$10,000, which is an excellent innovation to increase utilization and reach underserved areas gain charging confidence. In fact, Michigan EIBC/United believe that the Company should be prioritizing promoting this rebate opportunity.

Additionally, unless there are fees or signage in place, workplace charging is likely to still have EVs plugged in during the peak hours of the day. As such, the workplace setting represents an ideal location to begin incentivizing bidirectional chargers at a higher rebate value than the \$7,500. This will prepare the Company for future demand response events and high LMP hour mitigation. Therefore, Michigan EIBC/United strongly encourage the Company to address and propose bidirectional opportunities like this in its 2027 TEP Annual Progress Report in preparation for launching a pilot and program in its next TEP, expected to be filed no later than July 1, 2028.

²²⁴ *Id.*, pp. 34-35.

PowerMIFleet Rebate Investment Proposal

Fleet EV charger rebates primarily target two major sub-segments - public transit and school bus electrification - for L2 charging ports up to 240 volts and long-duration DCFC ports of up to 50 kW.²²⁵ This program offers site hosts a rebate of up to \$7,500 per two UL-listed, ENERGY STAR certified L2 charging ports on 100 amps of service and up to \$15,000 per long-duration DCFC port.²²⁶ Eligibility requires that applicants are current Consumers Energy commercial electric or combination customers, own or lease the site where chargers will be located, own or lease and operate at least one EV, agree to a separate meter to monitor charging load, and enroll in a commercial TOU rate.²²⁷ The program offers complementary fleet assessments to overcome critical technical barriers associated with fleet electrification.²²⁸

From March 2025 to February 2026, the Company awarded 15 L2 fleet rebates, leading to the deployment of 17 fleet EVs across the Company's service territory.²²⁹ Since February 2026, the number of rebates awarded has increased by 320 percent, leading to the deployment of 78 L2 rebates and 21 long-duration DCFC rebates.²³⁰ The Company points to delays in MDE's Clean School Bus Grant program, which announced the allocation of nearly \$44 million to Michigan school districts across the state,²³¹ as an explanation for why its fleet program lagged in program

²²⁵ *Id.*, p. 35.

²²⁶ *Ibid.*

²²⁷ *Ibid.*

²²⁸ *Id.*, pp. 35-36.

²²⁹ *Id.*, p. 36.

²³⁰ *Ibid.*

²³¹ *Id.*, p. 48.

participation up to early 2026.²³² The Company indicates that average energization for fleet projects across its service territory is approximately 8 months.²³³

Additionally, the Company offers enhanced vehicle rebates for fleets serving income-qualified customers.²³⁴ In the Company's 2024 general electric rate case (Case No. U-21585), the Commission approved the Company's proposed budget of \$3 million, which the Company pulled from unused dollars set aside for fleet make-ready investments.²³⁵ Of the 20 nonprofit organizations and potential candidates for this funding, five have received rebates.²³⁶

The Company proposes the following changes to its PowerMIFleet rebate program:

- *Waive separate metering requirement for primary rate customers* - The Company indicates that primary rate customers are already incentivized to shift load off peak, suggesting that the separate meter serves as an inconsequential purpose at a great expense to the Company and customer.²³⁷ Eliminating it would drive down costs to the customer and enable the Company to reach more prospective participants, thus driving stronger program participation;²³⁸
- *Offer enhanced rebates of up to \$100,000 for eligible businesses looking to electrify at least 20 fleet vehicles* - By expanding this rebate offering, the Company hopes to attract larger fleets to participate in the program.²³⁹ This would ensure that these fleet customers

²³² *Id.*, p. 36.

²³³ *Ibid.*

²³⁴ *Id.*, p. 37.

²³⁵ *Ibid.*

²³⁶ *Ibid.*

²³⁷ *Id.*, p. 39.

²³⁸ *Ibid.*

²³⁹ *Id.*, p. 39.

would be encouraged to charge during off-peak hours.²⁴⁰ The Company suggests that the enhanced program can be supported through its existing budget,²⁴¹ and

- *Continue offering income-qualified enhanced rebates for nonprofit organizations* - The Company proposes to formalize the approach approved in its 2024 general electric rate case (Case No. U-21585), in which the Commission allowed the Company to redirect approved make-ready funding for fleets to support the purchase of EVSE and light-duty fleet vehicles, as well as cargo and transit vans.²⁴² The Company indicates that, if approved, it would develop a formal application and selection process later in 2026 for program participation.

From March 2025 to February 2026, the Company invested \$90,000 to support the issuance of long-duration DCFC rebates, \$153,750 to support the issuance of fleet L2 rebates, and \$2,116,393 to support the issuance of income-qualified enhanced rebates.²⁴³ The Company proposes to invest \$825,000 to support the issuance of long-duration DCFC rebates, \$3,150,000 to support the issuance of fleet L2 rebates, and \$2,500,000 to support the issuance of income-qualified enhanced rebates from 2027 to 2031.²⁴⁴

As noted above, 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

²⁴⁰ *Ibid.*

²⁴¹ *Ibid.*

²⁴² *Id.*, p. 39.

²⁴³ *Id.*, p. 66.

²⁴⁴ *Ibid.*

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.²⁴⁵ Furthermore, on May 19, 2026, EGLE announced the launch of a \$28 million RFP within its Fuel Transformation Program (“FTP”).²⁴⁶ Funded through the Volkswagen Environmental Mitigation Trust, the FTP will prioritize projects that significantly reduce emissions from gas- and diesel-powered vehicles and accelerate the adoption of zero-emission vehicles, like EVs.²⁴⁷ Individual awards will range from \$50,000 to \$5 million.²⁴⁸
- *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.^{249, 250} As such, it is reasonable to expect increased electrification across the commercial sector, especially among heavy-duty fleet operators.

²⁴⁵ 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>.

²⁴⁶ 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>.

²⁴⁷ 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>.

²⁴⁸ *Ibid.*

²⁴⁹ *Ibid.*

²⁵⁰ 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/>.

Recommendation

Michigan EIBC/United strongly support the Company's proposed revisions to waive the separate metering requirement for primary rate customers and to continue offering income-qualified rebates to nonprofit entities. In concept, Michigan EIBC/United also support the Company's proposal to offer enhanced rebates to larger fleet customers. However, Michigan EIBC/United question the usefulness of the latter proposal and are concerned that imposing such a stringent criterion (i.e., that fleet operators electrify at least 20 vehicles to qualify) could lead to underwhelming customer engagement. Larger fleets have electrification plans based on the clear economics of cost per mile delivery and company-wide goals that they are trying to meet, whereas smaller fleets often require more guidance throughout the electrification. Both are critical customers, but the approaches to engage with them are likely very different. For example, the \$100,000 rebate is hardly going to have an impact on a fleet that might be replacing 10 percent of its vehicles in a single year. Motivated by the opportunity to use new equipment as quickly as possible, larger fleet operators may be more interested in a utility's CIAC policies or assurances that the utility has ample supply of transformers to ensure that the energization timeline for their stations is kept at a minimum.

Conversely, small and medium-sized fleets of less than 20 vehicles, however, would likely find such a rebate opportunity quite attractive, as the capital investment to cover the cost of multiple vehicles and charging ports can be extremely cost prohibitive. Adjusting the rebate to a lower quantity per vehicle being electrified, thus resulting in more ports being installed, would therefore unlock economies of scale and vastly improve the business case for a small or medium-sized fleet electrifying multiple vehicles. As such, Michigan EIBC/United encourage the Company to develop a tiered rebate structure open to fleet operators of a wider variety of sizes with all criteria clearly

stated for prospective participants. Furthermore, Michigan EIBC/United strongly urge the Company, instead, to offer up to 10 rebates of \$10,000 per vehicle being electrified to cover a larger portion of the construction costs for charging installations. These adjustments will alleviate burdens associated with fleet electrification, such as higher installation costs and the loss of critical federal and state funding streams while ensuring that funding remains flexible to a wider variety of participants.

Additionally, Michigan EIBC/United also recommend that the Company propose to expand its PowerMIFleet budget and develop a tiered rebate structure for its long-duration DCFC to make the program more attractive to prospective fleet customers and allow program flexibility. DTE made such a proposal in its 2026 TEP, wherein it recommended the development of a tiered rebate based on the kW output capacity of each port, recommending a rebate of \$17,000 per port for DCFC with a 24 kW output capacity, \$26,000 for DCFC with a 50 kW output capacity, \$36,000 for DCFC with a 62.5 kW output capacity, \$46,000 for DCFC with a 100 kW output capacity, and \$100,000 for DCFC with a 150 kW output capacity.²⁵¹ If it were to develop a similarly tiered rebate structure for its fleet DCFC offering, to remain current with the available technology, the Company could eliminate the 62.5 kW tier, which is no longer common, and create a new tier of \$150,000 for output capacity of 200 kW or more. To continue to attract and meet the needs of a wider variety of fleet customers, the Company should therefore consider establishing a tiered rebate ranging from \$17,000 to \$150,000 to account for varying kW output capacities.

²⁵¹ DTE Electric Company, Case No. U-21538, “2027-2031 Transportation Electrification Plan,” April 2026, p. 52, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

Furthermore, in support of the Company's non-profit vehicle rebate opportunity, Michigan EIBC/United recommend that the Company incorporate driver education program into its PowerMIFleet E&O efforts to ensure that non-profits feel comfortable making the transition from ICE to EV. This will also expose more non-profit employees and community members to EVs, capitalizing on word of mouth to spread awareness about the technology.

Finally, 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 the Company from being overly conservative in its rebate forecasts for the 2027-2031 TEP. This reinforces the importance, as described above, of establishing reasonable guardrails that allow a degree of flexibility to reallocate approved funding from one rebate program to another. To meet this growing demand, the Company should increase the number of its targeted DCFC rebate deployments from 55 to 110. Assuming the implementation of a tiered rebate structure, as discussed above, the Company should expand its total PowerMIFleet rebate budget to \$7 million by adding about \$3 million to the fleet DCFC budget.

DCFC Pilot Rebate Investment Proposal

The Company indicates that 24 of the 137 DCFC projects under the previous DCFC pilot also received funds from the federal NEVI program.²⁵² The previous pilot offered \$40,000 per site for make-ready funding to support utility side of the meter upgrades and was designed to deploy infrastructure that supported at least twice the NEVI-required aggregated load of 150 kW per

²⁵² Consumers Energy, Case No. U-21538, "Transportation Electrification Plan & Annual Report 2026," June 2026, p. 41, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000024ndTGAAY>.

site.²⁵³ As of February 2026, the Company reports that 117 of the 137 rebated sites from this first pilot phase are operational; 15 of the remaining 20 are NEVI-supported sites.²⁵⁴ From March 2025 to February 2026, Consumers indicates that “more than 9 million kWh of energy were delivered through DCFC [rebated] ports,” representing 75.5 percent of all charging load in the Company’s service territory.²⁵⁵

In its 2025 general electric rate case (Case No. U-21870), the Company proposed adjustments to its DCFC pilot and was approved to offer rebates up to \$50,000 per DCFC port for chargers rated 150 kW or more.²⁵⁶ To ensure DCFC are deployed spanning a broader geographic reach, the Company will limit rebates to communities with less than four 150 kW DCFC ports.²⁵⁷ The Company also indicates that sites will also be required to meet a variety of accessibility and operational requirements.²⁵⁸ These criteria and other mechanisms of site evaluation, as well as a map of eligible communities, will be published by the end of 2026.²⁵⁹ This pilot program will remain available for up to seven years or until funds are fully deployed.²⁶⁰

From March 2025 to February 2026, the Company invested \$2,100,000 to support the issuance of DCFC rebates across its service territory.²⁶¹ The Company proposes to invest \$12,500,000 to

²⁵³ *Ibid.*

²⁵⁴ *Ibid.*

²⁵⁵ *Id.*, pp. 41-42.

²⁵⁶ *Id.*, p. 42.

²⁵⁷ *Ibid.*

²⁵⁸ *Ibid.*

²⁵⁹ *Id.*, pp. 42-43.

²⁶⁰ *Id.*, p. 42.

²⁶¹ *Id.*, p. 66.

support the issuance of 250 DCFC rebates from 2027 to 2031, marking an increase of over \$400,000 per TEP year compared to the previous year (March 2025 to February 2026).²⁶²

While the Company does not offer specific energization timeline data, it indicates that energization timelines for DCFC projects in its service territory vary, often due to customer errors in the application process and challenges with executing easements, particularly when contingent upon third-party landowner approval.²⁶³ It also points to long lead times for critical equipment and materials, such as distribution transformers, which currently face lead times of 18 months or more.²⁶⁴ To address this challenge, the Company's EV team works closely with its Supply Chain team to proactively procure transformers in advance of confirmed site energization to reduce project lags.²⁶⁵

Recommendation

Given the critical role that public charging has in enabling equitable EV adoption,^{266, 267, 268, 269} Michigan EIBC/United strongly support the Company's proposal to maintain its current public DCFC rebate pilot. In addition, Michigan EIBC/United urge the Company to consider a tiered

²⁶² *Ibid.*

²⁶³ *Id.*, p. 62.

²⁶⁴ *Id.*, p. 63.

²⁶⁵ *Ibid.*

²⁶⁶ 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/>.

²⁶⁷ 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.>

²⁶⁸ 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>.

²⁶⁹ 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>.

rebate structure similar to that proposed in DTE's 2026 TEP for its public on-route DCFC rebates, which offers applicants in DAC and rural areas a \$70,000 per port rebate and \$50,000 per port for applicants in non-DAC, non-rural areas.²⁷⁰ In its 2025 general electric rate case (Case No. U-21870), the Company noted that "the median and average costs of a 150 kW DCFC construction project range between approximately \$200,000 and \$237,000."²⁷¹ Under previous conditions where the applicant could access the 30C tax credit, the Company's \$50,000 DCFC rebate would cover about one-third of the total project costs, or the entirety of the make-ready costs, for a two-port DCFC installation."²⁷² However, based on the Company's 2025 cost assumptions, the make-ready cost per DCFC port would increase to between \$75,000 and \$93,500 without the tax credit. This cost increase has made it more difficult to establish a workable business case for DCFC investments, especially in rural and seasonal travel communities where charging is most needed. If the goal is to deploy funds efficiently and prioritize communities currently lacking DCFC, it may be necessary to increase the rebate amount. As such, the Company should propose to increase the DCFC rebate amount to up to \$70,000 per port, at least for DAC and rural communities.²⁷³

Furthermore, Michigan EIBC/United recommend that the Company provide more detail about how exactly the Company's EV team is working with its Supply Chain team to coordinate advanced purchases of transformers. If the lead time is still 18 months or more for transformers,

²⁷⁰ DTE Electric Company, Case No. U-21538, "2027-2031 Transportation Electrification Plan," April 2026, p. 48, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

²⁷¹ Direct Testimony of Jeffrey A. Myrom on behalf of Consumers Energy, Case No. U-21870, June 2, 2025, p. 13, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000s6UQyAAM>.

²⁷² *Ibid.*

²⁷³ The Company estimates that the cost of a two-port DCFC installation is roughly between \$140,000 and \$166,000, after factoring in the 30C tax credit. As such, the cost per port with the 30C tax credit is \$70,000-83,000. Without the tax credit, however, the cost of a two-port DCFC installation remains the same as the Company's pre-tax credit estimate of \$200,000-\$237,000. As such the cost per port increases to between \$75,000 and \$93,500, a difference of between \$5,000 and 10,500. Assuming the maximum cost per port, increasing the Company's public DCFC rebate by \$20,000 would then roughly cover the cost increase of two port.

this coordination and purchasing process, including how many transformers are purchased monthly and what metrics inform that decision, should be made clear to interested stakeholders and the Commission.

Managed Charging and Vehicle-to-Grid (“V2G”) Comments

Managed Charging

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.²⁷⁴ The Company’s managed charging portfolio, however, largely focuses on passive managed charging (primarily through time-of-day (“TOD”) rates and customer education).²⁷⁵ The Company also points to a partnership with Rhythmos, or ElectronGrid, Inc., with which it is working

on a Real-World Deployment Grant awarded by the Michigan Economic Development Corporation (MEDC) through the Michigan Mobility Funding Platform for the development of mobility technologies. Through this grant, Electron and Consumers Energy have been collaborating to further investigate solutions for proactively and precisely managing customer EV charging loads within the available capacity of existing distribution assets, including service transformers and upstream distribution infrastructure. The core objective of this pilot is to integrate precision grid-edge load capacity awareness with existing EV managed charging programs to support longer-term EV customer program development and distribution system planning. This approach is intended to position Consumers Energy to defer or avoid the need for residential distribution system upgrades while maintaining high levels of customer reliability, even as EV adoption continues to increase.²⁷⁶

²⁷⁴ Consumers Energy, Case No. U-21538, “Transportation Electrification Plan & Annual Report 2026,” June 2026, p. 8, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000024ndTGAAY>.

²⁷⁵ 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>.

²⁷⁶ *Id.*, p. 49.

While the Company's passive managed charging efforts should be applauded, in its 2024 (Case No. 21585) and 2025 (Case No. 21870) general electric rate cases, Company witness Jeffrey Myrom indicated that TOU rates alone are not sufficient in the long term to optimize off-peak charging and that, consequently, TEP programming must focus on optimizing EV load.^{277, 278} Active managed charging represents a significant opportunity to capitalize on all the benefits that EVs have to offer, and pilots across the country 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,"²⁷⁹ and even "allow distribution grid assets to host 1.3 to 3.2 times more EVs."²⁸⁰ 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.²⁸¹

In its comments on DTE's proposed 2026 TEP in the instant case (Case No. U-21538), the Alliance for Automotive Innovation also highlighted several other studies that clearly indicate the value of meaningful active managed charging programs:

- 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.
- The Brattle Group and ev.energy found that optimized charging can avoid up to \$575 in ratepayer costs annually per EV.

²⁷⁷ Direct Testimony of Jeffrey A. Myrom on behalf of Consumers Energy, Case No. U-21585, May 31, 2024, p. 6, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000s6UQyAAM>.

²⁷⁸ Direct Testimony of Jeffrey A. Myrom on behalf of Consumers Energy, Case No. U-21870, June 2, 2025, pp. 10-11, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000s6UQyAAM>.

²⁷⁹ 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>.

²⁸⁰ *Id.*, p. 7.

²⁸¹ *Ibid.*

- 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.
- 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.
- 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.
- 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.
- Argonne National Lab and Smart Electric Power Alliance estimated roughly \$300/year per EV in deferred transformer and feeder upgrades.²⁸²

To make a managed charging program successful, however, the Alliance for Automotive Innovation also notes that setting the right goals and opening the program to a large enough set of participants, and establishing meaningful, publicly available reporting requirements, are critical to maximizing grid benefits and ensuring program cost-effectiveness.²⁸³

Finally, including bidirectional charging in the Company’s managed charging program would open up significant opportunities to mitigate LMP spikes in times of high energy demand. To illustrate, high energy demand frequently correlates with severe weather events, such as summer heatwaves, which drive regional LMPs significantly above a utility’s forecasted baseline.²⁸⁴ If the

²⁸² Alliance for Automotive Innovation, “Auto Innovators’ comments on DTE’s 2027-2031 Transportation Electrification Plan, MPSC Case No. U-21538,” June 24, 2026, pp. 1-2, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00002A7rP6AAJ>.

²⁸³ *Id.*, pp. 2-5.

²⁸⁴ 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/>.

Company's rate model assumes a summer average LMP of \$50 per megawatt-hour (MWh), extreme weather can spike real-time market prices to \$80 or \$100 per MWh, dramatically exceeding the Company's procurement projections. By incorporating bidirectional charging into the Company's managed charging portfolio, Consumers can utilize vehicle-grid integration ("VGI") as a flexible demand-side resource. During peak market spikes, targeted load shedding and power from bidirectional vehicles would allow the Company to curtail high-priced energy purchases from MISO. This localized peak-shaving helps suppress upward pressure on LMPs, bringing procurement costs closer to assumed averages and generating systemic fuel and purchase power savings for all ratepayers within the service territory.²⁸⁵

Furthermore, to transition successfully from traditional, one-way managed charging to a robust VGI framework, the Company should propose an appropriate V2G tariff no later than June 1, 2027 or the Company's next rate case, whichever comes first. This tariff should be informed by stakeholder input and approved by the Commission. This tariff must fairly compensate EV participants for the quantified grid services they provide—specifically, the avoided capacity and wholesale energy purchases that keep system-wide costs down. Formalizing this compensation

²⁸⁵ 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/>.

structure will incentivize participant enrollment, optimize the utility's DER portfolio, and unlock the full stack of VGI benefits for both EV drivers and the broader grid.

Recommendation

Michigan EIBC/United recommend that the Company continue to explore opportunities to improve its active managed charging efforts based on the learnings from its partnership with Rhythmos. 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 managed charging pilots. Subsequently, given that the Company did not truly provide an update to its current managed charging program, as required by the Commission in its order to the Company's 2025 general electric rate case (Case No. U-21870), the Company should present learnings from this stakeholder engagement event and its experience with Rhythmos by December 31, 2026.

V2G

In its Order to the Company's 2025 general electric rate case (Case No. U-21870), the Commission indicated that it "believes they would benefit from further analysis in the Consumers' next TEP filing...[and] that [vehicle-to-everything ("V2X")] capabilities and system benefits should be evaluated in Consumers' 2026 TEP, instead of waiting for the TEP to be filed in 2028."²⁸⁶ In its 2026 TEP, the Company makes note of V2X at several points:

²⁸⁶ Michigan Public Service Commission, Case No. U-21870, "Order in the matter of the application of Consumers Energy Company for authority to increase its rates for the generation and distribution of electricity and for other relief," March 27, 2026, pp. 234-235, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001rd2XbAAI>.

- *In the Executive Summary* - The Company points to the Commission Order, indicating that the Company was directed to “address and evaluate telematics and actively managed charging, the [V2G] School Bus Pilot, [V2X] capabilities and system benefits.”²⁸⁷
- *In reference to the future of its PowerMIFleet rebate program* - The Company indicates that it is

evaluating the next evolution of electric transportation, including Vehicle-to-Building (V2B) and Vehicle-to-Grid (V2G) technologies, which have the potential to enable EVs to function as flexible energy assets for both customers and the electric system. These emerging capabilities may support enhanced customer resilience, improved energy cost management, and deeper integration of EVs with customer facilities and the broader electric grid. As part of this evaluation, the Company is reviewing lessons learned from pilot efforts conducted across the industry to better understand technical performance, customer experience considerations, and operational requirements. These insights will inform the potential design of a future pilot that builds on demonstrated successes while prioritizing customer value, grid benefits, and scalability.²⁸⁸

- *In reference to its future TEP Roadmap* - The Company indicates that it is actively researching innovative ways for EV growth to provide benefits to the electric grid. Technologies under consideration include V2G, V2H, V2B, and additional battery storage capabilities that support the integration of renewable energy into EV infrastructure. Each of these technologies is currently in the early stages of evaluation. Over the next year, the Company expects to complete feasibility assessments for V2G, V2H, and V2B solutions, which may include evaluations of technological readiness, economic feasibility, customer participation potential, and grid impacts.²⁸⁹
- *In reference to its 2026 TEP stakeholder engagement meetings* - The Company indicates that “[a]cross both meetings, stakeholders raised questions regarding the proposed program enhancements and the inclusion of emerging technology such as V2G in the TEP.”²⁹⁰

²⁸⁷ Consumers Energy, Case No. U-21538, “Transportation Electrification Plan & Annual Report 2026,” June 2026, p. 5, available at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000024ndTGAAY>.

