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August 3, 2026

Ms. Lisa Felice
Executive Secretary
Michigan Public Service Commission
7109 West Saginaw Highway
Lansing, MI 48917

RE: In the matter of the Application of DTE Electric Company for approval of its
Integrated Resource Plan pursuant to MCL 460.6t, and for other relief
MPSC Case No: U-21193

Dear Ms. Felice:

Attached for electronic filing in the above referenced matter is DTE Electric Company's
Integrated Resource Plan Annual Report.

Very truly yours,

John A.
Janiszewski

Digitally signed by John A.
Janiszewski
Date: 2026.08.03 17:35:03
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John A. Janiszewski

JAJ/cdm
Enclosures

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the Application of DTE)	
ELECTRIC COMPANY for approval)	
of its Integrated Resource Plan pursuant to)	Case No. U-21193
<u>MCL 460.6t, and for other relief</u>)	

IRP REPORT OF DTE ELECTRIC COMPANY

Introduction

DTE Electric (DTE Electric or the Company) hereby submits its annual Integrated Resource Plan (IRP) report.

Summary:

The 2019 IRP interim order¹ included among the Commission’s recommended changes that the Company provide the reporting requirements proposed by Staff. Those requirements include the following:

- “Staff recommends that the Company file annually in this docket, or more frequently if required by the Commission, reports to the Commission regarding the status of any project (resource addition) for which an integrated resource plan has been approved. The annual update should include at a minimum, the status of the approved resources additions with any cost, schedule, or size updates including any deviations from the original projections in the 3-year period for which IRP costs are approved.”
- “...a spreadsheet for reporting the estimated and actual Capital and Operation and Maintenance (O&M) costs and capacity additions in megawatts (MW) by resource addition for the full three-year outlook. Staff recommends the Company fill out the reporting template along with a supplemental narrative report to be filed annually in this docket. Staff expects the Company will provide a detailed narrative that explains any adjustments in status and changes in scope, timing, size, or expected costs. Furthermore, the Company should explain any changes from the approved plan, including enough detail to convey the logic and decision-making process the Company used to support any deviations.”
- “Staff seeks to maintain an open and transparent dialog with the Company throughout the duration of the three-year period of resource additions. Staff also recommends the Company provide immediate communication to Staff and the Commission if there is a

¹ Commission Order in Case No. U-20471, February 20, 2020, pages 90-91, 97.

significant change or anticipated change to the expected cost, timing, or size of any resource additions in its IRP.”

Additionally, the 2022 IRP Settlement in U-21193 (“IRP Settlement Agreement” or “Settlement Agreement”), approved by the Commission on July 26, 2023, included the requirement to provide a reconciliation of all procured capacity.²

- “The Company will include a reconciliation of all procured capacity in its annual IRP report, identifying self-build, build transfer, and power purchase agreements separately.”

Lastly, on February 8, 2024, the Commission’s Order in U-21571³ provided direction for the implementation of the annual energy storage report that is described in Section 103 of Act 235.

- “To provide clarification about the December 31, 2024 report that must be submitted by each rate-regulated utility, the Commission directs each utility to file the storage report contained in its most recently approved IRP docket, combined with subsequent annual IRP reports to the extent that the utility is required to file an annual IRP report. For purposes of this report, the Commission finds that short-duration storage is that which does not meet the definition of long-duration or multi-day storage.

For subsequent annual reports, the Commission finds that the report shall include the following:

1. Amount of storage by category (short-duration, long-duration, or multi-day) that was installed prior to the effective date of Act 235. The amount should be expressed in both installed capacity (MW) and energy (megawatt-hours);
2. Amount of storage by category (short-duration, long-duration, or multi-day) that has been installed since the effective date of Act 235;
3. Amount of storage by category (short-duration, long-duration, or multi-day) that is contracted for but not yet installed since the effective date of Act 235. Expected commercial operation dates (CODs) shall be included;
4. Identification of the proportion of all storage amounts discussed above that are centralized as compared to distributed storage systems;
5. A map of the location of individual storage facilities including both centralized and distributed;
6. A schedule of current and expected future energy storage solicitations, by category;
7. Any challenges encountered in storage development and anticipated challenges in future developments;

² Commission Order in Case U-21193, July 26, 2023, pages 5-6

³ Commission Order in Case U-21571, February 8, 2024, pages 7-8

8. Upon the Commission’s adoption of a methodology to determine individual storage targets, an estimation of the utility’s energy storage target at the time of the report; and
9. Any additional information that the utility would like to present to the Commission.”

Section I: Cost Pre-approval Report and Time Period

Each program’s progress is summarized below and detailed further in Exhibit 1. This report details actual capital expenditures for the time period of January 1, 2025, through December 31, 2025, unless otherwise noted, as approved in Case No. U-21193 and detailed above.

Demand Response

DTE Electric continues to develop its demand response (DR) portfolio, which includes tariffs, programs, and pilots for its residential, commercial, and industrial customers.

