

MPSC Holds DTE Accountable For Google Data Center Cost Forecasts

Environmental and Clean Energy Groups Criticize MPSC For Falling Short On Clean Energy Investments

Lansing, MI - The Michigan Public Service Commission (MPSC), on October 1, approved a 20-year agreement between DTE Energy and Google that calls for enhanced reporting and oversight requirements to allow regulators to frequently monitor the costs and benefits over the life of the special contracts. However, the Commission missed an opportunity to encourage investment in community-powered clean resources to help meet the energy demand from the data center, as well as greater transparency regarding its reliability impacts. Those measures were urged by advocacy and clean energy business organizations, including the Michigan Energy Innovation Business Council, Institute for Energy Innovation, Ecology Center, Environmental Law & Policy Center, Union of Concerned Scientists, and Vote Solar.

These organizations asked the Commission to require DTE to consider expanding the opportunity for more community-powered solutions like customer-owned solar and storage as well as lower-cost, non-utility-owned solar and storage projects. Expanding these resources would help reduce costs for ratepayers while strengthening grid reliability and affordability.

Under the approved agreement, DTE will provide power for a new 1 GW Google data center planned for Van Buren Township, while adding 480 MW of energy storage and 1,600 MW of renewable energy over the next six years.

"The Commission has put in place the kind of financial accounting and reporting requirements that a contract of this size and duration demands," **said Will Kenworthy, Vote Solar's Senior Regulatory Director**. "Clear financial reporting and accountability will be critical to tracking the costs of serving new data center load and making sure other customers aren't footing those expenses. That transparency will also help show whether a broader mix of distributed and third-party clean energy resources could serve this energy load at a lower cost. Vote Solar will use that information to make the case for more cost-effective solutions in DTE's future proceedings."

"The Commission rightfully recognized that it must hold DTE accountable for all costs and risks of data center development in order to protect other Michigan ratepayers," **said Katie Duckworth, staff attorney for the Environmental Law & Policy Center**. "However, the Commission failed to encourage large, financially capable customers such as Google to develop and fund innovative, distributed solutions that can support grid reliability, accommodate load growth, and advance Michigan's clean-energy objectives. Addressing today's unprecedented data center-driven load growth will require a diverse portfolio of resources and should not depend exclusively on large power plants. We know this case will impact future DTE cases and its planning going forward, and we will continue to advocate for the Commission to fully protect Michigan ratepayers from the impacts of data center development."

"It is disappointing that the Commission failed to recognize all of the opportunities to ensure that this data center is served by clean, low-cost renewable energy and energy storage," said **Dr. Laura Sherman, president of the Michigan Energy Innovation Business Council.**

"Customer-owned rooftop solar plus storage and other distributed energy resources, as well as larger third-party owned renewable energy and energy storage projects, can serve these new loads more cost-effectively and quickly than other resources. In future cases, Michigan EIBC will continue to advocate for the benefits that clean energy resources can provide to customers, the grid, and Michigan's economy."

"While the Commission's attention to data center cost allocation issues is encouraging, it failed to fully address the reliability risks that the 1 GW Google facility creates," said **Lee Shaver, Senior Energy Analyst with the Union of Concerned Scientists.** "Data centers have already created documented reliability disturbances in several states, but despite these warnings, Big Tech and utilities like DTE continue to advocate for a 'wait and see' approach. The Commission missed an opportunity to require robust, transparent implementation of reliability requirements. Now, it's only a matter of time before a hyperscale data center triggers a major outage."