²⁸⁸ *Id.*, p. 40.

²⁸⁹ *Id.*, p. 53.

²⁹⁰ *Id.*, p. 54.

Despite these references, however, at no point does the Company provide an evaluation of V2X technologies or its capabilities, as ordered by the Commission.

Enabling V2G represents a critical opportunity for utilities and their customers to fully leverage EV technology. For EV owners who opt-in to provide power during times of grid constraint, V2G-capable EVs can not only help reduce outages for themselves and their communities, but they can also offer significant cost savings over time. For example, the Massachusetts Clean Energy Center (“MassachusettsCEC”) reports that the state’s ConnectedSolutions virtual power plant through National Grid allows certain light-duty EVs to earn roughly \$3,000 per summer.²⁹¹ MassachusettsCEC also indicates that school districts have the opportunity to earn up to \$12,000 per bus per summer.²⁹² In fact, a study by Converge Strategies and the Vehicle-Grid Integration Council indicates that a single school bus in Beverly, Massachusetts discharged 10.78 MWh to National Grid’s System and generated \$23,500 in revenue over two summers.^{293, 294}

V2G-capable EVs can not only help save EV owners money, but they also have the capacity to aid grid-operators to balance grid conditions, therefore maximizing grid utilization, particularly during times of grid constraint, and potentially delaying grid upgrades.²⁹⁵ According to a study by the Electric Power Research Institute, California’s goal of 5 million EVs on the road by 2030 could

²⁹¹ 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/>.

²⁹² *Ibid.*

²⁹³ *Ibid.*

²⁹⁴ 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.

²⁹⁵ 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>.

translate to \$1 billion in annual benefits to the electric grid.²⁹⁶ Furthermore, an Ernst & Young report indicates that with the right smart charging and V2G policies and programs in place, EVs could contribute 4% 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.²⁹⁷ 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 demonstrate the Ford F-150 Lightning’s V2G capabilities.^{298, 299}
- *California* - Following California’s 2020 blackouts, the California Public Utilities Commission rolled out an emergency reliability offering that offered EV drivers \$2/kWh to participate in dispatch events during critical grid emergencies.³⁰⁰ 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.³⁰¹

²⁹⁶ 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/>.

²⁹⁷ 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.

²⁹⁸ 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.

²⁹⁹ 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/>.

³⁰⁰ 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.

³⁰¹ *Id.*, p. 23.

Additionally, on June 9, 2026, General Motors (“GM”) announced that it would integrate bidirectional capability as a foundational standard across its EV portfolio and even activate the technology for existing customers without the need for any hardware upgrades.^{302, 303} Not only do announcements like the one from GM 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. 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 that the Company file an update to its current 2026 TEP to include a thorough evaluation of V2X capabilities and system benefits and its V2G School Bus Pilot, as directed by the Commission. Michigan EIBC/United also recommend the Company host a series of stakeholder meetings including industry experts to provide insights that could inform future pilots and identify potential target customer segments (e.g. school districts, transit agencies, private fleets, neighborhoods, etc.) that could readily engage in an effective pilot. 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.

³⁰² 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>.

³⁰³ 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/>.

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. Commit to higher levels of outreach similar to or greater than those reported in the Company's 2025 TEP;
7. Increase the rebate levels of its residential program to better cover the costs of an L2 charger and its installation costs, and consider a tiered rebate structure for LI, middle-income, and non-LI customers to make the rebate offering more attractive to a wider range of customers;

8. Develop a new bidirectional rebate offer no later than the Company's 2027 TEP Annual Progress Report and rate case;
9. Increase the MDU rebate target to 2,000 ports and the rebate amount to \$5,000 per port to support not only a larger cost of the equipment, but also the installation and energy management software that could help better manage load;
10. Maintain and adjust its current PowerMIDrive Community Charging rebate program, as proposed;
11. Maintain and adjust its current PowerMIDrive Overnight Destination Charging rebate program, as proposed;
12. Maintain and adjust its current PowerMIDrive Workplace Charging rebate program, as proposed;
13. Consider a new bidirectional rebate offer no later than the Company's 2027 TEP Annual Progress Report and rate case;
14. Waive the separate metering requirement for PowerMIFleet customers, as proposed;
15. Incorporate driver education into PowerMIFleet advisory services for non-profit fleet vehicle rebate opportunity;
16. Establish a tiered DCFC rebate structure for fleets participating in the standard rebate program to attract more customers and allow greater program flexibility;
17. Establish a tiered rebate structure for fleets participating in the enhanced rebate program such that small- and medium-size fleets are not excluded simply due to the number of vehicles being electrified;

18. Offer a tiered rebate structure for public DCFC stations 150 kW or more of \$70,000 per port for chargers located in DAC and/or rural areas, and \$50,000 per port for chargers located in non-DAC, non-rural areas;
19. Improve managed charging efforts based on learnings from ongoing managed charging partnerships and stakeholder engagement and file an update to its current TEP to include a thorough evaluation of its managed charging pilot by December 31, 2026;
20. Propose a V2G tariff to incorporate into the Company's managed charging and V2G pilots no later than June 1, 2026 or the Company's next rate case, whichever comes first;
21. File an update to its current 2026 TEP to include a thorough evaluation of V2X capabilities and system benefits and its V2G School Bus Pilot by December 31, 2026 ;
22. Host a series of stakeholder meetings including industry experts to provide insights that could inform future pilots and identify potential target customer segments; and
23. Propose a new V2G pilot no later than the 2027 TEP Annual Progress Report.

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**

August 5, 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 Consumers Energy Company’s 2026 Transportation Electrification Plan (“TEP” or “Plan”), Case No. U-21538.

The CEO support the Company’s overall plan and strategy. Consumers Energy’s updated TEP includes investments in ongoing and enhanced EV charging rebates, ongoing education and outreach (“E&O”) efforts, administration and information technology. The CEO acknowledge and support the Company’s continued emphasis on the equitable deployment of electric vehicles and EV infrastructure through targeted programs in underserved and low-income communities. Finally, the Company signals that it plans to explore opportunities to enhance benefits to the grid over the coming year (*e.g.*, with the prospect of launching active managed charging), vehicle-to-everything (“V2X”), and other grid enhancing programs thereafter. We support those efforts while also encouraging the Company and the Commission to accelerate the initiation of these programs.

At the same time, the CEO have identified a number of areas for improvement in the Company’s TEP. First and foremost, while we are encouraged that the Company plans to conduct feasibility studies and evaluate pilots for potential grid-enhancing programs in the future, the time for deployment of these programs is now. The CEO have advocated for these grid-enhancing programs for some time, and frankly, the Company is falling behind many of its peers across the region and country. The Commission has echoed these concerns in recent orders, most recently in the Company’s approved Electric Rate Case (No. U-21870), and as reflected in the Commission’s

approved Filing Requirements for Utility Transportation Electrification Plans (Case No. U-21492).¹ As the Company itself notes in the TEP:

“The Commission also directed the Company to address and evaluate telematics and actively managed charging, the Vehicle-to-Grid (V2G) School Bus Pilot, vehicle-to-everything (V2X) capabilities and system benefits.”

TEP at 5. The CEO expect that the Company will implement these new grid offerings in the near-term, and urge that it does so, fully-vetted with robust stakeholder engagement, by the next available case filing.

Second, there are some areas where higher rebates and outreach programming could further benefit underserved communities and improve access to EVs. In particular, we recommend targeting residents and property owners in multi-unit dwellings with higher rebates and advisory services. Similarly, we recommend additional services and rebates for underserved communities in the PowerMIFleet program.

Finally, the Company, and Commission, should resolve the timing and coordination issues resulting from filing TEPs and rate cases in overlapping dockets. The current process is confusing and lacks the sequential benefits of conducting a planning process, with robust stakeholder engagement, *before* requesting rate recovery, as the Commission originally intended.

II. 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 the Company’s customers facing significant affordability challenges, the Company and the Commission must adopt and utilize all available resources to reduce the need

¹ “The TEP should be an input into the electric utility’s distribution plan. The TEP must include discussion of how distribution system impacts from transportation electrification will tie into its distribution plan, opportunities for efficient grid management, the broad system impacts resulting from increased transportation electrification and the electric utility’s portfolio of actions, and how transportation electrification can support the efficient integration of renewables.” Case No. U-21492, January 23, 2025 Order at 14.

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.

Electric school buses are effectively large batteries on wheels; their duty cycles are predictable and their batteries’ availability sync well with grid needs (especially during the summer peaks). V2G 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 the Company and grid, especially if done at peak times or times of critical grid need and would also be valuable to the customer if they are able to receive compensation for that available power. To export power back to the grid, from a technical perspective, a customer only needs a bi-directional charger and software that signals appropriate timing, allowing the two-way transfer of energy. From a practical perspective, the Company also needs to put a tariff in place to recognize the value of the power to the grid for the relevant parties to make the system work.

As the Company is no-doubt aware, over 190 electric school buses have been awarded in its territory, including 33 within the last year that will be put into service during this TEP period. 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 for the grid when these batteries are sitting idle, as is largely the case during summer months when the grid experiences peak demand. The Company should be directed to assess the potential, not wait. A just and reasonable path forward, for Consumers and its customers, must include a robust V2G program.

Equally important, the Commission and the Company play an essential role in paving the way for financial viability of these electric school buses. Electric school buses generally are more

expensive to purchase and involve significant investments in charging infrastructure, training, and asset management. The CEO appreciate the Company's coordination with the Michigan Environment, Great Lakes, and Energy ("EGLE") and others as funding opportunities for ESBs change. TEP at 49. As the Company is aware, EGLE's Fuel Transformation Program (the state's remaining \$28 million from the VW Mitigation Trust Fund), for which electric school buses and associated charging infrastructure are eligible, is now open. And the U.S. Environmental Protection Agency has indicated it will issue a fourth round of Clean School Bus Program funding this year. Beyond those two, future government funding is uncertain. And although grant funds and rebates for buses and charging installations can offset some of these expenses, the goal is finding a pathway for school districts to purchase these vehicles without such assistance. A Company-developed tariff that compensates school districts for the energy they deliver back to the grid would accomplish this goal.

In its TEP, the Company claims that it is currently conducting V2G feasibility studies over the next year and is working on "market development" for a future V2X program, potentially by 2028. TEP at 53. Specifically, the Company says it is "actively researching innovative ways for EV growth to provide benefits to the electric grid," but that it is in the "early stages of evaluation." *Id.* Consumers asserts that "[o]ver the next year the company expects to complete feasibility assessments for V2G, V2H and V2B...which may include evaluations of technological readiness, economic feasibility, customer participation potential and grid impacts." *Id.* While CEO support these efforts, the language is vague enough to not clearly say what the Company is actually committing to do. Accordingly, the CEO suggest that the Company commit to proposing a V2G program in its next available case filings, and meanwhile Consumers should engage in a robust stakeholder engagement process to help develop its program.

The Company is no doubt aware that in Michigan (and elsewhere), school districts have installed V2G-capable chargers, but to date there have been limited opportunities to utilize them. The Company may also be aware, as the CEO are, that numerous of its peer utilities including Duke,² Dominion,³ Pepco, ConEd,⁴ ComEd,⁵ Green Mountain Power,⁶ PG&E,⁷ and SCE all have ongoing V2G pilots with electric school buses⁸ all have ongoing V2G pilots with electric school buses.

When the Company proposes a future V2G program for school buses it should therefore go beyond simply 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.⁹ Another is Pacific Gas & Electric's Dynamic pricing program, its Emergency Load Reduction Program that aims to avoid outages by paying electricity customers to reduce consumption or increase supply during peak demand times. Under its program, school

² <https://www.advancedenergy.org/news/early-lessons-learned-from-duke-energys-electric-school-bus-pilot>; <https://electricschoolbusinitiative.org/community-update-how-cherokee-boys-club-using-electric-school-buses-deliver-clean-rides-grid>

³ https://s3.us-east-1.amazonaws.com/fonteva-customer-media/00Do0000000Yi66EAC/ReWThHx_SEPA_Case_Study_Dominion_Energy_State_of_Bidirectional_Charging_pdf; <https://www.dominionenergy.com/virginia/save-energy/electric-school-buses>

⁴ <https://www.coned.com/en/save-money/using-private-generation-energy-sources/value-stack-customer-platform>

⁵ <https://innovate.comed.com/beneficial-electrification-pilots/school-bus-vehicle-to-grid/>; although article says it has concluded, 2nd phase of pilot starting any day

⁶ <https://greenmountainpower.com/news/new-program-helps-vermont-businesses-save-money-improve-efficiency/>

⁷ <https://www.pge.com/en/clean-energy/electric-vehicles/getting-started-with-electric-vehicles/vehicle-to-everything-v2x-pilot-programs.html>

⁸ Map of utility V2G pilots across the US as of May 2025 is at <https://electricschoolbusinitiative.org/latest-lessons-electric-school-bus-vehicle-grid-programs>

⁹ <https://greenmountainpower.com/rebates-programs/business-innovation/electric-vehicles/>

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.¹⁰

The Company should introduce a program capable of scaling to multiple school districts. As a report from the Smart Electric Power Alliance and the Vehicle-Grid Integration Council makes clear, programs need to be at scale, large enough to generate statistically credible data and operational insights.¹¹ “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.”¹²

Consumer Energy’s proposal to support 55 DCFC chargers for the entire PowerMIFleet program for the five-year TEP, does not specify the number for school buses. At a rebate level of only \$15,000 (lower than many other utility programs), none will likely be V2G-capable. As the Company is aware, over 190 ESBs have already been awarded to over 48 school districts and fleet operators in Consumers Energy’s territory, with 33 of those buses awarded within the last year. (See figure below.) Many of these 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.

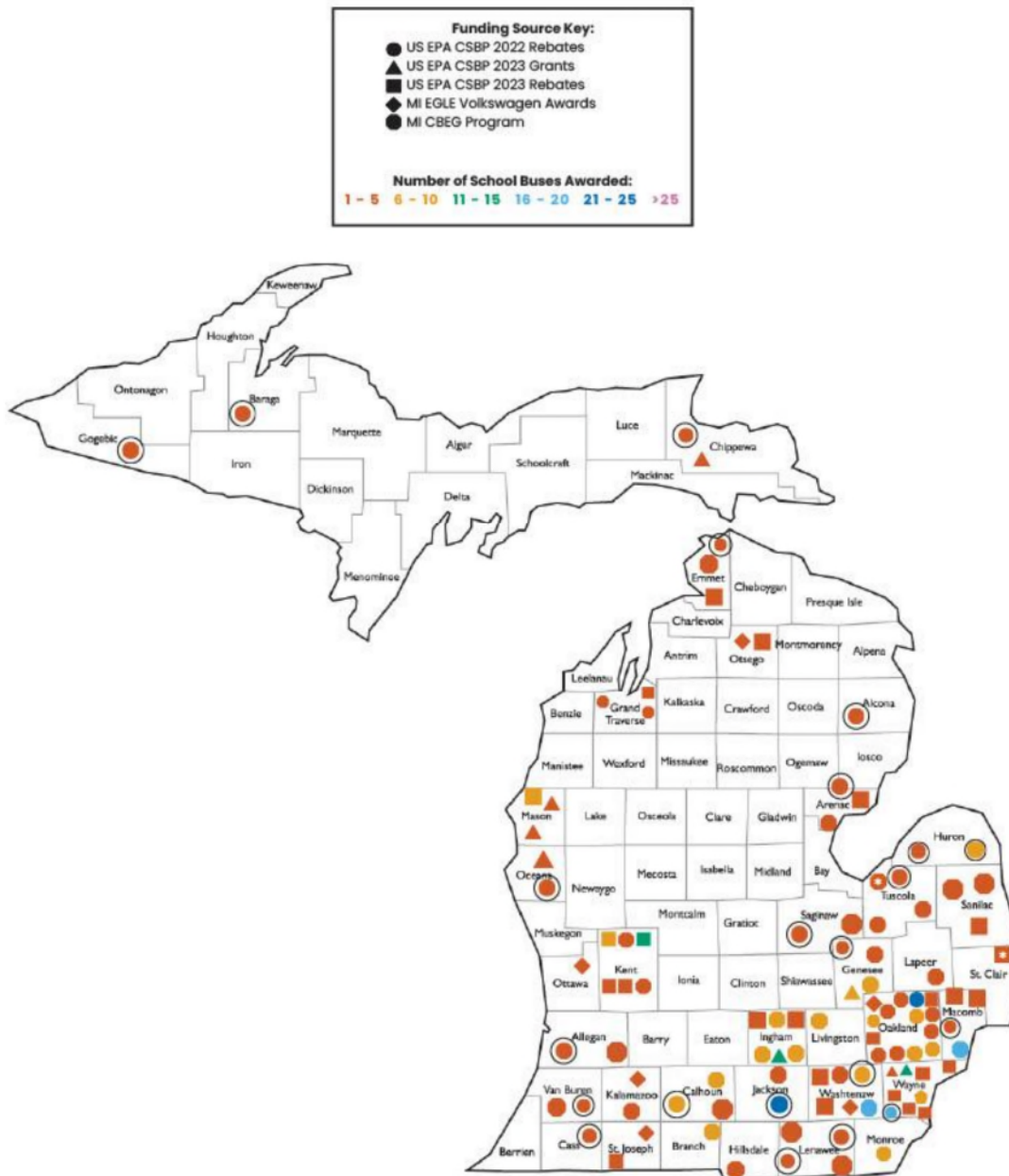
¹⁰ <https://www.pge.com/en/clean-energy/electric-vehicles/getting-started-with-electric-vehicles/vehicle-to-everything-v2x-pilot-programs.html>

¹¹ Vehicle-Grid Integration Programs: A Tool for Improving Energy Affordability through EV Grid Services (May 2026), available at https://sepapower.org/wp-content/uploads/2026/05/JZolTotp_SEPA324_VGIC_Vehicle_Grid_Integration_Programs_Report_print_pdf.pdf.

¹² *Id.* at 16.

Michigan Electric School Buses

To date, 584 electric school buses have been awarded to serve students in 81 school districts across the state. See the following chart for the full list of school districts.



**ENVIRONMENTAL LAW
& POLICY CENTER**

Data is subject to change

The CEO recommend that the Company develop a V2G pilot over the next year that: 1) includes robust stakeholder engagement, including school districts, with opportunities for meaningful exchange of ideas; 2) develops and test a compensation mechanism for a future tariff; and 3) includes a plan to scale the program and expand it by recruiting additional school districts with the support and financial incentives that are needed. The Company should propose its V2G program in an appropriate upcoming case and share its findings in its next TEP progress report.

The CEO also respectfully request that the Commission convene a Technical Conference within six months on V2G, or grid integration strategies with the goal of supporting robust V2G program offerings at Michigan's utilities.

III. CONSUMERS SHOULD PRIORITIZE DEVELOPMENT OF MANAGED CHARGING PROGRAMS FOR BOTH LIGHT-DUTY AND MEDIUM-HEAVY-DUTY VEHICLES

A. The Company should work with stakeholders to develop and propose a managed charging program for light-duty vehicles

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 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.

Even if most EV customers may be charging off-peak today, as more customers continue to adopt EVs and they make up a larger share of the Company's footprint, simple time of use ("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." The CEO have identified numerous examples of utilities recognizing the benefits of managed charging programs

across the country. Utilities in California,¹³ Massachusetts,¹⁴ and New York¹⁵ have all adopted managed charging programs which benefit both participating and non-participating customers.

We appreciate that the Company also recognizes the opportunity for managed charging programs to provide grid value in its discussion of a pilot program it is conducting in partnership with Electron. As the Company recognized, managed charging has the potential to “position Consumers Energy to defer or avoid the need for residential distribution system upgrades while maintaining high levels of customer reliability, even as EV adoption continues to increase.” TEP at 49.

The Company also appears to be planning an Active Managed Charging program in its Future TEP Roadmap, presumably after conducting its pilot with Electron. TEP at 53. We strongly support this approach and request that the Company engage stakeholders in a review of its current pilot as well as the design of a potential successor. As with V2G, the CEO also recommend that the Company create a clear plan and framework to transition its managed charging pilot into a full-scale program. We would also support including the topic of active managed charging in a Technical Conference that the Commission might convene on grid integration strategies, as we recommended above on the topic of advancing utility V2G programs.

¹³ 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>

¹⁴ 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>

¹⁵ <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 its PowerMIFleet customers

Although the Company recognized the value of V2G technologies “which have the potential to enable EVs to function as flexible energy assets for both customers and the electric system,” TEP at 40, to our knowledge this has not included consideration of active managed charging. Both programs would deliver value to the Company and its customers. The Company’s advisory services program could involve partnering with electric vehicle fleet customers to provide managed charging software systems, including for both light-duty and medium/heavy duty vehicles. Several companies already offer these types of software including, Synop, The Mobility House, ChargePoint, Flipturn, GridBeyond, Ampcontrol, Powerflex, Fermata Energy, EVGo, and BP Pulse.

One approach the CEO suggest is for the Company to create a “non-bridging” application where fleet customers could *elect* to connect with a load limit schedule (*i.e.* “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 “non-wires solution” 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.

Failing to include active managed charging for electric vehicle *fleet* customers, including for medium- and heavy-duty vehicles, leaves a beneficial opportunity on the table, at a time when it is imperative for the Company to squeeze as much value out of the existing system and infrastructure as possible. These customers need the Company to guide such a program to optimize

their charging to benefit the grid. The CEO recommend that the Company include fleets in any future managed charging programs.

IV. THE COMPANY SHOULD INCREASE REBATE LEVELS AND ASSISTANCE FOR MULTI-FAMILY AND FLEET CHARGERS IN UNDERSERVED COMMUNITIES

The CEO appreciate that the Company remains committed to programs that increase access to EV charging infrastructure, particularly in underserved communities. However, there is a lack of actual program elements proposed in the Company's TEP that would help to address access for these communities. The PowerMIFleet income qualified fleet offering for non-profit community organizations is an exception, but that program is based on previously approved, time-limited funding, and is highly targeted. The CEO suggest that enhanced rebates for low-income customers in underserved communities are justified in several other areas of the TEP to better ensure the Company's goal of providing more EV access to all of its customers.

Multi-Family Rebates: The CEO support the Company's commitment to expanding charging access in the multi-family ("MF") sector, which represents approximately 33% of its customers. As the Company acknowledges, this underserved segment presents special challenges for residents that wish to own an EV because these residents often must rely on higher-cost and less convenient public fast-chargers, or a MF property owner willing to provide charging access, compared to convenient and lower-cost overnight charging of single-family residences.

Given these challenges, we are not convinced that the rebate levels the Company proposes are sufficient to cover the costs of installing and operating charging infrastructure at MF properties, particularly in existing buildings where service upgrades and other alterations of the building and parking facilities are likely required. In addition, while the Company has been able to take advantage of stacked funding that has been available from the Michigan EGLE CFCI program to supplement charging station installations in this segment, that funding opportunity has now been

closed and will make these installations less attractive financially. As noted in DTE's most recent TEP, *average* installation costs were \$13,780 per charging port, pointing to a number of installation obstacles such as trenching and electrical upgrades.¹⁶ Consumer Energy's proposed \$7,500 rebate for a minimum of 2-ports is therefore likely too low for properties with higher costs and where additional incentives may be required to provide access.

The CEO thus recommend that the Company increase its rebate levels for MF properties to at least the levels offered by DTE (of \$14,400 per port for low-income ("LI") properties, and a minimum of \$5,000 per port for non-LI properties)¹⁷ with an emphasis on existing buildings. We also recommend that the Company use its education and outreach program to target MF properties in the segment and offer their advisory services to provide no-hassle concierge-type assistance. Finally, since rental properties in single-family, or MF with less than 5 residences, face many of the same owner-tenant challenges that prevent convenient, low-cost charging access, we propose higher rebate levels for these properties as well.

PowerMIFleet IQ Rebates: The CEO support the IQ fleet rebates mentioned above that the Company plans to continue for non-profit community organizations in underserved communities. However, the funding for this program is based on previously approved spending and will expire when those funds are depleted. The CEO suggest that the program be extended and that eligibility for those rebates be broadened to include public fleets and potentially other small business fleets in underserved communities. In order to expand and extend this program offering, the Company should also consider proposing an increase in the budget for the program, extending it over the 5- year TEP period. We recommend that the Company address this suggestion in its reply comments.

¹⁶ Case No. U-21538, DTE Electric Company 2027–2031 Transportation Electrification Plan at 43 (April 22, 2026).

¹⁷ *Id.* at 45.

V. THE TIMING OF STAKEHOLDER ENGAGEMENT PROCESS SHOULD BE IMPROVED TO BE MORE HELPFUL

Currently the overlapping timing of the Company's TEP and associated rate case make meaningful input and adjustments based on stakeholder feedback problematic. In DTE's most recent rate case, 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.¹⁸ However, both the Company and DTE have now filed rate cases with proposed rate recovery for their TEPs at the same time that comments on their TEPs 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 into 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 the Company and the Commission can 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 this 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 in order to reduce confusion and eliminate overlapping comment periods and testimony deadlines.

VI. CONCLUSION

Consumers Energy's 2026 TEP contains an overall robust commitment to continue to expand and deploy its charging infrastructure programs. At the same time, the Company must embrace new technology to help alleviate generation and grid constraints and improve customer

¹⁸ Case No. U-21860, Feb. 19, 2026, Order at 259.

affordability. Managed charging and V2G are both key to this effort. In line with the above comments, the CEO respectfully recommend the following:

- 1) The Commission should order the Company to develop a V2G pilot over the next year that: (a) involves robust stakeholder engagement, including school districts; (b) develops and tests a compensation mechanism for a future tariff; and (c) includes a plan to scale the program and expand it by recruiting additional school districts with the support and financial incentives that are needed;
- 2) The Commission should convene a Technical Conference within six months on V2G or grid integration strategies with the goal of supporting robust V2G program offerings at Michigan's utilities;
- 3) The Company should engage stakeholders in a review of its current managed charging pilot as well as the design of a potential successor program, which the Company should propose in an upcoming filing;
- 4) The Company should include medium- and heavy-duty vehicle fleets in future managed charging programs;
- 5) The Company should increase its rebate levels for multi-family properties to match DTE's \$14,400 per port for low-income properties, and \$5,000 per port for non-LI properties, with an emphasis on existing buildings;
- 6) The Company should target multi-family properties in its education and outreach efforts;
- 7) The Company should increase and expand their rebates for single-family rentals;
- 8) The Company should propose to extend its Power IQ Rebates beyond their existing end of life; and
- 9) The Commission should address in its order in this case the difficulty of overlapping rate case and TEP filings.

Submitted electronically on 8/5/2026

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 Plan. 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 Consumers Energy 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 Consumers Energy for working to reduce barriers to charging for both residential and commercial customers, and for the thoughtful inclusion of program enhancements for low-income and underserved residents.

Additionally, we appreciate the thoughtful approach to TOU rates. The ramping system of charging start times to prevent new peaks and to reduce impacts on the feeder system.

The EC offers the following recommendations.

Recommendation 1: Consumers Energy should proactively engage Michigan fleets as a part of the PowerMIFleet Fleet Electrification Assessment.

We encourage Consumers Energy's fleet services team to proactively conduct outreach to fleets within its service territory, rather than to provide the service to already informed and educated customers. This will also assist with developing Consumers Energy's understanding of the types and locations of fleets which are planning or interested in electrifying, what their timelines may be, and what locations may need infrastructure upgrades to support increased EV loads.

While the enhanced rebate incentives seek to encourage electrifying fleets into areas where there is extra capacity, it may be challenging for the fleets to build and relocate a depot to take advantage of a utility incentive, particularly in the near term. We recommend a proactive outreach strategy that meets fleets where they already operate, enabling Consumers Energy to plan any distribution upgrades in a way that avoids costly energization delays and stranded assets.

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. Consumers Energy should consider a similar approach.

Recommendation 2: Accelerate Vehicle-to-Grid Program Development

We encourage Consumers Energy to develop a Vehicle-to-Grid (V2G) pilot program for electric school buses (ESBs). Michigan's ESB fleet is growing meaningfully thanks to the U.S. EPA Clean

School Bus Program and the Michigan Clean School Bus Grant program, creating a timely opportunity to leverage these assets to provide benefits to the grid and the fleets, 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. Given Dominion's demonstrated success and the rapid growth of Michigan's ESB fleet, Consumers Energy cannot afford to move slowly and miss out on a significant opportunity to enhance grid reliability and community resilience.

Therefore, we encourage Consumers Energy to move quickly to launch their own V2G pilot program and strengthen grid reliability while simultaneously providing school districts with potential revenue opportunities and emergency backup power capabilities. Consumers Energy should also align their V2G program with their other, on-going distributed energy resource programming.

Recommendation 3: TEP program eligibility should also be accessible to local government entities.

We applaud the inclusion of 501(c)3 organizations in the proposed rebate programs. Community organizations represent an important channel for expanding equitable access to EVs and EV charging, and this eligibility enhancement will enable them to take increased action on their electrification goals. We encourage Consumers Energy to also expand the eligibility to municipalities and other local government entities.

The EC frequently works with these entities who are electrifying their fleets to both lead by example and because the reduced total cost of ownership of EVs versus internal combustion engine vehicles represents significant savings. The elimination of the federal 30C commercial tax credit has significantly reduced the ability for these customers to make the upfront investments in the charging infrastructure needed to access the grid and electrify their fleets. Extending this eligibility to local government entities would support customers who are already committed to replacing gasoline with electrons and are positioned to deploy EVs quickly.

Recommendation 4: The Multi-Dwelling Unit bill crediting should not be sunset.

Consumers Energy's current multi-dwelling unit (MDU) bill credit program represents a valuable incentive for increasing participation of MDUs in Consumers Energy's charging programs. We understand that other components of the TEP programs, including separate metering, time-of-use rates, and signage, have demonstrated their value in sustained positive charging behavior among enrolled customers. However, we are concerned that sunseting the bill credit may suppress new MDU enrollment going forward, even if it has a limited impact on customers already participating in the program.

The bill credit serves a distinct function as an enrollment incentive, separate from these other program elements which encourage behavioral changes. The bill credit also attracts property owners and managers; entities which may often bear the installation costs of EV chargers, while tenants capture the benefits of electrification. The bill credit is thus a tangible benefit to generate program interest for the property owners/managers. Sunsetting the credit weakens the pipeline of new MDU properties, and their residents, from participating in the other TEP programs.

Recommendation 5: Maintain more ambitious forecast scenarios and buffer uncertainty with greater program flexibility

Consumers Energy's 2026 TEP significantly reduces its EV adoption forecast by an average of 45% from the 2024 TEP, driven by short-term market dynamics. 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.

While we are glad to see that Consumers Energy is making a plan to procure transformers necessary to meet future demand and reduce energization timelines, we are concerned that reducing Consumers Energy'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 Consumers Energy maintain more ambitious program scale and investment targets, and build greater flexibility into the 2026 TEP to allow Consumers Energy 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 6: Take Steps to Allow Meaningful Integration of Stakeholder Feedback

We appreciate Consumers Energy for holding a stakeholder engagement workshop earlier this year and the opportunity for the Electrification Coalition and other stakeholders to provide feedback to support Consumers Energy's leadership and the development of the TEP. However, it is unclear how that input shaped the final TEP proposal or which suggestions were incorporated. Because the workshop occurred before the TEP was filed, and the rate case was filed the following day, no comparable stakeholder opportunity was offered on the near-final TEP proposal before Consumers Energy filed for approval of the TEP in the general rate case.

We recommend that for future TEP cycles, Consumers Energy hold a stakeholder engagement session on the draft TEP proposal itself, with enough lead time before filing both the TEP and the general rate case for that input to meaningfully shape the final proposal, and to publish a summary or response matrix identifying the feedback received and how it was addressed or why it was not incorporated. This would give stakeholders confidence that engagement is substantive.

Thank you for considering these recommendations. The EC looks forward to working with Consumers Energy 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



August 5, 2026

Lisa Felice
Executive Secretary
Michigan Public Service Commission
7109 West Saginaw Highway
Lansing, MI 48917

RE: Auto Innovators comments on Consumers Energy 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. Optimized Charging Design Recommendations

Require Consumers Energy to develop an optimized charging program. Optimized charging can provide substantial value when designed to address localized distribution constraints, defer or avoid infrastructure upgrades, improve hosting capacity for electrification, and operate the distribution system more efficiently. 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.² Location-specific benefits will become more important as EV adoption grows and localized grid constraints emerge. Several studies indicate enormous potential for optimized charging to keep electricity rates more affordable *for all ratepayers* via distribution system benefits:

- 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*. <https://www.autosinnovate.org/resources/insights>

² DTE Energy. Electric Vehicle Grid Impact Study Summary Report. May 2020. <<https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068t000000CFdYoAAL>>

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

Programs should use time-varying signals that reflect real-time and expected grid conditions to support customer savings, renewables integration, and bidirectional charging market development. Time-varying signals can maximize driver cost savings. For example, Consumers Energy can encourage charging when the local grid is the least constrained or when there is an abundance of renewable energy (e.g., solar energy midday). Furthermore, dynamic signals can similarly reflect the "true" value of bidirectional EV charging systems providing energy to the grid, which increases the incentive to deploy these technologies and for drivers to participate in these programs (discussed more below). It can also ensure ratepayers are not overpaying for bidirectional EV charging energy and grid services, further mitigating potential cost impacts.

Require enrollment goals to achieve program scale. When enrollment is achieved at a meaningful scale, it can increase the program's 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).¹⁰
- Potomac Electric Power Company plans to enroll at least 27,000 customers over four years.¹¹
- Southern California Edison plans to enroll at least 25,000 customers over four years.¹²
- Pacific Gas & Electric plans to enroll tens of thousands of customers over two years (up from thousands).¹³
- Portland General Electric aimed to enroll 9,399 customers over three years.¹⁴
- Commonwealth Edison aims to enroll 30,000 customers over three 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 Baltimore Gas & Electric. *Case No. 9478 – BGE Smart Charge Management Proposal*. June 4, 2024. Page 11.

¹¹ Potomac Electric Power Company. *Case No. 9478 – Phase II. December 18, 2024*. Page 29.

¹² 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.

¹³ Pacific Gas & Electric. Advice 7822-E: *PG&E's 2026 Low Carbon Fuel Standard Implementation Plan*. January 2026. Page 88.

¹⁴ Portland General Electric. *2023 Transportation Electrification Plan Report*. August 2023. Page 176.

¹⁵ 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>.

- 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.¹⁶

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 Consumers Energy have a larger data set to evaluate to increase benefits to both drivers and the grid. **Furthermore, we encourage the Commission to prohibit Consumers Energy 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. These 'best practice' activities can help Consumers Energy eventually scale to a mass market program, which is necessary to realize the full potential of EVs' grid benefits.

Require data reporting. We support 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 Consumers Energy to also report the following data in a format that is intuitive:

(Year)	(Program Name)
Participation	
Customers Enrolled	
Customers Recruited from Passive Managed Programs	
Customers Opted Out	
Total Customers	
Budget	
Marketing	
Sign-Up Incentives	
Participation Incentives	
IT	
Admin	
Performance Outcomes	
Average customer acquisition cost per year ¹⁷	
Average customer length of participation per year	
Average amount of kW shifted per year	
Number of capacity constrained circuits targeted ¹⁸	
Average number of vehicles on constrained circuits	

¹⁶ The Joint Utilities of New York. *Comprehensive Residential Managed Charging Report*. March 16, 2026. Case 18-E-0138. Page 12.

¹⁷ Customer acquisition cost equals (primarily marketing budget plus sign-up incentives but could also include a portion of admin costs if applicable) divided by the number of customers enrolled that year.

¹⁸ Capacity constrained circuits to be chosen/defined by the utility.

Enable bidirectional charging participation. EVs and EVSE offering bidirectional charging features are available on the market now, with 18 light-duty vehicle models across nine OEM brands currently offering bidirectional charging features. Customers purchasing these systems should have opportunities to provide grid services rather than waiting for a future program cycle. Existing optimized charging programs already provide much of the necessary foundation, including customer enrollment, communications with vehicles and charging equipment, dispatch capabilities, incentive payments, and program evaluation.

An optimized charging program pathway can provide a more integrated and customer-accessible model for bidirectional EV charging customers to participate in. Utilities or their program partners could coordinate both charging and discharging while ensuring participating vehicles remain sufficiently charged to meet drivers' mobility needs. By aggregating the capabilities of many participating vehicles, utilities can create a larger, more reliable, and dispatchable combined resource capable of delivering meaningful grid services, even though individual vehicles may connect and disconnect throughout the day. Near-term offerings could initially target peak reduction, renewable energy integration, emergency support, and/or local distribution system needs. The Commission should therefore require Consumers Energy to propose a near-term bidirectional charging offering through its managed charging portfolio.

Require aggregators to use one or more automaker channels to maximize enrollment. Optimized charging programs must have high enrollment rates to maximize the value they provide to the grid. 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 managed 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 integrated into their lifestyles through everyday use – commuting to work, visiting friends and family, taking road trips, and more. For many drivers, their vehicle becomes an extension of their identity. Therefore, when they receive communications from their vehicle brand – through a mobile app, email, or otherwise – they are more likely to pay attention. This dynamic presents an opportunity: these channels can significantly increase enrollment in managed charging programs. For example, Toyota, using both its Toyota and Lexus apps, achieved a 20 percent customer enrollment rate over three years in its Clean Assist program, which enables drivers to match their charging with renewable energy to minimize environmental impacts.¹⁹ Dealerships are also a critical venue to educate customers about managed charging programs and their benefits, and subsequently enroll them in programs. In this scenario, customers are already directly engaged with an automaker brand, presenting a low-hanging fruit opportunity to enroll them into a program. Given this, we encourage the Commission to require aggregators to use automaker channels as a condition of being chosen via the RFP process to implement an optimized charging program.

Require aggregators to help determine the counterfactuals needed to fully understand the value of optimized charging. Counterfactuals are critical to assess the overall effects of optimized charging. By requiring aggregators to develop a data framework necessary to analyze EV charging impacts between program participants and non-participants, Consumers Energy can better understand charging behaviors and the associated grid impacts. This analysis can help Consumers Energy refine the program over time to

¹⁹ Blair, B., & Fitzgerald, G. *The State of Managed Charging in 2024: The Next Iteration: Distribution-Level Optimization*. September 2024. Smart Electric Power Alliance.

increase its effectiveness. Conducting counterfactuals as early as possible in program implementation can save costs long-term by optimizing the program and help Consumers Energy chart a course toward a mass-market program as EV adoption increases.

We appreciate the opportunity to share these comments and look forward to collaborating with Consumers Energy, Commission staff, and other industry stakeholders to advance optimized and bidirectional charging programs in the state.

Respectfully submitted,

Cory Bullis
Director, Energy & Environment Policy
Alliance for Automotive Innovation
cbullis@autosinnovate.org

**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 CONSUMERS ENERGY 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 Consumers Energy Company (“Consumers” or “the Company”) in the present docket on June 1, 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.

¹ Consumers Energy Company, “Transportation Electrification Plan & Annual Report 2026,” June 1, 2026, last accessed on August 4, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000024ndTGAAY>.

In this latest TEP, the Company proposes to continue implementation of its three key TE programs (PowerMIDrive Residential,² PowerMIDrive Public,³ and PowerMIFleet⁴), offering minor modifications aimed at streamlining the customer experience and expanding rebate eligibility. Sierra Club/5LE generally support these modifications, since they should facilitate more efficient program delivery, improve customer participation and satisfaction, and increase utilization of available program budgets. Meanwhile, the Company continues to coordinate with state and federal actors to prepare the grid for future EV charging impacts⁵ and align utility funding with state and federal priorities.⁶ We applaud these efforts and generally support the Company's plans to maintain these partnerships.

However, Consumers' TEP does not fully embrace the market-moving role utilities can and should play in advancing Michigan's long-term climate and economic goals. Through its TEP, Consumers should meaningfully address barriers to transportation electrification while maximizing the benefits of EV adoption for customers and the electric system. Instead, the Company's proposals appear to miss important opportunities to accelerate EV adoption and deliver greater ratepayer benefits. Among other things, the proposed rebate budgets are not optimally targeted, the Company's load management strategy is not designed to scale with future EV adoption, and several important TEP elements are deferred to an undefined future date. Moreover, the TEP is hindered by an administrative process that limits the stakeholder feedback that could have addressed these issues in advance.

² *Id.*, §3.1.

³ *Id.*, §3.2.

⁴ *Id.*, §3.3.

⁵ *Id.*, §3.3.1, §3.4.

⁶ *Id.*, §3.4.

II. Process Comments

The Michigan Public Service Commission (MPSC) approved new TEP filing requirements⁷ (“Filing Requirements”) on January 24, 2025, in case U-21492. The Filing Requirements directed that the Company file a new TEP in 2026⁸ in the present docket, that interested parties submit initial comments within 45 business days,⁹ and that reply comments be submitted within 30 business days after.¹⁰ 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 Consumers sought stakeholder input¹¹ prior to the June 1 filing, and while this process yielded “significant feedback,”¹² it is unclear what, if any, of this feedback was incorporated into TEP program design. Moreover, if the Commission intended for stakeholder comments in the present docket to meaningfully influence the resulting TEP *after* it was filed, this comment period should have concluded *before* the Company sought cost recovery for these programs in its current electric rate case. But that is not the case.

Instead, the Company filed for approval of its TEP programs in its 2026 general electric rate case (Case No. U-22070) on June 2, 2026,¹³ just one business day after the TEP was submitted in U-21538 for comment. In U-21538, initial comments are due on August 5, and reply comments are due on September 17. In the rate case, intervenor testimony is due on October 2¹⁴ and an

⁷ Michigan Public Service Commission, Case No. U-21492, “Michigan Transportation Electrification Plan, Amended Filing Requirements,” January 24, 2025, last accessed on August 4, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000XDvn6AAD>.

⁸ *Id.*, §(2)(c).

⁹ *Id.*, §(8)(a).

¹⁰ *Id.*, §(8)(b).

¹¹ Consumers Energy Company, “Transportation Electrification Plan & Annual Report 2026,” June 1, 2026, page 54, last accessed on August 4, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000024ndTGAAY>.

¹² *Id.*

¹³ Direct Testimony of Alex M. Gast on behalf of Consumers Energy Company, June 2, 2026, last accessed on August 4, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs0000258C3KAAU>.

¹⁴ Scheduling Memo in Case U-22070, July 2, 2026, last accessed on August 4, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00002CAiPhAAL>.

evidentiary hearing is scheduled for November 4.¹⁵ Given that schedule, 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 in the rate case. The Commission's March 27, 2026 Order¹⁶ in Case No. U-21870 compounds this problem by suggesting that "evaluation of rebate levels is also more appropriately addressed in the Company's TEP and is not subject to the severe time constraints of a general rate case."¹⁷ By allowing the TEP and rate case filings to occur nearly simultaneously, and by insisting that program design issues be handled outside the rate case, the Commission has effectively prevented stakeholders from substantively reviewing the TEP in U-21538.

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 meaningfully inform the TEP before the Company seeks cost recovery for its proposals and before the TEP effectively becomes the Company's official transportation electrification strategy. Such sequencing is routine in other jurisdictions. In Minnesota, for example, utilities file TEPs every two years alongside their Integrated Resource Plans, with TEP program-specific approvals are 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, 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

¹⁵ *Id.*

¹⁶ Michigan Public Service Commission, "Order in the matter of **CONSUMERS ENERGY COMPANY** for authority to increase its rates for the generation and distribution of electricity and for other relief," March 27, 2026, last accessed on August 4, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001rd2XbAAI>.

¹⁷ *Id.* at 234.

energy goals, the Commission should better serve its citizens by ensuring that the important decisions represented in a 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 rate case, ensuring that the comment period allows for meaningful feedback. Absent this requirement, if the Company is serious about transparency and accountability, Consumers 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 Company's EV load forecast is informed by data from S&P Global and the Michigan Secretary of State's office. It gives a range of EV adoption trajectories and is used to "inform assumptions related to rebate participation, charger installations, and associated electric load growth."¹⁸ The full range of outcomes in this forecast is markedly less optimistic than the Company had predicted in its 2024 TEP,¹⁹ indicating that EV adoption will grow from 50,617 light-duty EVs in 2025 to between 420,000-701,000, adding between 1.6-2.9 TWh of EV load annually, by 2031. While the Company's methodology reflects a structured approach to scenario planning, it provides little detail on why the forecast has shifted so dramatically since 2024. 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.

¹⁸ Consumers Energy Company, "Transportation Electrification Plan & Annual Report 2026," June 1, 2026, page 43, last accessed on August 4, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000024ndTGAAY>.

¹⁹*Id.*, Figure 21.

The Company points broadly to market dynamics, changes in federal policy, and infrastructure challenges to explain its most recent forecast, stating that “[the] decrease [in EV adoption] is attributed in part to vehicle costs barriers and loss of incentives from the federal EV tax credits, scalable infrastructure specifically in rural areas and shifting policies and perceptions around electric vehicles.”²⁰ While these factors likely all play a real role in influencing the region’s EV adoption outlook, it is not clear how the Company accounted for them in its forecast. Moreover, these are far from the only factors influencing the EV market. Other factors include reinstatement of a National Electric Vehicle Infrastructure (NEVI) Formula Program,²¹ geopolitics and volatile oil prices (e.g. the war in Iran),^{22, 23, 24} shifting automaker strategies,^{25, 26, 27, 28, 29, 30} and state-level policies (e.g. Michigan EV registration fees).³¹ While the net impact of these dynamics on the EV

²⁰ *Id.* at 47.

²¹ *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.

²² Grist, “Why \$4 gasoline is the tipping point for EVs,” March 19, 2026, last accessed on August 4, 2026 at <https://grist.org/energy/why-4-gasoline-is-the-tipping-point-for-evs/>.

²³ Canary Media, “Used EVs are a bargain right now – and buyers are noticing,” April 2, 2026, last accessed on August 4, 2026 at <https://www.canarymedia.com/articles/electric-vehicles/used-evs-are-bargain-buyers-noticing>.

²⁴ The New York Times, “Oil Prices Spike as U.S. and Iran Exchange Fire,” June 1, 2026, last accessed on August 4, 2026 at <https://www.nytimes.com/2026/06/01/business/oil-gas-price-iran.html>.

²⁵ CNBC, “Ford to record \$19.5 billion in special charges as it pulls back on EV plans,” December 16, 2025, last accessed on August 4, 2026 at <https://www.cnbc.com/2025/12/15/ford-ev-pullback.html>.

²⁶ Reuters, “GM to take \$6 billion writedown on EV pullback,” January 9, 2026, last accessed on August 4, 2026 at <https://www.reuters.com/business/autos-transportation/gm-take-6-billion-writedown-ev-pullback-2026-01-08/>.

²⁷ Forbes, “With Model S And Model X Axed, Thin Tesla Lineup Gets Thinner—What’s Next?” January 29, 2026, last accessed on August 4, 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/>.

²⁸ Business Insider, “The EV retreat deepens with \$26 billion write-down from Jeep-maker Stellantis,” February 6, 2026, last accessed on August 4, 2026 at <https://www.businessinsider.com/stellantis-stock-jeep-ram-chrysler-ev-retreat-26-billion-charge-2026-2>.

²⁹ EV Magazine, “Why Volkswagen is Stopping US Production of Top Selling EV,” April 12, 2026, last accessed on August 4, 2026 at <https://evmagazine.com/news/why-volkswagen-is-stopping-us-production-of-top-selling-ev>.

³⁰ Bloomberg, “New EVs From Toyota, Subaru Breathe Life Into Struggling Market,” July 15, 2026, last accessed on August 4, 2026 at <https://www.bloomberg.com/news/articles/2026-07-15/toyota-subaru-ev-models-from-boost-us-sales>.

³¹ Clean Fuels Michigan, “EV Fees Keep Transportation Costs High As Consumers Look For Relief,” June 8, 2026, last accessed on August 4, 2026 at <https://www.cleanfuelsmichigan.org/2026/06/ev-fees-keep-transportation-costs-high/>.

market is difficult to assess in the near-term, global EV adoption continues to rise.³² Indeed, the long-term EV outlook remains stable and robust despite current headwinds in the U.S.³³ 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.

Consumers' TEP will provide funding in the next five years for infrastructure 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. 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

³² Canary Media, "Electric cars are starting to take over the world," June 5, 2026, last accessed on August 4, 2026 at <https://www.canarymedia.com/articles/electric-vehicles/electric-cars-starting-take-over-world>.

³³ Bloomberg New Energy Finance, Electric Vehicle Outlook 2026: Executive Summary, page 7. Last accessed on August 4, 2026 at <https://about.bnef.com/insights/clean-transport/electric-vehicle-outlook/>.

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. Consumers can and should take a leadership role in shaping the EV market, ensuring that its investments not only support but accelerate Michigan's clean energy and economic goals.

IV. Cost-Benefit Analysis (CBA)

The Company's CBA indicates that its TEP programs are expected generate a net-present value (NPV) of \$1.1 billion in incremental revenue from EV charging over the 2025-2035 period,³⁴ greatly exceeding the roughly \$203 million of investment in TEP programs over that period.³⁵ In other words, the Company's TEP programs support substantial ratepayer benefits. This is consistent with real-world data showing that EVs contribute substantially more in revenue than it costs utilities to serve EV charging load. Indeed, a recent report by Synapse Energy Economics³⁶ found that, between 2011-2024, EV drivers in Michigan contributed \$187.8 million more in utility revenues than the incremental costs utilities incurred to serve that additional load.³⁷ A parallel report³⁸ shows that, in each of the 48 contiguous U.S. states, EVs have placed downward pressure on electricity rates.³⁹

A CBA should not only demonstrate the merit of the TEP investments but also guide their size and scope. The Company's CBA achieves the former, but it falls short on the latter by failing to utilize a comprehensive accounting framework. If the Company does not fully account for the

³⁴ Consumers Energy Company, "Transportation Electrification Plan & Annual Report 2026," June 1, 2026, page 12, last accessed on August 4, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000024ndTGAAY>.

³⁵ *Id.*, Figure 4.

³⁶ Synapse Energy, "Driving Affordable Rates with EVs: Michigan," April 2026, last accessed on August 4, 2026 at https://www.synapse-energy.com/sites/default/files/25-136%20Michigan%20Factsheet_2.pdf.

³⁷ *Id.* at 2.

³⁸ Synapse Energy, "EVs Driving Affordable Rates For All Customers," June 2026, last accessed on August 4, 2026 at <https://www.synapse-energy.com/sites/default/files/EV%20All%20State%20List%202026%20June%20Updated%2025-136.pdf>.

³⁹ *Id.* at 2.

full range of TEP benefits, it risks systematically underinvesting in programs that could deliver meaningful ratepayer benefits. The CBA summary⁴⁰ does not clarify whether revenue projections include network effects, nor does it appear to account for the broader societal and grid-level advantages of TE.

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...”⁴¹ The Company acknowledges at least one example of network effects in the TEP: “One of the most reliable indicators of EV adoption is if a neighbor has an EV (i.e. EV growth is largely viral).”⁴² The Company’s investments therefore influence EV adoption both directly (by lowering the costs of EV ownership for program participants) and indirectly (the participants’ neighbors will become more likely to drive EVs). The Company will therefore earn more revenue from this viral effect than is accounted for simply through the revenue attributed to the program participants. This is a clear network effect: the value of TEP investment grows nonlinearly as adoption spreads. However, it does not appear that the Company has accounted for this in its CBA, potentially understating the true value of the TEP.

The availability of public DC fast charging (DCFC) creates additional network effects: range anxiety is one of the most commonly cited barriers to EV adoption. Building DCFC stations that enable long-distance EV travel reduces range anxiety, which in turn accelerates broader EV adoption. By subsidizing a network of public DCFC stations, the Company will earn revenue directly from those stations while also generating substantial additional revenue from the increased

⁴⁰ Consumers Energy Company, “Transportation Electrification Plan & Annual Report 2026,” June 1, 2026, page 68, last accessed on August 4, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000024ndTGAAY>.

⁴¹ 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>.

⁴² *Id.* at 50.

EV adoption that follows. Again, however, it does not appear that the Company has accounted for this in its CBA.

Nor does the CBA account for the societal benefits of increased TE, which include reductions in local air pollution, reductions in greenhouse gas emissions, improved health outcomes, economic developments, and improved energy security. These are examples of network effects as well: For example, as the EV charging network grows, more EV drivers use it, which reduces more pollution and increases the value of the charging network. While some of these network effects may be difficult to quantify (e.g. the value of energy security), the effects of changing air pollution have been studied for many years, and the U.S. 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) ⁴³ translates changes in pollutant emissions 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 Kent County. The Bureau of Transportation Statistics (BTS) estimates⁴⁴ 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 \$130-180 in societal health benefits per year. These benefits are currently unaccounted for in the Company's current

⁴³ COBRA is available at <https://cobra.epa.gov>.

⁴⁴ Bureau of Transportation Statistics, "Estimated U.S. Average Vehicle Emissions Rates per Vehicle by Vehicle Type Using Gasoline, Diesel, and Electric."

BCA scheme. They are substantial, readily calculable, and their exclusion understates the true value of the TEP, leaving tangible ratepayer benefits on the table.

Recommendation: Sierra Club/5LE recommend that the Company be required to propose a comprehensive accounting framework for its CBA that accurately reflects the full NPV of its TEP, including all network effects, as part of its 2027 TEP annual report. Furthermore, the Company should present this updated framework in its 2027 rate case as it seeks cost recovery for TEP implementation.

V. PowerMIDrive Residential: Rebates

The Company is allocating roughly \$20.3 million from 2027-2031 for rebates on qualifying residential EV chargers.⁴⁵ This is a straightforward way to lower cost barriers and encourage EV adoption for homeowners. Sierra Club/5LE support this kind of investment. The Company is proposing only very modest changes to this program, expanding to customers enrolled on the standard TOU rate to qualify for rebates.⁴⁶ Previously, customers would need to enroll in the Nighttime Savers or Residential Smart Hours TOU rates. Sierra Club/5LE likewise support any efforts to expand program eligibility and streamline the customer experience.

However, the PowerMIDrive Residential rebate budget likely leaves low-income (LI) customers behind. The standard rebate is \$500, and LI customers can receive up to \$1,000. Only \$200,000, or less than 1%, of this budget is allocated to LI customers. This highlights the Company's broader reactive posture toward the EV market. DTE Energy, by contrast, proposed a three-tiered incentive structure for their residential rebate program in their latest TEP.⁴⁷ This

⁴⁵ Consumers Energy Company, "Transportation Electrification Plan & Annual Report 2026," June 1, 2026, page 66, last accessed on August 4, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000024ndTGAAY>.

⁴⁶ *Id.* at 22.

⁴⁷ DTE Electric Company, "2027-2031 Transportation Electrification Plan," page 3, April 22, 2026, last accessed on August 4, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

included \$2,000 per rebate for LI customers (11% of the overall budget)⁴⁸ and \$1,500 per rebate for moderate-income customers (47% of the overall budget).⁴⁹ The remainder was allocated to non-LI customers, who would receive \$500 per rebate.⁵⁰ DTE's proposed structure reflects a recognition that LI customers face the highest barriers to EV adoption and stand to benefit the most from it. They further recognized that moderate-income households are especially responsive to financial incentives and that many TEPs nationwide have taken this approach to influence adoption outcomes among a broader population that doesn't usually qualify for low-income programs.⁵¹

Recommendation: Sierra Club/5LE recommend that the overall budget and expanded eligibility for Consumers' PowerMIDrive rebate program be approved. However, we strongly recommend that the Company be required to restructure this budget to match a three-tiered incentive model, like DTE has proposed, to increase the rebate levels for low- and moderate-income customers, and to allocate the majority of the budget to low- and moderate-income customers.

VI. PowerMIDrive Public: Rebates

The Company's PowerMIDrive Public program budget for 2027-2031 totals roughly \$18 million across several customer segments, including multi-unit dwellings (MUDs), workplaces, and overnight destinations.^{52, 53} These rebates are summarized in Table 11 of the TEP.⁵⁴ In addition to this budget, the Company plans to expand equipment eligibility requirements and waive separate

⁴⁸ *Id.* at 3.

⁴⁹ *Id.*

⁵⁰ *Id.*

⁵¹ *Id.* at 42.

⁵² Consumers Energy Company, "Transportation Electrification Plan & Annual Report 2026," June 1, 2026, page 66, last accessed on August 4, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000024ndTGAAY>.

⁵³ We will address the Company's DCFC rebate budget separately in section VIII.

⁵⁴ *Id.*

metering requirements for certain program participants.⁵⁵ Sierra Club/5LE support efforts to lower barriers to participation and streamline the customer experience.

We likewise support the inclusion of rebates for charging at MUDs, community locations, overnight destinations, and workplaces. However, the Company's budget is too low and lacks necessary ambition. Consumers allocates only \$4.7 million to MUDs, providing only \$7,500 for every pair of charging ports.⁵⁶ DTE's latest TEP allocates \$58.4 million to the MUD segment alone (including a substantial budget for LI MUDs),⁵⁷ offering \$5,000 per port for non-LI customers and up to \$14,400 per port for LI MUDs. DTE recognized that widespread EV adoption depends on widespread charging access and that residents in MUDs face especially charging access barriers.⁵⁸ ⁵⁹ Consumers' MUD budget should reflect a similar understanding in order to drive the EV market.

The remaining segments in this program—overnight destinations and community/workplace charging—are important segments, but not nearly as critical as home charging access, which is make-or-break for EV purchase decisions.⁶⁰ That said, the Company's proposal to continue offering income-qualified enhanced rebates (of up to \$50,000) for certain nonprofit organizations to assist with light-duty EV purchases and associated EV charging⁶¹ is an excellent, noteworthy strategy that we support.

⁵⁵ *Id.* at 33.

⁵⁶ *Id.* at 66.

⁵⁷ DTE Electric Company, "2027-2031 Transportation Electrification Plan," page 3, April 22, 2026, last accessed on August 4, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA>.

⁵⁸ 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 August 4, 2026 at <https://www.sciencedirect.com/science/article/abs/pii/S1364032124009791>.

⁵⁹ Energy Innovation, "Increasing Electric Vehicle Charging Access At Multi-Unit Dwellings: Workshop Summary Report," September 2020, last accessed on August 4, 2026 at https://energyinnovation.org/wp-content/uploads/2020/09/Increasing-Electric-Vehicle-Charging-at-Multi-Unit-Dwellings_FINAL3.pdf.

⁶⁰ J.D. Power, "More New-Vehicle Shoppers Consider EVs as Fuel Costs Rise, JD Power Finds," May 14 2026, last accessed on August 4, 2026 at <https://www.jdpower.com/business/press-releases/2026-us-electric-vehicle-consideration-evc-study/>.

⁶¹ Consumers Energy Company, "Transportation Electrification Plan & Annual Report 2026," June 1, 2026, page 40, last accessed on August 4, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000024ndTGAAY>.

Recommendation: Sierra Club/5LE recommend that the Company be required to propose a MUD rebate budget of a similar magnitude as DTE's MUD budget, adjusted for the relative customer counts of the two utilities. The Company should also allocate funding specifically to MUDs in low-income areas, mirroring DTE's two-tiered structure. Sierra Club/5LE support the proposals for the remaining PowerMIDrive Public segments as presented.

VII. PowerMIFleet: Rebates

The Company proposes roughly \$4 million in rebates through PowerMIFleet to support fleet charging, including level 2 (L2) charging and long-duration DCFC for certain fleets.⁶² The Company is waiving separate metering requirements for primary rate customers⁶³ and introducing a new, "enhanced" rebate of up to \$100,000 to businesses looking to procure 20 or more electric vehicles.⁶⁴ These are laudable efforts, as fleet electrification is an excellent use of ratepayer funds.

The program's fleet assessment services (FAS)⁶⁵ compliment this budget well, allowing fleet owners to benefit from technical and financial assistance. Notably, however, the Company expects the need for FAS to decline over time, so they are "working to develop a self-service fleet electrification assessment tool."⁶⁶ While Sierra Club/5LE agree that the need for formal assistance will likely decline over time, active engagement with and outreach to fleet operators should remain a key piece of the Company's fleet electrification strategy, especially for public fleets. Moreover, it's worth noting that the Company has not provided any details on this self-service fleet assessment tool, so it remains unclear how the Company will ensure that fleets have access to technical assistance.

⁶² *Id.* at 66.

⁶³ *Id.* at 39.

⁶⁴ *Id.* at 40.

⁶⁵ *Id.* at 35.

⁶⁶ *Id.* at 36.

Consumers also touts its coordination with public transit agencies and school districts, noting that the Company's proactive investments in grid upgrades enabled recipients of grant funding from the Michigan Department of Education (MDE) to successfully install EV chargers for school buses.⁶⁷ The Company has done well to partner with other state and local entities on school bus electrification. Notably, however, while other utilities have school bus-specific plans and budgets, including to test for vehicle-to-grid (V2G) potential, the Company has not specified any funding for school buses, except as an undefined part of the PowerMIFleet budget, as we discuss further below in section XI.

Recommendation: Sierra Club/5LE support the Company's fleet rebate program, and we recommend that the Company continue to offer fleet assessments while it develops its online self-service tool. Moreover, we recommend that the Company be required to continue offering these fleet assessments to public fleets even after the tool has been published.

VIII. DCFC Pilot

As part of PowerMIDrive Public, the Company has been working to “establish an initial network of DCFCs along major highways within the Company's service territory.”⁶⁸ We agree that such a network is crucial for solving range anxiety and enabling EV travel throughout Michigan. The Company has done very well in coordinating its buildout of this network with NEVI: 20 of the 137 DCFC projects awarded under the DCFC pilot are affiliated with NEVI.⁶⁹ Furthermore, the Company has included \$40,000 per site in make-ready funding to ensure that these sites could accommodate future expansions if necessary.⁷⁰ Going forward, the Company plans to offer \$50,000 rebates per DCFC port, subject to site requirements intended to equitably

⁶⁷ *Id.* at 37.

⁶⁸ *Id.* at 40.

⁶⁹ *Id.* at 41.

⁷⁰ *Id.*

expand charging access and to ensure driver safety and convenience.⁷¹ The Company proposes that these funds remain available for up to seven years or until funds are fully committed. Sierra Club/5LE applaud the Company's performance on the DCFC Pilot thus far.

However, we have concerns about the Company's future plans for this pilot. Although funding public DCFC installations is critical for combatting range anxiety, not all such sites are equally important. The Company noted that, in their stakeholder process, "significant feedback centered on gaps in DC fast-charging infrastructure, especially in rural areas."⁷² The Company did limit eligibility for DCFC rebates to communities "identified as lacking sufficient charging infrastructure,"⁷³ but this requirement does not guarantee that new DCFC charging will be built in places that fill these gaps. In fact, the Company appears to lack a comprehensive strategy for identifying and filling the aforementioned gaps. While the program's siting requirements will necessarily expand charging access to some communities (and while this is a desirable outcome), they are unlikely to result in a DCFC network that enables long-distance EV travel throughout the Company's service territory. In other words, the program is unlikely to meaningfully solve range anxiety. 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 NEVI program was established to solve this exact problem by allocating funding to

⁷¹ *Id.* at 42.

⁷² *Id.* at 54.

⁷³ *Id.* at 42.

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.,⁷⁴ 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.

USDOT has designated several AFCs in Michigan,⁷⁵ 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, especially within Consumers’ territory, 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. The Company’s requirements for DCFC rebates may expand charging access in some areas, but they are unlikely to solve range anxiety. 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 DCFC incentive structure provides no assurance that rebated chargers will be sited where they advance development of Michigan’s MVN. Consumers should identify the gaps in Michigan’s DCFC

⁷⁴ U.S. Department of Energy, Alternative Fuels Data Center, Alternative Fueling Station Locator, last accessed on August 4, 2026 at https://afdc.energy.gov/stations#/find/nearest?fuel=ELEC&ev_levels=dc_fast.

⁷⁵ Michigan Department of Transportation, “Michigan NEVI Project Status,” last accessed on August 4, 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 expand its DCFC rebate program to prioritize filling them.⁷⁶

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. As shown in Figure 1, there are already many public DCFC stations throughout Consumers' service territory.



Figure 1: MDOT trunklines, existing and planned DCFC stations, and gaps relative to a Michigan Minimum Viable Network. Consumers' service territory is highlighted, showing 10 gaps.

⁷⁶ It's worth noting that the Company's current structure would equitably expand charging access. We are not arguing that no funds should be dedicated to expanding DCFC coverage in areas currently lacking it. Our position is that additional funding is needed to identify and fill the MVN gaps.

But there are roughly 68 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 Consumers fails to support development at these sites, it will fail to target a meaningful barrier to EV adoption.

Sierra Club/5LE believe that the Company's requirement that DCFC rebate eligibility be limited to communities identified as lacking sufficient charging infrastructure is an attempt, in lieu of an MVN approach, to respond to stakeholder feedback highlighting the need to target gaps. But community charging access and MVN gaps are two different problems, and Consumers' requirements is not likely to solve the latter. It will not address the market's lack of interest and investment in locations that are critical to developing an MVN but may not now (or ever) deliver high utilization.

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, Consumers 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 the size of Consumers' service territory, and that it contains roughly 68 MVN gaps, this represents a huge opportunity for Consumers to meaningfully address range anxiety in Michigan. This warrants special treatment in our view: in addition to the \$12.5 million proposed for the DCFC pilot, the Company should develop a plan to identify the most up-to-date list of the MVN gaps

within its service territory and propose a budget to attract site host investment to these sites. Since most of these sites are, by definition, unattractive to site hosts, the Company may need to be flexible with the level of subsidy required for each site.

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,⁷⁷ 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, Consumers 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 Consumers has not shown that it has explored any of these options beyond our engagement with them during the stakeholder process.

Recommendation: Sierra Club/5LE recommend that the Commission require the Company to expand 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.

⁷⁷ 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 August 4, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000xCqFUAA0>.

IX. Load Management

The Company has had striking success in shifting most EV charging among its program participants to off-peak hours,⁷⁸ consistent with their long-term TEP strategy to encourage “load growth at the right time to benefit reliability and cost for all customers.”⁷⁹ But the Company’s success has occurred among only 9,879 residential managed charging participants⁸⁰ out of an estimated 50,617 EVs⁸¹ in the Company’s service territory, and they have influenced charging behavior exclusively through price signals via time-of-use (TOU) rates. Recognizing that, at scale, all EV customers responding to the same price signal at the same time would result in a “snapback” effect, the Company recognized the need to create load diversity. Consumers introduced their Optimal Charging Initiative,⁸² in which customers would voluntarily narrow their charging window to help create that load diversity. Sierra Club/5LE support the Company’s recognition that snapback will eventually cause issues, and we support efforts to manage EV charging load effectively. However, the Company’s approach to load management is not a strategy that can be scaled to optimize EV charging as adoption moves beyond early adopters and into the mainstream. This is for several reasons.

First, the Company’s success in shifting charging off-peak has occurred among a highly self-selecting group of only roughly 10,000 customers: early EV adopters who engage with their utility programs. Most people want to think as little as possible about their energy consumption habits. So, when EV adoption becomes mainstream, the Company cannot assume that its managed charging success will continue. Meanwhile, the Company’s efforts to prepare for the risk of

⁷⁸ Consumers Energy Company, “Transportation Electrification Plan & Annual Report 2026,” June 1, 2026, page 9, last accessed on August 4, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000024ndTGAAY>.

⁷⁹ *Id.* at 8.

⁸⁰ *Id.* at 19.

⁸¹ *Id.* at 8.

⁸² *Id.* at 17.

snapback fall short of a practical, scalable strategy. The Company relies on customers voluntarily narrowing their charging windows, an approach that is unlikely to be effective as EV adoption expands. The Optimal Charging Initiative has also produced limited results to date and does not appear well suited to operate at scale. Meanwhile, the Company remains confident that its approach is sound: “There are now residential circuits with 17 to 20 EVs, and the TEP customer programs are managing load very well to date.”⁸³

To effectively manage EV charging as adoption scales, the Company must place greater emphasis on active managed charging. Many utilities have already piloted and begun implementing these approaches, and Consumers should build on those lessons. Rather than relying primarily on price signals that will inevitably induce snapback, the Company should develop the capabilities and partnerships needed to actively manage charging load, smoothing demand across off-peak periods while ensuring customers have sufficient charge when they need it. Without a more scalable approach to load management, the Company's current strategy is unlikely to remain effective as EV adoption continues to grow.

In addition, the Company notes that customers participating in the DCFC pilot charge much more frequently on-peak than other customer segments.⁸⁴ This is because EV drivers charging at DCFCs need their vehicles to be charged immediately, making DCFCs inherently less amenable to demand response. Recognizing this, the Company promised in its TEP roadmap⁸⁵ that it would propose programming for DCFC battery integration as early as 2025,⁸⁶ where it would subsidize battery installations co-located with DCFCs so that the batteries could buffer the impacts of on-

⁸³ *Id.* at 50.

⁸⁴ *Id.* at 9.

⁸⁵ *Id.* at 7.

⁸⁶ *Id.*

peak charging. However, such a proposal is notably absent from this TEP, leaving this market segment without a plan for load management and risking avoidable grid impacts.

Recommendation: Sierra Club/5LE recommend that the Company be required to propose an active managed charging pilot and battery-integrated DCFC pilot in its 2027 TEP annual report and seek approval for it in its 2027 rate case. Both proposals should be complete with a serious plan to enroll a meaningful fraction of EV customers, an RFP process for a platform vendor, clear goals, performance metrics, and a cost-benefit analysis that demonstrates the pilot's effects at scale.

X. Vehicle-to-Grid (V2G)

The Company's TEP roadmap⁸⁷ identifies "Potential V2X Programming" as an area it may explore in future TEPs, starting in mid-2028. The Company is reviewing lessons from other V2G pilot efforts, promising that they will "inform the potential design of a future pilot that builds on demonstrated successes." But V2G has had plenty of demonstrated success⁸⁸ in both residential and commercial settings. Rather than simply committing to explore a future V2G pilot, the Company should draw on the experience of other utilities and begin implementing a V2G program during this TEP cycle. School buses are a great place to start, since they have predictable duty cycles, regular charging patterns, and enormous battery capacity. Dozens of utilities across the country are involved in V2G school bus projects, and they are already delivering striking value amid summer heat.⁸⁹ Oakland, CA has 74 electric buses capable of generating 2.1 GWh annually

⁸⁷ *Id.*

⁸⁸ Converge Strategies, Vehicle-Grid Integration Council, "Vehicle-to-Everything Research Report," March 2026, last accessed on August 4, 2026 at https://www.masscec.com/sites/default/files/documents/v2x-research-report_masscec-v2x-demonstration-program.pdf.

⁸⁹ Reuters, "Electric school buses tapped to shore up fragile US power grids during summer heat," July 3, 2026, last accessed on August 4, 2026 at <https://www.reuters.com/business/energy/electric-school-buses-tapped-shore-up-fragile-us-power-grids-during-summer-heat-2026-07-03/>.

for the grid.⁹⁰ The Company already collaborates with school districts across its service territory to prepare the grid for bus charging. The Company could provide incremental funding to encourage grid-enabled school bus electrification and immediately see these buses deliver benefits for the grid and for ratepayers.

Recommendation: Sierra Club/5LE recommend that the Company be required to propose a V2G program in its 2027 TEP annual report and seek approval for it in its 2027 rate case. We recommend that the Company start by enrolling a fleet of grid-enabled school buses, transit buses, and other fleet vehicles with predictable charging patterns (e.g. delivery vehicles, snowmobiles). This likely will require bidirectional charging infrastructure rebates as well as ongoing incentives and coordination with the utility.

XI. Utility-side EV charging costs

The Company's TEP presents some forward-thinking ideas about how to manage the grid impacts of EV charging. For example, PowerMIDrive encourages customers to purchase dual-cord L2 chargers to split charging power between two vehicles.⁹¹ The Company correctly anticipates that many households with one EV will eventually buy a second EV. Power splitting is a straightforward means of managing that EV load and preventing households from requiring excessive panel upgrades (on the customer side) and circuit upgrades (on the utility side). Meanwhile, the Company's hosting capacity map is a useful tool for project planning.⁹² Further, the Company expects a growing number of large service requests (> 1 MW) in the next few years⁹³

⁹⁰ *Id.*

⁹¹ Consumers Energy Company, "Transportation Electrification Plan & Annual Report 2026," June 1, 2026, page 19, last accessed on August 4, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000024ndTGAAY>.

⁹² *Id.* at 50.

⁹³ *Id.* at 52.

and is working proactively with its supply chain partners to shore up its supply chain for the equipment necessary to meet these requests.⁹⁴

We are concerned, however, about the Company's strategy for providing utility-side make-ready services and funding. First, the TEP does not make clear what level of make-ready spending the Company anticipates will be necessary during TEP implementation.⁹⁵ This lack of transparency raises questions about how the Company plans to account for grid upgrades in its spending proposals. Even more concerning, Consumers states that "for business customers requiring distribution system upgrades to advance their electrification strategies, it is expected that such costs are borne by those customers, thereby supporting grid reliability while mitigating cost impacts to the broader customer base."⁹⁶ The Company apparently expects grid upgrade costs for commercial EV charging projects to be borne by the customer seeking EV charging installation and service.

There are three problems with this approach: First, requiring customers to pay for grid upgrades would lead to deeply inequitable outcomes. For example, two fleet owners could ask for identical EV charging service upgrades, and one could face much higher costs in having that request fulfilled simply because of the background grid conditions where they happen to be located. This distortion could materially affect business decisions and change how firms compete with each other.

Second, the Company describes this approach as an extension of one of its core strategies: supporting load growth at the right time and in the right location.⁹⁷ But the flexibility inherent in the *timing* of charging does not at all extend to the *location*. Most vehicles are parked for the vast

⁹⁴ *Id.* at 11.

⁹⁵ *Id.* at 67.

⁹⁶ *Id.* at 50.

⁹⁷ *Id.*

majority of any given day, mostly at homes and workplaces. It makes no difference to the vehicle owner when during the vehicle's idle window it gets charged. But a vehicle owner or fleet operator cannot relocate to where charging is available with the same kind of flexibility.⁹⁸ While time is inherently fungible, location is not. Asking the emerging EV fleet to accommodate the grid's capacity shifts the responsibility from the Company to its customers for a task that only the Company can do. The Company's hosting capacity map is useful for prioritizing locations for project development, but it should not be used for ruling them out.

Third, the Company says that this strategy is to mitigate cost impacts to the broader customer base. However, the Company has not presented any analysis showing what these cost impacts—or the associated benefits from having those customers electrify—would be. The Company's own CBA shows that all TEP costs, including costs of grid upgrades, are paid for several times over by incremental revenues from EV charging. Requiring customers to pay for their own grid upgrades discourages electrification and diminishing the value of the TEP. Rather than mitigating cost pressures, this policy would have the opposite effect by suppressing the benefits inherent in TE.

Recommendation: Sierra Club/5LE recommend that the Company be required to cover all utility-side make-ready costs for all EV charging installations. Further, we recommend that, for the sake of transparency, the Company be required to articulate its expected EV-related make-ready expenditures for the duration of the TEP.

⁹⁸ In fact, a growing issue with EV charging is that too many EVs can congregate in one place simultaneously, leading to queuing.

XII. Energization timelines for EV charging

Consumers correctly recognizes that to support EV charger growth in alignment with expected or higher-than-expected EV adoption it must “reduc[e] energization timelines.”⁹⁹ The need to address energization challenges are not unique to Consumers’ 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 project developers and businesses seeking to electrify their fleets.¹⁰⁰ 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.¹⁰¹

Sierra Club/5LE also support Consumers’ view that “it is prudent to procure transformers in advance of confirmed site energization to support system readiness and reduce risk of future delays,” given the long procurement lead-times for such equipment.¹⁰² While the Company’s TEP gives some indication of the source of delays in charger energization by describing the “customer journey to new service installation” and providing a qualitative assessment of typical sources of delay,¹⁰³ it does not provide sufficient information to understand the full scope of the problem or evaluate potential solutions. Indeed, although the Commission has required Consumers and other

⁹⁹ Consumers Energy Company, “Transportation Electrification Plan & Annual Report 2026,” June 1, 2026, page 11, last accessed on August 4, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000024ndTGAAY>.

⁹⁹ *Id.* at 50.

¹⁰⁰ 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/>.

¹⁰¹ 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/>.

¹⁰² Consumers Energy Company, “Transportation Electrification Plan & Annual Report 2026,” June 1, 2026, page 63, last accessed on August 4, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000024ndTGAAY>.

¹⁰³ *See id.*

utilities to annually report DC fast charger energization timelines across its service territory,¹⁰⁴ the Company's report does not appear to include this information.

And, even if the Company had provided the required data, the reporting requirement in the Commission's order is too narrow because it is limited to DC fast charging. The Commission should therefore require Consumers to publicly report on interconnection and energization timelines for all new non-residential EV charging loads, regardless of whether they are projects supported by the Company's TEP incentives. As with the Commission's requirement that utilities 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, including steps like advance procurement of transformers.

Recommendation: Sierra Club/5LE urge the Commission to direct Consumers to report interconnection and energization timelines for all new non-residential EV charging projects in their 2027 TEP annual report so the Commission can monitor utility performance and determine whether further policy action is needed.

XIII. Conclusion

Sierra Club/5LE appreciate the opportunity to comment on Consumers' TEP and look forward to continuing to work with the Company, the Commission, and other stakeholders to advance transportation electrification in Consumers' service territory and across Michigan.

¹⁰⁴ 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 August 4, 2026 at <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000XDvn6AAD>

Dated: August 3, 2026

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

July 30, 2026

Lisa Felice
Executive Secretary
Michigan Public Service Commission
7109 West Saginaw Highway
Lansing, MI 48917

Re: Case U-21538 ACEEE comments on Consumers Energy 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 Consumers Energy Company's 2026 Transportation Electrification Plan (TEP), submitted to the Michigan Public Service Commission on June 1, 2026 as part of Case U-21538. ACEEE is an independent nonprofit 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.

The proposed TEP improves upon existing EV program offerings and provides information about future technologies that the utility will investigate as part of EV programming considerations. By incentivizing greater participation in the PowerMIFleet program through the enhanced rebates for businesses with more than 20 EVs, the TEP takes a critical step in improving grid stability because the PowerMIFleet program also requires customers to enroll in the utility's commercial time-of-use rate. Additionally, Consumers Energy's consideration of vehicle-to-grid and vehicle-to-building technologies for a future TEP program is important for setting up active managed charging programs. Our comments focus on how Consumers Energy can further improve its EV programs, and we end with considerations for grid planning.

Consider expanding PowerMIFleet rebates to all fleets in underserved communities

As part of the PowerMIFleet program, Consumers Energy currently offers enhanced rebates for EV chargers to fleets that support income-qualified customers. The TEP proposes to continue offering these income-qualified enhanced rebates to nonprofit organizations that serve underserved customers. This, however, excludes other types of fleet businesses that operate in underserved communities, limiting the full extent of benefits that could be realized through the electrification of a broader range of business fleets.

Air pollution from commercial medium- and heavy-duty fleets is an environmental justice concern. It is detrimental to public health and disproportionately impacts people of color (ALA 2022). Expanding the overall PowerMIFleets budget and dedicating a portion of the PowerMIFleet rebates to reduce the upfront cost to purchase EV chargers for fleets in underserved communities regardless of the type of

business—private, public, or nonprofit—can support the electrification of vehicles and improve air quality for vulnerable communities near commercial fleet operations.

Commit to active managed charging programs in the next TEP

Consumers Energy's discussion around their review of the vehicle-to-grid (V2G) and active load management programs, while important, does not commit to establishing future pilot programs and active managed charging strategies. Consumers Energy has been discussing their plan to prepare for active load management since 2024, including in the previous 2025 TEP update and the 2024 TEP proposal (Consumers Energy 2025; Consumers Energy 2024). To move beyond evaluating V2G and active managed charging strategies, Consumers Energy should plan to propose both an active managed charging program and a V2G pilot for fleet EVs in the 2028 TEP proposal. Doing so will continue the momentum of shifting EV load to off-peak times beyond early actors participating in the current passive TOU-rate based managed charging program and improve grid resiliency.

Enhancing the hosting capacity map to include EVs will be critical

In proposing enhanced rebates for businesses with more than 20 EVs in their fleet, the TEP aims to prioritize underutilized areas of the grid. Consumers Energy's effort to update their hosting capacity map and develop load-based mapping by Q4 of 2026 will be helpful in supporting project planning in these underutilized areas. This would help large businesses understand existing grid capacity and support project planning. Additionally, proactive education and outreach to potential customers could encourage electrification of more large business fleets in underutilized areas. However, longer term grid proactive grid planning, which the TEP briefly touches upon, can better help ready the grid for commercial EV and electric school bus loads.

Consider a higher rebate for low-income multifamily building residents

Access to chargers for residents of multifamily buildings is critical for affordability because at-home charging is significantly cheaper than public charging. 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 (Energy Information Administration 2026; American Automobile Association 2026).¹ ACEEE applauds Consumers Energy's tracking of multifamily rebates in MiEJ low-income communities and welcomes the findings in the TEP that approximately 50% of committed projects are in these communities. To help ensure that the rebate is reaching those in greatest need, Consumers Energy should also consider a higher rebate for low-income customers. This should apply to both new construction multifamily buildings and retrofits.

Additionally, Consumers Energy should consider more dedicated advisory services for low-income multifamily buildings, including with low-income housing developers and building managers. 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

¹ Assumes 10,000 miles driven per year and an EV efficiency of 3 kWh/mile, which is typical.

advisory services in conjunction with incentives can be effective, especially for developers with limited budgets.

Explore EV purchase incentives

Consumers Energy should consider adding an EV purchase incentive to a future TEP. With the federal EV tax credit now gone, other incentives to reduce the upfront costs of EVs are critical. More than 50% of Michiganders surveyed in 2024 reported that they would not choose to purchase an EV 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 or limited to non-profit and public fleets, to promote equity and direct funds to those with the greatest need. The impact on ratepayers can also be limited if the purchase incentive is contingent on participation in one of Consumers Energy'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.

Engage in proactive grid planning for EVs

Discussion of proactive grid planning in the TEP does not extend beyond acknowledgement of the need to prepare for future service requests, and there are few details about steps the utility intends take to address future grid needs. ACEEE recommends that Consumers Energy engage and work with the Commission to initiate a proceeding to undertake proactive grid planning, which can help ensure that the grid is ready by undertaking upgrades before the load materializes. This can prevent energization delays and mitigate supply chain issues for components of the distribution system that can often have long lead times. ACEEE's proactive planning toolkit, *Utility Planning for Electric Truck and Bus Fleets: An Overview*, explains how utilities can engage state utility regulatory commissions and pursue proactive grid planning (Nadel 2024).

Proactive planning is a newer approach to grid planning in Michigan, it would likely need Commission intervention – for example through the initiation of an official proceeding inviting utilities in the state to develop a framework (as done in New York) or setting up a working group process to oversee the development of a framework (as done in Minnesota). Consumers Energy can refer to proactive grid planning proceedings in Minnesota (Docket No. 24-318; Minnesota Public Utilities Commission 2024) and New York (Docket 24-E-0364; New York Department of Public Service 2026). Finally, ACEEE looks forward to sharing findings from our upcoming research on best practices from proactive grid planning proceedings across the United States with both Consumers Energy and the Michigan Public Service Commission.

Thank you for the opportunity to submit these public comments. Please reach out to Daivie Ghosh (dghosh@aceee.org) or Peter Huether (phuether@aceee.org) with any questions.

Sincerely,

Daivie Ghosh and Peter Huether

References

- American Automobile Association. 2026. "Fuel Prices." Accessed June 2. <https://gasprices.aaa.com/ev-charging-prices/>.
- American Lung Association. 2022. *Delivering Clean Air: Health Benefits of Zero-Emission Trucks and Electricity*. www.lung.org/getmedia/e1ff935b-a935-4f49-91e5-151f1e643124/zeroemission-truck-report.
- Consumers Energy. 2025. "Consumers Energy Transportation Electrification Plan Annual Progress Report 2025." mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000wdxWAAQ
- Consumers Energy. 2024. "Consumers Energy Transportation Electrification Plan 2024." mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000wdxWAAQ
- DTE Energy. 2026. "EV Hosting Capacity." Accessed July 10. www.dteenergy.com/us/en/business/service-request/pev/efleet-charger-rebate.html.
- Energy Information Administration. 2026. "Electric Power Monthly." Accessed June 2. https://www.eia.gov/electricity/monthly/epm_table_grapher.php?t=epmt_5_6_a
- Lewallen, Grace and Peter Huether. 2025. *Expanding EV Charging in Multifamily Affordable Housing: Insights and Strategies*. Washington, DC: ACEEE. www.aceee.org/research-report/t2501.
- Minnesota Public Utilities Commission. 2024. In the Matter of a Commission Inquiry into a Framework for Proactive Distribution Grid Upgrades and Cost Allocation for Xcel Energy. Docket No. E002/CI-24-318, October 16. efiling.web.commerce.state.mn.us/documents/%7BC0452F92-0000-CE12-AED7-A7BB3DD051CB%7D/download?contentSequence=0&rowIndex=94.
- Nadel, Steven. 2024. *Utility Planning for Electric Truck and Bus Fleets: An Overview*. Washington, DC: ACEEE. www.aceee.org/toolkit/2024/08/utility-planning-electric-truck-and-bus-fleets-overview.
- New York Department of Public Service. 2026. In the Matter of Proactive Planning for Upgraded Electric Grid Infrastructure. Docket No. 24-E-0364, Accessed July 10. documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterSeq=73733.
- Veloz. 2024. "Electric Vehicle Survey Results Presentation." www.veloz.org/wp-content/uploads/2024/12/Veloz_EV_Survey_ProbolskyResearch.pdf.

U22070-MEIU-CE-0049

Page 1 of 7

Question:

1. For each TEP rebate program segment (e.g. PowerMIDrive Residential, PowerMIDrive Public, and PowerMI Fleet) and sub-segment (e.g. single family housing charging, multifamily property charging, community charging, overnight destination charging, workplace charging, and fleet charging) included in the 2024-2027 TEP, please state:

- a. The number of applications the Company has received to date;
- b. The total number of independent entities submitting applications to date;
- c. The total dollar value of the rebates requested by the applications the Company has received to date;
- d. The average dollar value of all rebates requested by the applications the Company has received to date;
- e. The average dollar value of the rebates approved by the Company to date;
- f. The dollar value per project of the rebates requested;
- g. The dollar value per project of the rebates approved by the Company;
- h. The total number of entities that have successfully been awarded funding to date;
- i. The amount of funding awarded for completed projects;
- j. The amount of funding awarded for approved projects, not yet completed;
- k. The amount of Commission-approved funding remaining unspent;
- l. The geographic make-up of each approved project (i.e. urban, sub-urban, or rural as defined by the National Census Bureau);
- m. The geographic make-up of each completed project (i.e. urban, sub-urban, or rural as defined by the National Census Bureau);
- n. The number of chargers of each type (i.e. Level 1, Level 2, or DCFC) being installed per approved project;
- o. The total number of chargers of each type (i.e. Level 1, Level 2, or DCFC) being installed for all approved projects;
- p. The charger power (kWh) per charger for each approved project;
- q. The average charger power (kWh) for approved projects;
- r. The number of ports per approved project;
- s. The average number of ports per approved project;
- t. The time (in days) it took for applications in the multi-unit dwelling ("MUD"), Public, Workplace, and Fleet customer segments, as well as their respective subsegments, to go from application submission to, if approved, project energization.
- i. Please detail the amount of time (in days) each application spent at each project phase (e.g. application review, site design, energization, etc).

Response:

Please note the following:

1. For purposes of this response, 'independent entities' has been interpreted to mean unique applicants/legal entities submitting one or more rebate applications. An entity submitting multiple applications across multiple sites is counted once. Electrical contractors or installation partners may apply on behalf of the site host. These totals include projects withdrawn, in process, or completed.
2. For purposes of this response above, 'approved' has been interpreted to mean paid.

U22070-MEIU-CE-0049

Page 2 of 7

3. For purposes of this response, 'entities' has been interpreted to mean unique applicants/legal entities submitting one or more rebate applications. An entity submitting multiple applications across multiple sites is counted once. Electrical contractors or installation partners may submit an application on behalf of the site host.
4. For purposes of this response, the phrase 'awarded for approved projects' has been interpreted to mean rebate funding reserved for an applicant with an approved application. Projects associated with these applications are still in progress, and rebate funds are not awarded until project completion and fulfillment of program requirements. The data provided excludes withdrawn or canceled projects.
5. For purposes of this response, 'approved project' has been interpreted to mean applications that were accepted. These totals include projects withdrawn or in process.
6. For purposes of this response, 'completed' has been interpreted to mean paid.
7. For purposes of this response, 'charger power (kWh)' has been interpreted to mean charger kW max output.

All data is current as of July 2, 2026. Data includes only accepted applications unless otherwise noted.

a)

- Residential: 17,779
- Multifamily: 180
- Community: 89
- Overnight Destination: 231
- Workplace: 174
- DCFC: 614
- Fleet: 160

The number of PowerMIDrive Public applications for DCFC data include committed, waitlisted, and rejected applications. The data also includes applications submitted in the early 2020s by an entity that identified a portfolio of proposed gas station locations for which it did not possess site control or development rights at the time of application.

b)

- Residential: 12,975
- Multifamily: 126
- Community: 42
- Overnight Destination: 113
- Workplace: 139
- DCFC: 159
- Fleet: 120

The PowerMIDrive Residential program data includes only primary approved applications and excludes duplicate or additional applications associated with customers owning multiple EVs. Applications denied due to being located outside the utility's electric service territory have also been excluded.

c)

- Residential: \$5M
- Multifamily: \$3.12M
- Community: \$727K
- Overnight Destination: \$3.13M

U22070-MEIU-CE-0049

Page 3 of 7

- Workplace: \$2.24M
- DCFC: \$25.06M
- Fleet: \$3.44M

The PowerMIDrive Public Charging data for DCFC data includes applications that were committed, waitlisted, or rejected. Withdrawn applications are excluded from the data set, including applications submitted by an entity that did not possess site control or the legal authority necessary to develop the locations identified in its applications.

The PowerMIDrive Residential data include applications that were in progress or under revision were assumed to receive the full rebate and incentive amount. Rebate application volumes and associated rebate amounts were calculated using these assumptions. For completed applications, rebate and incentive amounts reflect actual approved amounts.

Any PowerMIFleet applicant that did not specify the number of ports to be installed was assumed to be requesting a rebate for two ports, and application counts and rebate dollar amounts were calculated accordingly. These totals include projects that were withdrawn, are in process, or have been completed. All assumed values are highlighted in yellow in attachment "PowerMIFleet_2f_2l".

d)

- Residential: \$450
- Multifamily: \$17,306
- Community: \$8,163
- Overnight Destination: \$13,566
- Workplace: \$11,482
- DCFC: \$73,247
- Fleet: \$21,486

The PowerMIDrive Residential data and include applications that were in progress or under revision were assumed to receive the full rebate and incentive amount. Rebate application volumes and associated rebate amounts were calculated using these assumptions. For completed applications, rebate and incentive amounts reflect actual approved amounts.

Any PowerMIFleet applicant that did not specify the number of ports to be installed was assumed to be requesting a rebate for two ports, and application counts and rebate dollar amounts were calculated accordingly. These totals include projects that were withdrawn, are in process, or have been completed. All assumed values are highlighted in yellow in attachment "PowerMIFleet_2f_2l".

e)

- Residential: \$444.00
- Multifamily: \$12,591
- Community: \$7,795
- Overnight Destination: \$11,086
- Workplace: \$9,093
- DCFC: \$75,478
- Fleet: \$14,590

The PowerMIDrive Residential data includes the Smart Charging Incentive value.

- f) See "PMDPublic_DCFC_2f_2l_2n_2r" for PowerMIDrive Public Charging data (Multifamily, Community, Overnight Destination, Workplace, and DCFC). For purposes of this response, any PowerMIDrive Public Charging L2 rebate applicant that did not specify the number of ports to be installed was assumed to be requesting a rebate for two ports. Application counts and estimated rebate amounts were calculated accordingly. Please note that applicants do not

U22070-MEIU-CE-0049

Page 4 of 7

provide total project costs until project completion; therefore, total project cost information is not available for projects that are still in process.

See attachment "PMDRes_2a_2b_2c_2d_2e_2f_2g_2h_2i_2j_2l_2m" for PowerMIDrive Residential Data. For purposes of this response, any applications that were in progress or under revision do not provide total project costs until rebate is approved; therefore, total project cost information is not available for projects that are still in process.

See attachment "PowerMIFleet_2f_2l" for PowerMIFleet Data. Any PowerMIFleet applicant that did not specify the number of ports to be installed was assumed to be requesting a rebate for two ports, and application counts and rebate dollar amounts were calculated accordingly.

- g) See attachment "PMDPublic_DCFC_2g_2m_2n_2p_2r" for PowerMIDrive Public data (Multifamily, Community, Overnight Destination, Workplace and DCFC).

See attachment "PMDRes_2a_2b_2c_2d_2e_2f_2g_2h_2i_2j_2l" for PowerMIDrive Residential Data.

See attachment "PowerMIFleet_2g_2m_2n_2p_2r" for PowerMIFleet Data

h)

- Residential: 10,762
- Multifamily: 35
- Community: 58
- Overnight Destination: 64
- Workplace: 105
- DCFC: 28
- Fleet: 74

i)

- Residential: \$4,783,554
- Multifamily: \$692,532
- Community: \$569,000
- Overnight Destination: \$1,097,538
- Workplace: \$1,263,895
- DCFC: \$8,680,000
- Fleet: \$1,473,580

j)

- Residential: \$223,200
- Multifamily: \$1.312M
- Community: \$97,500
- Overnight Destination: \$900K
- Workplace: \$458K
- DCFC: \$1,120,000
- Fleet: \$1,855,750

Any PowerMIDrive Public Charging or PowerMIFleet applicant that did not specify the number of ports to be installed was assumed to be requesting a rebate for two ports. Estimated rebate amounts were calculated accordingly.

Any PowerMIDrive Residential applications that were in progress or under revision were assumed to receive the full rebate and incentive amount. Rebate application volumes and associated rebate amounts were calculated using these assumptions.

- k) See attachment EV_U22070-ERC-MEIU-CE-049 2.k

U22070-MEIU-CE-0049

Page 5 of 7

- l) The U.S. Census Bureau does not designate areas as suburban. The Census classifies geography as either: Urban Areas (UA), or Rural (everything outside an Urban Area). Therefore, the Company can classify sites using Census urban and rural definitions. The Census provides a list of Urban Area names. The names were cross-referenced with project cities for the purpose of this request. See attachment "PMDPublic_DCFC_2f_2l_2n_2r" for Multifamily, Community, Overnight Destination, Workplace and DCFC.

See attachment "PowerMIFleet_2f_2l for PowerMIFleet Data

See attachment "PMDRes_2a_2b_2c_2d_2e_2f_2g_2h_2i_2j_2l" for Residential PowerMIDrive.

- m) The U.S. Census Bureau does not designate areas as suburban. The Census classifies geography as either: Urban Areas (UA), or Rural (everything outside an Urban Area). Therefore, the Company can classify sites using Census urban and rural definitions. The Census provides a list of Urban Area names. The names were cross-referenced with project cities for the purpose of this request.

See attachment "PMDPublic_DCFC_2g_2m_2n_2p_2r" for Multifamily, Community, Overnight Destination, Workplace and DCFC.

See attachment "PowerMIFleet_2g_2m_2n_2p_2r" for PowerMIFleet data.

See attachment "PMDRes_2a_2b_2c_2d_2e_2f_2g_2h_2i_2j_2l_2m" for Residential PowerMIDrive.

- n) See attachment "PMDPublic_DCFC_2f_2l_2n_2r" for PowerMIDrive Public data (Multifamily, Community, Overnight Destination, Workplace and DCFC). Consumers Energy tracks the number of charging ports installed rather than the number of chargers. A single charger may contain one or more charging ports; therefore, port counts are the metric maintained in program records.

See attachment "PowerMIFleet_2g_2m_2n_2p_2r" for PowerMIFleet data.

PowerMIDrive Residential projects requires the installation of one (1) qualified Level 2 EV charger. Level 1 chargers are not eligible under this program. See question 2(o).

o)

- Residential: 10,762 L2
- Multifamily: 211 L2
- Community: 200 L2
- Overnight Destination: 367 L2
- Workplace: 430 L2
- DCFC: 318 DCFC
- Fleet: 160 L2 & 24 DCFC

- p) See attachment "PowerMIFleet_2g_2m_2n_2p_2r" for PowerMIFleet Data
See attachment "PMDPublic_DCFC_2g_2m_2n_2p_2r" for PowerMIDrive Public Charging data (Multifamily, Community, Overnight Destination, Workplace, and DCFC).
The kW values reported are based on information provided by applicants in their rebate applications. Depending on how the applicant reports the equipment specifications, the kW value may represent the total output capacity of the charging project, the output capacity of an individual charger, or the output capacity of a charging port. In addition, the equipment may consist of either single-port or dual-port chargers.

U22070-MEIU-CE-0049

Page 6 of 7

As part of the application review process, applicants are required to provide charger specification sheets, which the Company reviews to verify the maximum output capacity of the proposed charging equipment. However, the kW values reflected in the data are based on applicant-reported information and may not consistently distinguish between total project capacity, charger capacity, and per-port capacity.

For PowerMIDrive Residential please see attachment referenced in question 2(g). PowerMIDrive Residential projects require the installation of one (1) qualified Level 2 EV charger. The Level 2 charger must have a maximum output of 9.6 kW (40A output maximum) and be either Energy Star rated and UL-certified or provided by an automotive manufacturer.

q)

- Residential: 9.6 kW
- Multifamily: 28.5 kW
- Community: 15.9 kW
- Overnight Destination: 27.5 kW
- Workplace: 20.5 kW
- DCFC: 341.4 kW
- Fleet: 50kW DCFC, 19.2kW for Level 2

For PowerMIDrive Public Charging projects (Multifamily, Community, Overnight Destination, Workplace, and DCFC) and PowerMIFleet projects, the kW values are based on information provided by applicants in their rebate applications. Because applicants may report equipment using either single-port or dual-port charger configurations and may provide kW ratings on a per-port, per-charger, or total project basis, the reported data may not be directly comparable across projects.

The PowerMIDrive Residential program permits the installation of both single-port and dual-port Level 2 chargers. However, the number of ports does not affect program eligibility requirements, and all approved installations must be limited to a maximum output of 9.6 kW (40A maximum output).

- r) See attachment "PMDPublic_DCFC_2f_2l_2n_2r" for PowerMIDrive Public data (Multifamily, Community, Overnight Destination, Workplace and DCFC).
See attachment "PowerMIFleet_2g_2m_2n_2p_2r" for PowerMIFleet Data.
See attachment "PMDRes_2a_2b_2c_2d_2e_2f_2g_2h_2i_2j_2l" for PowerMIDrive Residential data.

s)

- Residential: 1
- Multifamily: 3.84
- Community: 2.74
- Overnight Destination: 3.71
- Workplace: 3.09
- DCFC: 2.77
- Fleet: 3.62

The PowerMIDrive Residential program allows both single port and dual port Level 2 chargers. Because the number of ports varies by customer installation and is not a program requirement, an average number of ports per approved project is not tracked. All approved installations must comply with the maximum charger output requirement of 9.6 kW (40A maximum output).

U22070-MEIU-CE-0049

Page 7 of 7

- t) For the PowerMIDrive Public Charging programs (Multifamily, Community, Overnight Destination, Workplace, and DCFC), data were obtained from reports generated through PowerClerk, the program's application management system. Because PowerClerk was not implemented for the PowerMIDrive Public Charging programs until 2022, applications submitted before that time do not contain the requested information. Therefore, this response includes only projects with paid rebates for applications received on or after June 2022. For purposes of this response, the phrase 'from application submission to, if approved, project energization' has been interpreted as the period from the application submission date to the date the rebate was processed.
- Multifamily: 537 Days
 - Community: 194 Days
 - Overnight Destination: 179 Days
 - Workplace: 131 Days
 - DCFC: 467 Days
 - Fleet: The Company does not have the historical data to support this request for Fleet customers.
- i. This response includes data only for projects with rebates that have been paid whose applications were received since June 2022. Please note, the PowerMIDrive Community and MDU Rebates did not include the Project Details form until mid-2024.

The application process for PowerMIDrive Public rebates includes the following forms:

- Commercial Application (Applicant's responsibility)
- Project Details (Applicant's responsibility)
- Installation Milestones (Applicant's responsibility)
- Charger Enrollment (PowerMIDrive Public's responsibility)
- Rebate Processing (PowerMIDrive Public's responsibility)

The attachment "PMDPublic_DCFC_2t(i)" details how long each paid rebate sat between each application stage.

For historical data on PowerMIFleet the data was tracked in Excel and did not include key milestone dates. The only date available for historical PowerMIFleet projects is the date the rebate was paid.

Witness: Alex M Gast

Date: July 13, 2026

U22070-MEIU-CE-0055

Page 1 of 2

Question:

7. According to witness Gast (p. 78), the Company proposes “enhanced rebates” for businesses electrifying at least 20 vehicles within an underutilized area of the grid.

a. Please detail the methodology behind the company's decision to utilize a 20-vehicle threshold for the enhanced rebate eligibility.

i. Please explain the rationale for selecting this exact fleet size as opposed to 1, 5, 10, 15, or 30 vehicles.

ii. Please provide all calculations used to support this proposal.

iii. Please detail all evidence of stakeholder engagement to validate the selection of this specific 20-vehicle threshold.

b. Please provide the Company’s definition of an “underutilized area.”

c. Please explain how the Company plans to communicate to the public and potential applicants what areas of the grid the Company determines are “underutilized.”

i. Will this information be added to the Company’s existing hosting capacity map?

d. Please provide (in excel format) a spreadsheet which identifies all of the underutilized areas of the grid which would qualify for this proposed enhanced rebate.

e. Please detail exactly what the Company means by “enhanced” rebate.

f. Please indicate whether applicants will be evaluated on a scale to determine how much the applicant would be eligible to receive.

i. If so, please provide the criteria by which the Company will evaluate an application and determine how much an applicant is eligible to receive (e.g. the level of available grid capacity, the number of vehicles being electrified, whether the fleet operates in a low-income or non-low-income community, etc.)

ii. If not, please detail how the Company proposes to establish criteria by which to evaluate each applicant.

Response:

a. When setting this threshold, the Company’s rationale was based on estimating what size customer would be adding large load onto the grid which could have negative impacts in highly utilized areas. With a dual goal of incentivizing growth in areas that could better accommodate the added capacity, and in providing incentives to large load customers for who the existing rebates may not be sufficiently incentivizing.

i. The rationale for 20-vehicles was the result of calculating how many vehicles the Company believed would add roughly 500 MWh of added load.

ii. Calculations attached in document U22070-MEIU-CE-0050_Gast_Att_1

iii. The Company does not possess evidence of stakeholder engagement to validate the 20-vehicle threshold.

b. Underutilized areas of the grid are parts of the electric system (circuits, feeders, substations, or transformers) where existing infrastructure has available capacity that is not being fully used during most hours, especially during peak demand periods.

c. The Company does not yet have a communication plan developed for this proposal.

U22070-MEIU-CE-0055

Page 2 of 2

- i. A decision has not been made at this time. This will be dependent on whether these rebates come to fruition, and if this addition is technically feasible on the existing maps.
- d. The criteria have not yet been defined.
- e. An “Enhanced” rebate may be a negotiated rebate above the standard program rebate levels.
- f. The criteria have not yet been defined, but prior to execution of any enhanced rebates, a rubric will be developed for clear guidelines. At this time the proposed rebates are still being developed, and no enhanced rebates have been paid.
 - i. The criteria have not yet been defined.
 - ii. Reference U22070-MEIU-CE-055 part f.

Witness: Alex M Gast

Date: July 13, 2026

U22070-MEIU-CE-0059

Page 1 of 2

Question:

11. Witness Gast indicates intent to sponsor the Company's Transportation Electrification Plan as an exhibit in the future in revised testimony (p. 71), and notes that the Company filed its TEP in the TEP docket (U-21538) on June 1, 2026. In the Company's TEP, the Company notes that it is "evaluating the next evolution of electric transportation, including Vehicle-to-Building (V2B) and Vehicle-to-Grid (V2G)," noting that "[t]hese emerging capabilities may support enhanced customer resilience, improved energy cost management, and deeper integration of EVs with customer facilities and the broader electric grid and that the "Company is reviewing lessons learned from pilot efforts conducted across the industry to better understand technical performance, customer experience considerations, and operational requirements" (p. 40). In the previous rate case, the Commission indicated that "the V2G School Bus Pilot...[is] best suited for examination in the company's next TEP proceeding, (p.234)" yet no such examination exists in the Company's TEP. As directed by the Commission, please provide an update of the ongoing V2G School Bus Pilot with the following:

- a. Please provide project details for each school's V2G-capable charging installation:
 - i. The number of school districts engaged in the pilot;
 - ii. The number of school buses being studied in the pilot;
 - iii. The number of chargers being used in the pilot;
 - iv. The brand or brands of chargers being utilized in the pilot;
 1. The number of chargers of each brand being utilized in the pilot;
 - v. The number of ports at each charger in the pilot;
 - vi. Any learnings from the program thus far (e.g. challenges associated with school engagement, opportunities to improve the pilot, etc.)
- b. Please detail the methodology by which the Company has connected with prospective participants to engage in the pilot.
- c. Please detail the manner of engagement that the Company had with each school to oversee and guide their participation in the pilot.
- d. Please detail how the Company communicated with schools about the V2Gcapable charging brands available to them including:
 - i. Did the Company offer participating schools a list of V2G capable charging brands?
 1. If so, please provide the list offered to schools participating in the pilot.
 2. If so, were the brands listed representative of all brands or were they limited based on a selection of criteria of the Company's choosing?
 3. If the brands were limited based on specific criteria, please detail each criterion.
- e. Please provide the key performance indicators the Company is using to determine and evaluate the pilot's success.

Response:

a. The Company has conducted pilot research, including a SWOT analysis, in partnership with CADMUS and Demand Side Analytics (see attachment U22070-MEIU-CE-0059_Gast_Att_1). Additionally, Consumers Energy attended the Vehicle-to-Grid USA conference hosted in Detroit to learn more about the technology and implementations. Based on these findings the Company is still evaluating whether conducting a pilot is necessary at this time. There is no question that the

U22070-MEIU-CE-0059

Page 2 of 2

technology works, but to invest in a new pilot the Company needs to prove customer demand which has not manifested to date.

- i. No school districts are engaged in the pilot at this time.
- ii. No school buses are being studied in the pilot at this time.
- iii. No chargers are being used in the pilot at this time.
- iv. There are no specific brands of chargers being utilized in the pilot at this time.
 - 1. There are no chargers being utilized in the pilot at this time.
- v. There are no ports at each charger to report in the pilot at this time.
- vi. There are no specific learnings from the program thus far.
- b. There has been no methodology by which the Company has connected with prospective participants to engage in the pilot at this time.
- c. There has been no engagement with schools to oversee and guide participation in the pilot at this time.
- d. The Company has not communicated with schools about the V2Gcapable charging brands available to them for the pilot at this time.
 - i. There are no participating schools in the pilot at this time.
 - 1. There are no participating schools in the pilot at this time.
 - 2. There are no chargers being utilized in the pilot at this time.
 - 3. There are no specific brands of chargers being utilized in the pilot at this time.
- e. There are no key performance indicators the Company is using to determine and evaluate the pilot's success at this time.

Witness: Alex M Gast

Date: 7/14/2026

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
Consumers Energy Company for authority)
to increase its rates for the generation and)
distribution of electricity and for other relief.)
)

Case No. U-22070

DIRECT TESTIMONY OF BRETT SPROUL

ON BEHALF OF

THE MICHIGAN ENERGY INNOVATION BUSINESS COUNCIL,

INSTITUTE FOR ENERGY INNOVATION,

AND

ADVANCED ENERGY UNITED

Table of Contents

I.	INTRODUCTION AND QUALIFICATIONS	1
II.	PROPOSED USE OF A DEMAND RESPONSE (“DR”) PERFORMANCE INCENTIVE	3
III.	RECOMMENDATIONS AND CONCLUSIONS.....	19

1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q. Please state your name and business address.**

3 A. My name is Brett Sproul. My business address is 1801 Pennsylvania Avenue NW, Suite
4 410, Washington, DC 20006.

5

6 **Q. What is your current occupation?**

7 A. I am employed by Advanced Energy United, Inc. (“United”) as a Regulatory Policy
8 Principal for the central region states where United is active. This includes Illinois,
9 Indiana, Michigan, and Wisconsin.

10

11 **Q. On whose behalf are you testifying?**

12 A. I am testifying on behalf of the Michigan Energy Innovation Business Council (“Michigan
13 EIBC”), the Institute for Energy Innovation (“IEI”), and United, collectively referred to as
14 “MEIU.”

15

16 **Q. Please describe your educational and professional background.**

17 A. I hold a Bachelor of Science degree in Environmental Science and Policy with a
18 concentration in Environmental Economics from the University of Maryland – College
19 Park. I previously worked at the Maryland Public Service Commission serving both as a
20 Regulatory Economist within the Maryland Commission’s Technical Staff and as a
21 Technical Advisor to the commissioners at the Maryland Public Service Commission. I
22 have also worked as a Policy Intern at the U.S. Department of Energy, Office of Small and
23 Disadvantaged Business Utilization and as a Research Intern at the U.S. Department of

1 Agriculture, Sustainable Agricultural Systems Laboratory. The full extent of my
2 educational and professional background can be found in my résumé, attached as Exhibit
3 MEIU-3.1.

4
5 **Q. Have you provided testimony to a state public service commission in the past?**

6 A. Yes. I have provided testimony to the Michigan Public Service Commission in Case No.
7 U-21870 related to Consumers Energy Company's application for authority to increase its
8 rates. I have also provided testimony to the Maryland Public Service Commission in
9 Delmarva Power and Light Company's application for a multi-year rate plan in Case No.
10 9681.

11
12 **Q. Are you offering any exhibits with your testimony?**

13 A. Yes. I am offering the following exhibits:

- 14 • MEIU Exhibit 3.1: Résumé of Brett Sproul
- 15 • MEIU Exhibit 3.2: Discovery Response MEIU-CE-0320
- 16 • MEIU Exhibit 3.3: Discovery Response MEIU-CE-0319
- 17 • MEIU Exhibit 3.4: Discovery Response MEIU-CE-0307

18
19 **Q. What is the purpose of your testimony?**

20 A. The purpose of my testimony is to offer my analysis and recommendations on Consumers
21 Energy Company's (the "Company" or "Consumers") proposals and general views related
22 to Demand Response ("DR") programs and the Company's proposed use of the DR
23 Performance Incentive.

1
2 **II. PROPOSED USE OF A DEMAND RESPONSE (“DR”) PERFORMANCE**
3 **INCENTIVE**

4 **Q. What is the DR Performance Incentive?**

5 A. The DR Performance Incentive is allowed under Michigan law if the Commission
6 determines, via a contested case, that the aggregate revenue from the incentive mechanism
7 would not result in DR investments being disfavored when compared to utility supply-side
8 alternatives.¹ After the DR Performance Incentive was established in statute, the
9 Commission’s Order on September 15, 2017 in Case No. U-18369 invited parties to
10 propose incentive mechanisms in the appropriate DR reconciliation proceedings. Soon
11 thereafter, in Case No. U-20164 concerning the reconciliation of Consumers’ 2017 DR
12 program costs, several parties (the utility, Commission Staff, and stakeholders alike)
13 proposed Financial Incentive Mechanisms (“FIM”) as “alternative methodologies” to the
14 DR reconciliation shared-savings mechanism. In the Commission’s Order on July 18, 2019
15 in that case (the “July 18 Order”), the Commission approved an FIM as proposed by the
16 Natural Resources Defense Council (“NRDC”) that is:

17 tied to the utility’s [integrated resource plan (“IRP”)] goal of an incremental
18 increase in DR capacity of about 49 Megawatts per year through 2030, with
19 Consumers awarded a rate of return that declines as the gap between the DR
20 capacity goal and the actual DR capacity growth increases.²
21

22 Notably, in the Commission’s July 18 Order, the Commission further stated that:

23 DR has become a required part of every IRP, and factors into the
24 Commission’s decision on approval of an IRP The Commission finds
25 that the NRDC FIM sufficiently incentivizes DR investment and ensures
26 that DR is not disfavored in comparison to supply-side resources. Like DR

¹ MCL 460.6a(13).

² July 18 Order, p. 8.

1 reconciliations in general, DR FIMs may need to undergo some refinement
2 and will be subject to revision in future DR reconciliations.³
3

4 The approval of the FIM via the Commission’s July 18 Order constitutes the general
5 construct of the Company’s DR Performance Incentive and represents the first use of an
6 incentive mechanism applied to DR utilized by the Company.
7

8 **Q. When was the DR Performance Incentive most recently refined or revised?**

9 A. The DR Performance Incentive was refined in the settlement agreement of the Company’s
10 most recent DR reconciliation case (Case No. U-21647), which addressed reconciliation of
11 the Company’s 2023 DR program costs. In its Order on January 23, 2025 in that docket
12 (the “January 23 Order”), the Commission approved the Parties’ settlement agreement and
13 ordered Consumers to calculate the financial incentive using a shared savings mechanism
14 that includes a cap on the incentive amount, and required the Company and Commission
15 Staff to align on the calculation of the shared savings and incentive cap.
16

17 **Q. What is your understanding of the requirements that the Company must meet to**
18 **capture a DR Performance Incentive?**

19 A. In order to access a DR Performance Incentive, the Company must first meet the statutory
20 requirements of MCL 460.6a(13), which require it to show (and the Commission to
21 determine) that the resulting aggregate revenues from the DR Performance Incentive are
22 reasonable and cost-effective to ensure that investments in DR are not disfavored when
23 compared to utility supply-side investments. If the Company meets this statutory

³ *Id.*, pp. 11–12.

1 requirement, then the Company must follow the general DR incentive calculation
2 methodology as approved in the Commission’s July 18 Order in Case No. U-20164 and
3 subsequently updated in following DR reconciliation cases. The calculation methodology
4 originally established in Case No. U-20164 ties the incentive to meaningful performance
5 goals (i.e., the level of growth in DR capacity that the Company’s IRP suggests), ensures
6 that the magnitude of shareholder incentives for DR programs be at least equal per dollar
7 of investment as supply alternatives, and allows for the achievement of a single annual
8 payment equal to 2% of non-capitalized DR costs that the Company incurs each year if the
9 Company demonstrates that it assessed DR as part of a potential non-wires alternative
10 (“NWA”) solution for at least five distribution system projects in a given year.⁴
11

12 I am aware that changes have been made to the DR Performance Incentive calculation
13 methodology within the Company’s DR reconciliation cases over time since the inception
14 of the DR Performance Incentive in the Commission’s July 18 Order. However, regardless
15 of the updated calculation methodology, the fundamental assumptions upon which the DR
16 Performance Incentive was approved remain. As established in the Commission’s July 18
17 Order, the DR financial incentive should: 1) be aligned, and closely associated with, the
18 DR targets approved in the Company’s most recent IRP, and 2) connect the DR financial
19 incentive to the adequate consideration of NWAs when making distribution system
20 investment decisions. Furthermore, as referenced above from the Commission’s July 18

⁴ See Initial Brief of the Natural Resources Defense Council, Case No. U-20164, March 29, 2019, p. 11.

1 Order, it is still important to recognize that DR has become a required part of every IRP
2 and factors into the Commission’s decision on approval of an IRP.

3
4 **Q. Is the Company proposing to utilize a DR Performance Incentive in the instant rate**
5 **case?**

6 A. Yes, as described in Company witness Alex M. Gast’s direct testimony in the instant case,
7 the Company is proposing a 2025 DR performance incentive of \$7,703,553 to encourage
8 the Company to continue to invest in DR – an amount that will ultimately be collected via
9 base rates.⁵

10
11 **Q. What is the Company’s proposed calculation methodology for recovery of the 2025**
12 **DR Performance Incentive?**

13 A. For the determination of the 2025 DR Performance Incentive, the Company proposes to
14 use the “percentage of spend” methodology that was developed via meetings with
15 Commission Staff following the settlement in the Company’s 2023 DR reconciliation case
16 (Case No. U-21647).⁶ According to witness Gast, the proposed calculation methodology is
17 as follows:

18 The proposed calculation uses the levelized costs of the Company’s DR
19 programs, less 75% of CONE, weighted by the number of MW registered
20 with [the Midcontinent Independent System Operator (“MISO”)] as Load
21 Modifying Resources. The sum of the difference, multiplied by a shared
22 savings factor, is the Company’s proposed performance incentive. The
23 Company proposes 50% of the weighted difference between the levelized

⁵ Direct Testimony of Alex M. Gast on behalf of Consumers Energy Company (“Gast Direct”), Case No. U-22070, June 2, 2026, p. 66.

⁶ *Id.*, p. 65.

1 cost of the DR programs and 75% of CONE to be the performance
2 incentive.⁷
3
4

5 **Q. Is the Company proposing changes to the DR Performance Incentive calculation**
6 **methodology?**

7 A. Yes. The Company proposes to remove the requirement that it meet IRP deployment
8 targets for DR programs in order to qualify for the DR Performance Incentive.⁸ The
9 Company additionally proposes to exclude DR pilots from the shared savings calculation
10 of the DR Performance Incentive and specifically proposes to exclude pilots for a period
11 of three years from the commencement of the Whole Home Optimization Pilot, at which
12 point the Company will determine whether or not to include pilots in the shared savings
13 performance incentive calculation or terminate the pilot with no additional consequences.⁹
14

15 **Q. What is the Company's justification for proposing these changes to the DR**
16 **Performance Incentive?**

17 A. Regarding the proposed removal of the requirement to meet IRP targets for DR to receive
18 performance incentives, the Company states that removing this requirement would
19 incentivize it (in conjunction with the shared savings calculation) to increase DR enrolled
20 and registered with MISO in the most cost-effective manner.¹⁰ Further, the Company states
21 that if it is required to meet IRP-determined DR targets, it could be forced to invest in less

⁷ *Id.*, pp. 65-66.

⁸ *Id.*, p. 66.

⁹ *Ibid.*

¹⁰ *Id.*, p. 67.

1 cost-effective programs to drive higher enrollment in DR programs.¹¹ The Company
2 elaborates by stating in a discovery response (Exhibit MEIU-3.2):

3 [O]nce the most cost-effective demand response opportunities have been
4 captured, additional MW may require higher incentives, more expensive
5 program designs, or participation from customer segments that are more
6 difficult and costly to reach. That could reduce the overall customer value
7 of the DR portfolio if the Company is focused on achieving a fixed MW
8 outcome rather than optimizing the portfolio based on cost-effectiveness,
9 customer participation, operational value, and overall system need.

10 ...

11 the concern is that a rigid MW-based incentive could create pressure to
12 prioritize achieving the target over maintaining the most balanced and cost-
13 effective DR portfolio for customers.

14
15 Regarding the exclusion of new DR pilots, the Company states that, because DR pilots are
16 inherently not cost-effective in the early stages, innovation would be stifled as the
17 Company would be unlikely to invest in pilots if it were penalized with a reduced
18 performance incentive.¹² The Company elaborates on the exclusion of new DR pilots from
19 the DR performance incentive in a discovery response by stating (Exhibit MEIU-3.3):

20 Without a performance incentive, utilities would have less motivation to
21 pursue innovative pilots such as the proposed program, which relies heavily
22 on O&M spending rather than traditional capital investments that earn a
23 return on equity. This could discourage innovation and slow the growth of
24 DR in new areas.
25

26 **Q. Do you agree with the Company's proposed changes to the DR Performance**
27 **Incentive?**

28 **A.** No, I do not agree with the Company's proposed changes to the DR Performance Incentive.
29 My primary concern is related to the Company's proposed removal of the requirement for

¹¹ *Ibid.*

¹² *Id.*, p. 66.

1 the DR Performance Incentive to be tied to DR deployment targets identified in an IRP.
2 Secondly, I am also concerned with the Company’s proposal to remove DR pilots from
3 the shared savings calculation of the DR Performance Incentive. I recommend that the
4 Commission reject the Company’s proposed changes and direct the Company to re-
5 calculate the applicable performance incentive using the “percentage of spend”
6 methodology that was developed via meetings with Commission Staff following the
7 settlement in the Company’s 2023 DR reconciliation case (Case No. U-21647). I provide
8 justification for this recommendation below.
9

10 **Q. How does the Company quantify the value that DR resources provide to it?**

11 A. The Company quantifies the MWs and the value that DR resources provide largely through
12 Zonal Resource Credits (“ZRCs”) that are awarded to the Company by MISO. The
13 Company registers its DR programs as a capacity resource with MISO, and MISO then
14 awards ZRCs to the Company, which contribute to satisfying its annual Planning Reserve
15 Margin Requirement (“PRMR”). Through this process, DR resources can be considered on
16 equal footing as capacity resources and, as discussed in witness Gast’s direct testimony,
17 “customers will receive \$59.9 million worth of capacity value in Planning Year 2026/2027
18 from the MWs or the ZRCs that the DR programs provide.”¹³
19

¹³ *Id.*, p. 41.

1 **Q. Are ZRCs and DR resources discussed in the context of capacity planning within an**
2 **IRP?**

3 A. Yes. Because DR resources, just like generation resources, can be converted to ZRCs
4 through the capacity accreditation process at MISO (and because ZRCs are fungible
5 regardless of the underlying resource used to create them), DR resources are increasingly
6 important to a utility's IRP process and long-term capacity planning. As noted in witness
7 Gast's direct testimony,

8 demand-side resources such as DR are essential to meeting climate goals
9 and achieving the MWs approved in the IRP. The DR program remains
10 essential to the Company's long-term ability to achieve greater flexibility
11 and improved sustainability over the long term.¹⁴
12

13 Most importantly, as referenced above, in the Commission's July 18 Order, the
14 Commission noted that "DR has become a required part of every IRP, and factors into the
15 Commission's decision on approval of an IRP."¹⁵
16

17 **Q. Why is it important for an IRP to accurately forecast the capacity value associated**
18 **with DR resources?**

19 A. An IRP serves as the primary long-term capacity planning process for utilities in Michigan,
20 including for Consumers. DR resources are identified as capacity resources via the ZRC
21 process, and it is crucial to ensure that IRP targets include goals and accurate forecasts for
22 future DR resources. This is critical to ensure that the utility has an adequate amount of
23 capacity resources to serve customers in the future. Specifically, as noted in a discovery
24 response (Exhibit MEIU-3.4):

¹⁴ *Id.*, p. 42.

¹⁵ Michigan Public Service Commission Order in Case No. U-2016, July 18, 2019, p. 11

1 The DR programs reduce the amount of capacity the Company must
2 otherwise obtain to satisfy its MISO PRMR. To the extent those programs
3 qualify as capacity resources or otherwise reduce the Company's planning
4 obligation, they allow the Company to rely on demand-side resources rather
5 than procuring an equivalent amount of supply-side capacity.
6

7 This highlights the importance of DR resources in an IRP context and exemplifies that DR
8 resources are just as important in capacity planning as supply-side resources. Additionally,
9 DR resources serve as an important affordability measure because DR programs can allow
10 a customer to realize significant utility bill savings due to the reduction in electricity usage
11 during times of peak electricity demand when electricity prices are highest. Some DR
12 programs can also benefit customers via utility-provided bill credits for actively
13 participating in a DR program. On the utility-side, DR programs can assist a utility's efforts
14 in balancing electricity capacity during peak demand hours and reduce the need for
15 distribution or supply-side investments, thus reducing the cost to supply electric service to
16 customers.
17

18 **Q. Does the Company anticipate that it will meet its DR targets established in its most**
19 **recent IRP?**

20 A. As stated by Company witness Gast's in direct testimony, the Company achieved 693.4
21 MW of peak demand reduction as of December 31, 2025, which exceeds the IRP target of
22 641.¹⁶ However, as detailed in Exhibit A-115 (AMG-8), the Company does not expect to
23 meet its future IRP targets as established in its 2021 IRP.¹⁷ Exhibit A-115 (AMG-8) shows
24 that in 2024, the Company achieved its 2021 IRP target of 630 MW with 633.1 MW of

¹⁶ *Id.*, p. 65.

¹⁷ Company Witness Gast's Exhibit A-115 (AMG-8) in Case No. U-22070 and Consumers Energy Company's approved 2021 Integrated Resource Plan in Case No. U-21090.

1 enrolled capacity for DR programs. However, in 2030, the 2021 IRP target for DR program
2 capacity is 698.0 MW, and the expected enrolled capacity of DR programs is 676 MW,
3 indicating that Consumers currently does not expect to meet its future IRP targets for DR
4 programs. This trend continues through 2045, with the Company consistently anticipating
5 not achieving its 2021 IRP target DR program capacity. Given that the Company far
6 exceeded its 2021 IRP target of 641 MW by achieving an enrolled capacity of 693.4 MW
7 for 2025, it may be reasonable to assume that this trend will continue and the Company
8 will continue to achieve its DR IRP targets. Despite this, it is concerning and peculiar that
9 the Company still assumes that it will miss its future IRP targets for DR programs as shown
10 in Exhibit A-115 (AMG-8). It is important to note that the Company filed its application
11 for its 2026 IRP on September 3, 2026, inclusive of new assumptions and forecasts for the
12 Company's DR programs. Within the Company's application for its 2026 IRP in Case No.
13 U-22127, it is stated that:

14 Residential DR capability is projected to decline gradually over the planning
15 period, from 100 MW in 2026 to 78 MW in 2050, or from 1.23% to 1.04% of
16 baseline summer demand.

17 ...

18 C&I DR capability is projected to increase modestly over the planning period, from
19 439 MW in 2026 to 472 MW in 2045. However, this increase does not outpace
20 demand, so overall program impact is expected to decrease gradually from 2026 to
21 2035, and then rise slightly again in 2045 to 2026 levels as compared to baseline
22 annual demand.¹⁸

23
24 Based on Consumers' 2021 IRP DR targets and its 2026 IRP DR forecasts, it is clear that
25 the Company doubts its ability to achieve its IRP targets for DR programs in the future,

¹⁸ Consumers Energy Company's Application for its Integrated Resource Plan, Case No. U-22127, Exhibit A-2 (SQM-2), pp. 76 & 82.

1 which may shed light on why the Company proposes to remove the requirement that it
2 meet IRP deployment targets for DR programs in order to qualify for the DR Performance
3 Incentive.
4

5 **Q. Why is it important to tie DR achievement to targets or goals established in the IRP?**

6 A. Each IRP serves as the long-term guide providing visibility and assurance that the
7 Company is effectively utilizing and planning for its DR programs. More to the point, an
8 approved IRP is, by virtue of its approval, “the most reasonable and prudent means of
9 meeting the electric utility's energy and capacity needs.”¹⁹ As such, DR targets approved
10 as part of an IRP are considered reasonable, prudent, and cost-effectively achievable. Thus,
11 to the extent that a utility falls short of DR targets assumed in its approved IRP, it is to be
12 assumed to have fallen short of executing on the most reasonable and prudent plan for
13 meeting its energy and capacity needs. Understanding that a performance incentive is
14 designed to reward performance beyond what is reasonably expected or achievable—or at
15 a minimum to incentivize the Company to perform at the level of what is reasonably
16 expected or achievable—granting the Company a DR Performance Incentive despite its
17 failure to achieve the reasonable, achievable and cost-effective IRP DR targets improperly
18 turns a reward into a consolation prize.
19

20 If the Company doubts its ability to meet the DR targets previously set in its 2021 IRP, it
21 may, as it has done in its 2026 IRP filing (see above), propose revisions to the targets,
22 which are then subject to MPSC Staff and Intervenor scrutiny and approved, rejected or

¹⁹ MCL 460.6t(8)(a).

1 modified by the Commission. If the Commission ultimately agrees that prior targets were
2 overly aggressive, they may be reduced. Regardless, Consumers’ doubts about its ability
3 to meet targets set in its IRP as part of an overall “most reasonable and prudent” plan do
4 not justify the decoupling of those targets from the DR Performance Incentive that
5 Consumers proposes here.

6
7 Additionally, the IRP process was closely considered in the Commission’s inaugural
8 approval of the DR Performance Incentive. As stated by the Commission in its July 18
9 Order, DR has become a required part of every IRP and factors into the Commission’s
10 decision regarding whether or not to approve an IRP. In fact, the Commission’s July 18
11 Order approved the DR incentive mechanism proposed by NRDC, which specifically tied
12 the DR Performance Incentive to IRP targets.²⁰ This accentuates the importance of
13 connecting the realization of the DR Performance Incentive with the DR targets established
14 in the most recent IRP.

15
16 The Company itself acknowledges the importance of considering DR in its IRPs by stating,

17 [D]emand-side resources such as DR are essential to meeting climate goals
18 and achieving the MWs approved in the IRP. The DR program remains
19 essential to the Company’s long-term ability to achieve greater flexibility
20 and improved sustainability over the long term.²¹
21

22 It seems counterintuitive for the Company to both acknowledge how important it is to
23 consider DR in the scope of an IRP and long-term planning while at the same time

²⁰ July 18 Order, p. 12.

²¹ Gast Direct, p. 42.

1 recommending that the incentive—an incentive that will greatly influence the Company’s
2 DR investments—be severed from the IRP targets.

3
4 **Q. What is your recommendation regarding the Company’s proposal to remove the**
5 **requirement that DR achievement be tied to IRP goals to receive the DR performance**
6 **incentive?**

7 A. I recommend that the Commission reject the Company’s proposal to remove the
8 requirement that DR achievement be tied to IRP goals for the DR Performance Incentive.
9 The Commission should retain this requirement and direct the Company to re-calculate the
10 DR Performance Incentive accordingly (if needed).

11
12 **Q. How does the original intent of the DR Performance Incentive relate to DR pilots?**

13 A. Within the July 18 Order, the Commission approved the NRDC DR Performance Incentive
14 framework and methodology and the Commission stated that it found “merit in the annual
15 NWA assessment requirements proposed by NRDC.”²² The NRDC DR Performance
16 Incentive methodology explicitly tied the calculation of the incentive to the Company
17 demonstrating that it has assessed DR as part of a potential NWA solution for at least five
18 distribution system projects in a given year. NWA projects are sometimes considered in
19 the context of a pilot program (or first-of-its-kind programs), typically because NWA
20 projects utilize more novel approaches than traditional poles-and-wires replacements. A
21 common example of this framework is the Consolidated Edison Company of New York’s

²² Michigan Public Service Commission Order, Case No. U-2016, July 18, 2019, p. 12.

1 Brooklyn/Queens Demand Management program, which used DR to reduce peak demand
2 in targeted areas to avoid a costly substation upgrade.²³ In fact, MEIU is aware that the
3 Company is currently scoping an NWA Expedited Pilot Program that focuses on residential
4 DR solutions (in addition to customer-owned solar and customer-owned batteries) to avoid
5 the construction of substation upgrades.²⁴ The origin of the DR Performance Incentive
6 clearly connects the determination and calculation of the incentive with the achievement
7 of NWAs – and many such NWAs are pilots, including DR pilots. Although this does not
8 mean that every DR pilot is an NWA, it does mean that because the Company is required
9 to consider NWA solutions, it is also, by implication, important to consider DR pilots
10 (which may be NWAs).

11
12 **Q. Is it important to include new DR pilots in the shared savings calculation for the**
13 **performance incentive?**

14 A. Yes. Despite the fact that inclusion of DR pilots in the calculation of the shared savings
15 mechanism of the DR Performance Incentive may lead to a smaller incentive, it is crucial
16 to keep DR pilots in this calculation, as DR pilots are rooted in the foundation of the DR
17 Performance Incentive and are critical to the Company's ability to drive DR investment in
18 the future. The general purpose of a performance incentive is to encourage an entity to
19 achieve a certain performance standard/goal. In this case, the incentive is a financial

²³ Petition of Consolidated Edison Company of New York, Inc. for Approval of Brooklyn Queens Demand Management Program in Case 14-E-0302, Order Establishing Brooklyn/Queens Demand Management Program (issued December 12, 2014).

²⁴ Consumers Energy Company, Presentation on an Expedited Pilot Kickoff Non-Wires Alternative, January 21, 2026.

1 amount to be paid to the Company, and the performance would be the Company's
2 continued investment in DR.

3
4 For background, the shared savings calculation of the DR Performance Incentive was
5 initially developed and approved in Case No. U-21410 as an alternative to a simple
6 percentage adder on the grounds that the shared savings methodology would allow both
7 the Company and its ratepayers to benefit from the savings produced by cost-effective DR
8 programs.²⁵ Therefore, the concept of the approved shared savings mechanism was
9 grounded on the understanding that both the Company and its customers benefit from DR
10 programs. I assert that there are still benefits from these pilots that are experienced by both
11 the Company and its customers alike, therefore providing sound reason for DR pilots to
12 remain included in the shared savings calculation of the DR Performance Incentive.

13
14 DR pilots provide benefits to the Company as these pilots have the potential to lead to
15 robust cost-effective DR programs that are novel in their approach, and the learnings that
16 are experienced from the results of new DR pilots have great potential to drive continued
17 Company investment in DR programs and technology. DR pilots are a critical part of the
18 Company's holistic DR program portfolio because they are the precursor to permanent
19 Company-led programs. Because DR pilots are an important part of the Company's DR
20 program portfolio, there is no reason for these pilots to be separated from the calculation
21 of the DR Performance Incentive and for other DR programs to be included in the

²⁵ Direct Testimony of Cody Matthews on behalf of Michigan Public Service Commission Staff, Case No. U-21410, p. 11.

1 calculation, especially with the understanding that DR pilots oftentimes become full-
2 fledged programs. Innovation realized through DR pilots provides a business case to grow
3 the Company's DR portfolio, especially if the Company proves that the pilot is cost-
4 effective and beneficial to the Company, ratepayers, and the grid.

5
6 DR pilots also provide benefits to all of the Company's customers. DR pilots can benefit
7 customers that participate in the pilot directly via reduced utility bills or bill credits through
8 direct customer participation. DR pilots can also benefit all customers through DR
9 programs' ability to reduce a utility's total demand during peak time periods, thus reducing
10 the Company's overall costs to supply customers with electricity.

11
12 Furthermore, in his direct testimony, Company witness Gast states that, "[innovation]
13 would be stifled as the Company would not invest in pilots if it were penalized with a
14 reduced performance incentive" due to the inclusion of DR pilots in the calculation of the
15 performance incentive. I generally disagree with this statement, as it is my belief that a
16 reduced performance incentive is not a penalty, but rather a smaller reward. It is also worth
17 emphasizing that, because of the shared savings mechanism, the reduction in the reward is
18 experienced by both the Company *and* its customers. DR pilots aim at developing scalable,
19 permanent, cost-effective programs in the future, which both the Company and its
20 customers can benefit from. Since the Company obtains benefits from successful pilots
21 alongside its customers through the shared savings mechanism, it is only fair that the
22 Company also bear some of the risks—again, alongside its customers—associated with
23 unproven pilot programs. Excluding DR pilots from the DR Performance Incentive

1 calculation would have the effect of insulating the Company from the downside risks of
2 unsuccessful DR pilots (placing all of the risks on the Company's customers), leaving the
3 Company exposed only to upside risks. Including the early stages of development of these
4 types of programs in the shared savings calculations is only fair and is a realistic capture
5 of the development that the Company has undertaken for its DR programs. With all of this
6 considered, it is my opinion that DR pilots should remain in the shared savings calculation
7 of the DR Performance Incentive.

8
9 **Q. What is your recommendation with regard to the Company's proposal to remove new**
10 **DR pilots from the calculation of the DR performance incentive?**

11 A. I recommend that the Commission reject the Company's proposal to remove new DR pilots
12 from the calculation of the DR Performance Incentive. The Commission should direct the
13 Company to include DR pilots in this calculation and recalculate the DR Performance
14 Incentive accordingly.

15
16 **III. RECOMMENDATIONS AND CONCLUSIONS**

17
18 **Q. Please summarize your recommendations.**

19 A. I recommend that the Commission:

- 20 • Reject the Company's proposal to remove the requirement that it achieve DR
21 targets established in its most recent IRP to be eligible to receive the DR
22 Performance Incentive and to direct the Company to re-calculate the proposed DR
23 Performance Incentive accordingly (if needed).

- 1 • Reject the Company’s proposal to remove new DR pilots from the calculation of
2 the DR Performance Incentive and require the Company to re-calculate the
3 proposed DR Performance Incentive accordingly.

4

5 **Q. Does this conclude your testimony?**

6 **A. Yes.**

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
Consumers Energy Company for authority)
to increase its rates for the generation and)
distribution of electricity and for other relief.)
)

Case No. U-22070

EXHIBITS OF BRETT SPROUL

ON BEHALF OF

THE MICHIGAN ENERGY INNOVATION BUSINESS COUNCIL,

INSTITUTE FOR ENERGY INNOVATION,

AND

ADVANCED ENERGY UNITED

Brett Sproul

1441 N. Elk Grove Ave. #1S Chicago, Illinois 60622

bl4sproul@gmail.com

Cell: (443) 886-5120

Work Experience

Advanced Energy United, Chicago, IL

Apr. 2025 - Present

Regulatory Policy Principal

Consistently engaged with over 100 different individual member companies, collaborated with colleagues, cooperated with utility and state energy officials, and provided regulatory expertise on energy-related matters in Wisconsin, Illinois, Indiana, and Michigan.

Oversaw the preparation of official comments on Performance-Based Ratemaking, Virtual Power Plant implementation, distribution interconnection, distributed energy resource programs, and data center energy impacts in the Michigan Public Service Commission, the Indiana Utility Regulatory Commission, the Illinois Commerce Commission, and the Public Service Commission of Wisconsin

Served as a witness for judicial proceedings on electric utility distribution rate cases providing expert testimony on utilities' Demand Response programs and related topics (Case No. U-21870 and U-22070).

Thoroughly analyzed and provided nuanced recommendations on states' load forecasting, resource planning, and energy generation procurement decisions through Integrated Resource Plan processes in Indiana, Michigan, and Illinois as well as the Long-Term Renewable Resource Procurement and Electricity Procurement Plans in Illinois.

Aided in developing the 2026 National Standard Practice Manual for the Benefit-Cost Analysis of Distributed Energy Resources while acting as a member of the Advisory Group.

State of Maryland Public Service Commission, Baltimore, MD

Oct. 2022 – Apr. 2025

Technical Advisor to the Commission

Provided technical expertise and guidance directly to a group of four Commissioners and one Chairperson with the purpose of offering decisive insight on generalized matters such as: Renewable Energy Implementation, Energy Affordability, Utility Regulatory practices, and Utility Rate Case Adjustments.

Presented detailed testimony to the Maryland State General Assembly on proposed legislature focused on Net Energy Metering (2023 SB143), Community Solar Operations (2023 HB908), Solar Renewable Energy Credits (2024 SB783), Energy Storage Implementation (2023 HB910), and Time-of-Use Rates (2024 HB1256).

Facilitated the implementation and led the execution of state-administered, multi-stakeholder working groups on topics such as: rate design for residential time-of-use rates, data realization of arrearage and affordability metrics, and Unified Benefit-Cost Analysis' for Distributed Energy Resources.

Prepared various reports for submission to the Maryland State General Assembly on the status of critical state energy programs including the Net Metering Report, the Renewable Energy Portfolio Standard Report, and the Electric Universal Service Program Report.

Oversaw the implementation of a Solar Renewable Energy Credit (SREC) multiplier in-line with 2024 Senate Bill 783 and served as Contract Manager for a Request for Proposal (RFP) to establish a new SREC application portal.

State of Maryland Public Service Commission, Baltimore, MD

Aug. 2021 – Oct. 2022

Regulatory Economist, Electricity Division

Served as a witness for judicial proceedings on electric utility distribution rate cases providing expert testimony on utilities' electric cost of service within a multi-year rate plan context (Case No. 9681).

Analyzed administrative filings on a wide-range of topics through researching legal precedent, communicating with involved parties through data requests, and conducting economic analysis using Microsoft Excel in order to present technical comments and recommendations to the Commission at weekly Administrative Meetings

Prepared and assisted the submission of reports for the Commission, such as the 2021 Maryland Net Metering Report the 2022 Supplier Diversity Report and the monthly retail electric choice reports, through the utilization of statistical and economic analysis' and relevant industry knowledge.

Participated as an active member of the Regional Greenhouse Gas Initiative ("RGGI") Program Review Subgroup on Environmental Justice, and collaborated with officials from 11 states with a goal of recommending program changes to RGGI in order to address environmental justice and energy equity concerns

Future Harvest and University of Maryland Soil Quality Lab, College Park, MD

Mar. 2021 – Aug. 2021

Research and Development Assistant, Transitional and Organic Grain Project

Developed a holistic directory for regional grain buyers to purchase transitional organic grain from local farmers

Researched, contacted, and collected data on local potential buyers and producers of organic transitional grain

Identified processing needs, associated costs, and facilities required to make grains market-ready for buyers

University of Maryland Soil Quality Lab, College Park, MD

Aug. 2020 – Aug. 2021

Brett Sproul

1441 N. Elk Grove Ave. #1S Chicago, Illinois 60622

bl4sproul@gmail.com

Cell: (443) 886-5120

Undergraduate Research Assistant, Soil Quality Management for Sustainable Agriculture

Assisted Dr. Raymond Weil in research projects related to the enhancement of cover crop and soil quality systems

Collected and analyzed soil and biomass sample data to better advance the processes of sustainable agriculture

Installed groundwater wells and lysimeters to collect and compile data on water quality and nutrient levels

U.S. Department of Agriculture, Beltsville, MD

May 2020 – Aug. 2020

Research Intern, Sustainable Agricultural Systems Laboratory

Assisted cover crop breeding projects and interseeding projects to achieve more sustainable agricultural practices

Collected and processed biomass samples from cash and cover crop fields for nutrient level and crop yield studies

Ground and threshed biomass and seeds to analyze and compile data on crop yields and nutrient levels

U.S. Department of Energy, Washington D.C.

Jan. 2020 – Apr. 2020

Policy Intern, Office of Small and Disadvantaged Business Utilization

Assisted in the contracting of various small businesses which, in total, amounted to \$7.5 billion in FY19

Analyzed crucial eSRS-NG and FPDS data to present the level of financial success through each fiscal year

Education

University of Maryland, College Park, MD

Aug. 2017 – May 2021

Bachelor of Science, Environmental Economics (cumulative GPA: 3.63)

Federal Fellows - Energy and the Environment Concentration

Aug. 2019 – May. 2020

Selective program combining a fall seminar on the energy and environmental sector taught by expert practitioners from the EPA and DOE, and a spring internship in Washington D.C.

Capstone Research – Prince George's County Department of Parks and Recreation

Aug. 2020 – Dec. 2020

Assisted the Division of Maintenance and Development in their assessment of annual baseline carbon emission levels in order to develop strategies to reach zero net carbon emissions from vehicles and equipment by 2030.

National Association of Regulatory Utility Commissioners (NARUC) – Rate School

May 2022

Week-long training course taught by public utility regulatory experts with the goal of providing advanced insight into the skills and processes that are used for public utility rate setting such as analysis of capital structure, calculation of rate design, and determination of return on equity

Relevant Coursework:

Energy and Environmental Economics Applied Econometrics Introduction to Horticulture Food and Agricultural Policy Natural Resource Conservation and Public Policy Intermediary Macroeconomic Theory and Policy Conceptualizing and Modeling Human-Environmental Interactions Economic Geography Economics of Public Choice Theory Economic Geography Geographic Information Systems

Extracurricular Activities

University of Maryland Relay for Life, College Park, MD

Sept. 2017 – May 2021

Executive Director

Plan, lead, and run executive board meetings focused on organizing cancer advocacy events across campus

Raised over \$30,000 in fundraising efforts for the American Cancer Society and their support programs for cancer

Managed and operated a budget of over \$2,000 for yearly fundraising operations

Mighty Sound of Maryland Marching Band, College Park, MD

Aug. 2017 – May 2021

Trombone

Perform at all home football games and many university events with attendance reaching 50,000 people

Function as a member of a team and attend 20 hours of practice weekly

University of Maryland Pep Band, College Park, MD

Nov. 2017 – May 2021

Trombone

Perform at all home basketball games and travels to the Big Ten and NCAA tournaments across the country

Technical Skills

Computer: Power BI, STATA, R, ArcGIS, SQL, Microsoft Excel, PowerPoint, and Word

Professional Social Media: Facebook, Twitter, Instagram

Language: Spanish (basic)

U22070-MEIU-CE-0320

Page 1 of 1

Question:

16. Please refer to Consumers Witness Gast's Direct Testimony at p. 67, where it is stated that: "If DR MW in the IRP remained the target, the Company could be forced to invest in less cost-effective programs to drive MW higher."

a. Please describe what is meant when Consumers states that "the Company could be forced to invest in less cost-effective programs."

b. What (or who) would be forcing the company to invest in less cost-effective programs?

Response:

a. The referenced statement means that if the Company were required or strongly incented to achieve a specific level of demand response MW based solely on the IRP target, the Company could be driven to pursue additional MW even where the incremental programs or measures are less cost-effective for customers. In other words, once the most cost-effective demand response opportunities have been captured, additional MW may require higher incentives, more expensive program designs, or participation from customer segments that are more difficult and costly to reach. That could reduce the overall customer value of the DR portfolio if the Company is focused on achieving a fixed MW outcome rather than optimizing the portfolio based on cost-effectiveness, customer participation, operational value, and overall system need.

The IRP targets are developed through modeling that incorporates assumptions regarding demand response potential, including cost-effectiveness screening. However, those modeled targets should not necessarily be interpreted as a requirement to acquire MW regardless of actual program economics, customer uptake, implementation feasibility, or changing market and system conditions. The Company's concern is that treating the IRP MW level as a rigid compliance target could limit the Company's ability to adjust its DR portfolio in a way that maximizes customer benefits.

b. The "forcing" mechanism would not necessarily be a person or entity directly ordering the Company to invest in less cost-effective programs. Rather, it would be the practical effect of tying shareholder incentive eligibility or performance outcomes to achieving a specific MW target. If the incentive structure is based primarily on whether the Company reaches the IRP MW level, the Company may be motivated to pursue additional MW even when the incremental cost of acquiring those MW is higher or the customer benefits are lower than alternative approaches.

Stated differently, the concern is that a rigid MW-based incentive could create pressure to prioritize achieving the target over maintaining the most balanced and cost-effective DR portfolio for customers. The Company's position is that incentives should support cost-effective demand response growth while preserving flexibility to manage the portfolio based on actual program performance, customer value, and system needs.

Witness: Alex M Gast

Date: August 4, 2026

U22070-MEIU-CE-0319

Page 1 of 1

Question:

15. Please refer to Consumers Witness Gast's Direct Testimony at p. 66, where it is stated that: "The Company proposes that new DR pilots be excluded from the shared savings calculation for the performance incentive and that IRP MW targets no longer be required for the Company to receive a performance incentive."

a. Why does the Company believe that innovation would be stifled and that the Company would not invest in pilots if it were penalized with a reduced performance incentive?

b. Why does the Company propose that IRP MW targets be no longer required for the Company to receive a performance incentive?

Response:

a. Without a performance incentive, utilities would have less motivation to pursue innovative pilots such as the proposed program, which relies heavily on O&M spending rather than traditional capital investments that earn a return on equity. This could discourage innovation and slow the growth of DR in new areas.

b. For 2024 and beyond, if the Company's proposed performance incentive is calculated using the shared savings mechanism, hitting the IRP MW targets may no longer be prudent. Instead, the Company would be incentivized, with the shared savings calculation, to increase MW enrolled and registered with MISO in the most cost-effective way. If DR MW in the IRP remained the target, the Company could be forced to invest in less cost-effective programs to drive MW higher.

Witness: Alex M Gast

Date: August 4, 2026

U22070-MEIU-CE-0307

Page 1 of 1

Question:

3. Please refer to Consumers Witness Gast's Direct Testimony at p. 41, where it is stated that "customers will receive \$59.9 million worth of capacity value in Planning Year 2026/2027 from the MWs, or the Zonal Resource Credits, that the DR programs provide." Please describe, in detail, how customers "receive" the \$59.9 million worth of capacity value that the DR programs provide.

Response:

Zonal Resource Credits (ZRC) are awarded by MISO for the Company's DR programs that are directed by the Company and registered by the Company as a capacity resource. The ZRCs are used to satisfy the Company's annual Planning Reserve Margin Requirement (PRMR). For DR programs that are dependent upon customer behavioral choices, the Company reduces its peak load forecast by the amount of the DR programs that are expected at peak load conditions. This reduction directly reduces the Company's PRMR.

Customers "receive" the capacity value from the Company's DR programs through avoided capacity costs, not through a direct payment or separate bill credit. The DR programs reduce the amount of capacity the Company must otherwise obtain to satisfy its MISO PRMR. To the extent those programs qualify as capacity resources or otherwise reduce the Company's planning obligation, they allow the Company to rely on demand-side resources rather than procuring an equivalent amount of supply-side capacity.

Witness: Alex M Gast

Date: August 3, 2026

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of **Consumers**)
Energy Company for authority to increase its)
rates for the generation and distribution of)
electricity and for other relief)
_____)

Case No. U-22070

Direct 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 U22070-MEIU-CE-0064
Dr. Laura S. Sherman	MEIU-1.3	Discovery response U22070-MEIU-CE-0060
Sophia Schuster	MEIU-2.1	Résumé of Sophia Schuster, MBA, MSCM
Sophia Schuster	MEIU-2.2	Michigan EIBC/United Comments to Consumers Energy's 2026 Transportation Electrification Plan ("TEP")
Sophia Schuster	MEIU-2.3	The Ecology Center, the Environmental Law and Policy Center, and Vote Solar ("CEO") Joint Comments to Consumers Energy's 2026 TEP
Sophia Schuster	MEIU-2.4	Electrification Coalition Comments to Consumers Energy's 2026 TEP
Sophia Schuster	MEIU-2.5	The Alliance for Automotive Innovation Comments to Consumers Energy's 2026 TEP
Sophia Schuster	MEIU-2.6	Sierra Club Comments to Consumers Energy's 2026 TEP

Sophia Schuster	MEIU-2.7	American Council for an Energy-Efficient Economy's ("ACEEE") Comments to Consumers Energy's 2026 TEP
Sophia Schuster	MEIU-2.8	Discovery Response U22070-MEIU-CE-0049
Sophia Schuster	MEIU-2.9	Discovery Response U22070-MEIU-CE-0055
Sophia Schuster	MEIU-2.10	Discovery Response U22070-MEIU-CE-0059
Brett Sproul	MEIU-3.1	Résumé of Brett Sproul
Brett Sproul	MEIU-3.2	Discovery response U22070-MEIU-CE-0320
Brett Sproul	MEIU-3.3	Discovery response U22070-MEIU-CE-0319
Brett Sproul	MEIU-3.4	Discovery response U22070-MEIU-CE-0307

29862608.1

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of	)	
CONSUMERS ENERGY COMPANY	)	Case No. U-22070
for authority to increase its rates for	)	
the generation and distribution of	)	
electricity and for other relief.	)	
_____	)	

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 Friday, October 2, 2026, she served the Direct Testimony and Exhibits of Laura Sherman, the Direct Testimony and Exhibits of Sophia Schuster, and the Direct Testimony and Exhibits of Brett Sproul 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

Digitally signed by: Pamela Fox
DN: CN = Pamela Fox email =
plfox@varnumlaw.com C = US O
= Varnum
Date: 2026.10.02 14:22:24 -04'00'

Pamela Fox

ADMINISTRATIVE LAW JUDGE

Honorable Christopher S. Saunders
Saundersc4@michigan.gov

**ASSOCIATION OF BUSINESSES ADVOCATING
TARIFF EQUITY (ABATE)**

Michael J. Pattwell
Stephen A. Campbell
Lauren Degnan
James Dauphiais
Jessica York
Benjamin J. Holwerda
mpattwell@clarkhill.com
scampbell@clarkhill.com
ldegan@clarkhill.com
jdauphinais@consultbai.com
jyork@consultbai.com
bholwerda@clarkhill.com

ATTORNEY GENERAL

Celeste Gill*
Lucas Wollenzien*
Amanda Churchill*
Michael Deupree*
Anna Griffin*
Gillc1@michigan.gov
wollenzienl@michigan.gov
churchillA1@michigan.gov
michaeldeupree@acadianconsulting.com
annagriffin@acadianconsulting.com

**CITIZENS UTILITY BOARD OF MICHIGAN;
MICHIGAN ENVIRONMENTAL COUNCIL;
NATURAL RESOURCES DEFENSE COUNCIL;
SIERRA CLUB**

Holly L. Hillyer*
Christopher M. Bzdok*
Tracy Jane Andrews*
Sean C. Clark*
Natasha Fowles*
Sue Fruchey*
Julielyn Gibbons*
Rick Bunch*
David Gard*
Sarah Buchhorn*

Graham Wooley*
Douglas Jester*
Moksha Menghaney*
Matt Bandyk*
Brett Johnson*
Todd Bohrmann*
Aiden Glaser Schoff*
Kayla Cherry*
Ben Havumaki
Shannon Fisk*
Helen Li*
Jacob Elkin*
Joshua Denzler*
holly@tropospherelegal.com
chris@tropospherelegal.com
tjandrews@tropospherelegal.com
sean@tropospherelegal.com
natasha@tropospherelegal.com
sue@tropospherelegal.com
jgibbons@5lakesenergy.com
rbunch@5lakesenergy.com
dgard@5lakesenergy.com
sbuchhorn@5lakesenergy.com
gwoolley@5lakesenergy.com
djester@5lakesenergy.com
mmenghaney@5lakesenergy.com
mbandyk@5lakesenergy.com
bjohnson@5lakesenergy.com
tabohrmann@yahoo.com
aglaserschoff@synapse-energy.com
kcherry@synapse-energy.com
bhavumaki@synapse-energy.com
sfisk@earthjustice.org
hli@earthjustice.org
jdenzler@5lakesenergy.com

CONSUMERS ENERGY COMPANY

Spencer A. Sattler
Gary A. Gensch Jr.
Evan B. Keimach
Bret A. Totoraitis
Anne M. Uitvlugt
Michel C. Rampe
Kelly Hall
spencer.sattler@cmsenergy.com
gary.genschjr@cmsenergy.com

*Receives Confidential Materials

evan.keimach@cmsenergy.com
bret.totoraitis@cmsenergy.com
anne.uitvlugt@cmsenergy.com
michael.rampe@cmsenergy.com
mpsc.filings@cmsenergy.com
kelly.hall@cmsenergy.com
mpsc.filings@cmsenergy.com

**THE ECOLOGY CENTER;
ENVIRONMENTAL LAW & POLICY CENTER;
UNION OF CONCERNED SCIENTISTS; VOTE
SOLAR**

Katherine S. Duckworth*
Daniel Abrams*
Alondra Estrada*
Erin Morse
Nicholas N. Wallace
William D. Kenworthy*
Lee Shaver*
Boratha Tan*
James Gignac*
kduckworth@elpc.org
dabrams@elpc.org
aestrada@elpc.org
mpscdocket@elpc.org
emorse@elpc.org
nwallace@elpc.org
will@votesolar.org
lshaver@ucs.org
btan@votesolar.org
jgignac@ucsusa.org

**GREAT LAKES RENEWABLE ENERGY
ASSOCIATION**

Don L. Keskey
Brian W. Coyer
donkeskey@publiclawresourcecenter.com
bwcoyer@publiclawresourcecenter.com

**HEMLOCK SEMICONDUCTOR OPERATIONS
LLC; SOLAR TECHNOLOGY LLC**

Jennifer U. Heston
jheston@potomacclaw.com

**HOME BUILDERS ASSOCIATION OF
MICHIGAN**

Cole V. Lussier*
Sharon S. Sanders*
clussier@dickinsonwright.com
ssanders@dickinsonwright.com

THE KROGER CO.

Michael L. Kurtz
Kurt J. Boehm
Jody Kyler Cohn
kboehm@bkllawfirm.com
mkurtz@bkllawfirm.com
jkylercohn@bkllawfirm.com

MPSC STAFF

Amit T. Singh
Michael J. Orris
Lori Mayabb
Nicholas Q. Taylor
Alena M. Clark
Mike Byrne
Bill Stosik
David Chislea
Bob Nichols
Nick Revere
singha9@michigan.gov
orrism@michigan.gov
mayabbl@michigan.gov
taylorn10@michigan.gov
clarka55@michigan.gov
byrnem@michigan.gov
stosikb@michigan.gov
chislea@michigan.gov
nicholsb1@michigan.gov
reveren@michigan.gov

MICHIGAN CABLE

TELECOMMUNICATIONS ASSOCIATION

Sean P. Gallagher
Joann Schofield
sgallagher@fraserlawfirm.com
jschofield@fraserlawfirm.com

MICHIGAN COALITION TO PROTECT PUBLIC RIGHTS OF WAY (PROTEC); MICHIGAN MUNICIPAL ASSOCIATION FOR UTILITY ISSUES (MI-MAUI)

Nathan D. Inks*
Michael J. Watza*
Tonya Voakes*
Reagan Doctor*
nathan@bloomsluggett.com
mike@bloomsluggett.com
tonya@bloomsluggett.com
reagan@bloomsluggett.com

**MICHIGAN ENERGY INNOVATION BUSINESS COUNCIL;
INSTITUTE FOR ENERGY INNOVATION;
ADVANCED ENERGY UNITED ("MEIU");
ENERGY MICHIGAN;
FOUNDRY ASSOCIATION OF MICHIGAN**

Timothy J. Lundgren*
Laura A. Chappelle*
Justin K. Ooms*
Haylee N. Skank*
Jared Deluccia*
Grace Michienzi*
Sophia Schuster*
Laura Sherman*
tjlundgren@varnumlaw.com
lachappelle@varnumlaw.com
jkooms@varnumlaw.com
hnskank@varnumlaw.com
jared@mieibc.org
grace@mieibc.org
sophia.schuster12@gmail.com
laura@mieibc.org

MICHIGAN STATE UTILITY WORKERS COUNCIL, UTILITY WORKERS UNION OF AMERICA, AFL-CIO

Benjamin L. King
bking@michworkerlaw.com

URBAN CORE COLLECTIVE

Amanda Urban
Mark N. Templeton*
Alexandria C. Miskho*
Emma Young*
Emma Sperry*
Justin Schott*
Sergio Cira-Reyes*
Brook Caldwell*
Julia Waddles*
Benjamin Charles*
Gavin Ford*
Isabella Magg*
Noah Robinson*
Ashwin Mahadevan*
Rahul Agrawal Bejarano*
Aurbanlaw@gmail.com
templeton@uchicago.edu
amiskho@uchicago.edu
eyoung28@uchicago.edu
eesperry@chicago.edu
justin@energyequityproject.org
sergio@uccgr.org
brooke24caldwell@lawclinic.uchicago.edu
jwaddles@lawclinic.uchicago.edu
brcharles@lawclinic.uchicago.edu
gpford@lawclinic.uchicago.edu
imagg@lawclinic.uchicago.edu
noahrob@lawclinic.uchicago.edu
amahadevan@lawclinic.uchicago.edu
rahul@energyequityproject.org
aelc_mpsc@lawclinic.uchicago.edu

WALMART, INC.

Melissa M. Horne
mhorne@hcc-law.com