In the Commission’s Order approving the Company’s 2022 IRP (Case No. U-21193), DTE Electric received pre-approval for \$4.35 million in capital expenditures in 2025 for the CoolCurrents and SmartCurrents programs as well as the Commercial and Industrial (C&I) Dashboard and the Interruptible Water Heating replacement project. As shown in Exhibit 1, the Company’s actual 2025 cost for these programs was \$3.95 million. The Company discontinued the SmartCurrents program in 2025 as discussed in the 2025 electric rate case U-21860. Additional information regarding the Company’s programs and pilots, including 2025 performance and expenditures, is provided in the Company’s Demand Response Reconciliation filed on June 30, 2026, in Case No. U-22124.

Belle River Conversion

In the Commission’s Order approving the Company’s 2022 IRP in Case No. U-21193, DTE Electric received pre-approval for \$125 million in capital costs associated with the conversion of the Belle River Power Plant in China Township from a baseload coal-fired plant to a natural gas-fired peaking plant. The Belle River Power Plant conversion is a low-cost option that will allow the plant to continue serving customers during periods of high electricity demand.

In 2025, the Company installed a new natural gas line, natural gas yard, and natural gas distribution system to provide the flow required for full generating output. During the fall 2025 fuel-conversion outage, the Company separated and isolated Unit 1’s coal mills, burner piping, primary combustion air fans, heat exchangers, and bottom-fly ash handling equipment. The Company also replaced the existing pulverized coal burners with burners designed for natural gas combustion, added boiler tubes to the reheat steam circuit to increase heat transfer, and updated the control systems to incorporate the new equipment. After construction and installation were

complete, the Company tuned the combustion on the unit to optimize performance and returned the unit to service.

In 2026, Unit 2 will undergo its fuel conversion outage in the fall. As with Unit 1, the work will include isolating the coal mills, burner piping, primary air fans, heat exchangers, and ash handling systems. It will also include the replacement of coal burners with natural gas burners, updates to the control systems, and the addition of boiler tubes in the reheat steam circuit. After construction and installation work are complete, the Company will complete combustion tuning on Unit 2 to optimize performance and return the unit to service in 2027.

In 2027, the Company will tie-in flue gas recirculation (FGR) systems on Unit 1 and Unit 2. FGR systems divert a portion of exhaust gas back into the furnace, lowering peak flame temperatures and helping maintain steam temperatures. Installation of the FGR systems will complete the Belle River Power Plant natural gas conversion project.

Following full conversion to natural gas, Belle River Power Plant will operate with the same generating capacity as when fueled by coal. As the plant is expected to operate as a cycling plant, predominantly generating in periods of high demand, the capacity factor is expected to be reduced from the 50-60% observed in 2017-2021 to an average capacity factor of 10-30% between 2026-2028.⁴ Slight changes to key operating parameters including heat rate, minimum load, startup time, and ramp rate are expected and will be validated through performance testing once construction is complete. It is also anticipated that lower annual expenses will be required to operate and maintain the facility due to the elimination of coal and ash handling, lower wear and tear on equipment due to less operation, and a reduced number of headquartered plant personnel.

The total capital expense associated with conversion is expected to remain at the \$125 million approved in the Commission's order. Updated actuals and projections are shown in Exhibit 1 and Attachment A.⁵ As the Belle River Power Plant is co-owned with the Michigan Public Power Agency (MPPA), the values shown are for DTE Electric's share of the expense.

Section II: Procured Capacity Report

Renewable Energy

The 2023 IRP Settlement Agreement established DTE Electric's target capacity allocation for renewable energy projects in its proposed course of action (PCA) through 2030, as shown in Table 1. It also accelerated the development of an additional 400 MW of renewable energy projects from 2032, as proposed in the PCA, to 2026 or 2027 (depending on available capacity), as shown in Table 2.

⁴ Per actual 2026 operations thru June (~28% capacity factor) and the modeling conducted in the 2026 PSCR Plan, Case No. U-21875.

⁵ Attachment A also includes projections for 2026 and 2027.

Table 1 Target Renewables PCA Build and Capacity Allocation (MW)								
	2024	2025	2026	2027	2028	2029	2030	Subtotal
PCA Build	0	0	400	400	600	1000	1000	3400
Company Owned	0	0	280	280	420	700	700	2380
PPA	0	0	120	120	180	300	300	1020

Table 2 Target Renewables Acceleration Build and Capacity Allocation (MW)								
	2024	2025	2026	2027	2028	2029	2030	Subtotal
Acceleration	0	0	200	200	0	0	0	400
BTA	0	0	50	50	0	0	0	100
PPA	0	0	150	150	0	0	0	300

As described in the Company's 2025 IRP Annual Report, the Company sought to meet the 2027 renewable energy build and capacity targets through an RFP issued in September 2024. Through the 2024 RFP, DTE Electric selected 529 MW of Company-owned projects and contracted 220 MW of power purchase agreements (PPAs). The remaining unfulfilled 2027 capacity, consisting of 137 MW of PPA and 100 MW of BTA capacity, was carried over to 2028 based on the terms of the IRP Settlement Agreement.⁶

To meet the 2028 renewable energy build and capacity targets, including the 2027 carryover, the Company issued the 2025 Renewable Energy All-Source RFP in July 2025 seeking 1,350 MW⁷. The Company shortlisted several projects through the 2025 Renewable Energy All-Source RFP and successfully negotiated one PPA for 125 MW. Additionally, 235 MW of company-owned projects were selected in the RFP.

PPAs:

- Blazing Star Solar – 125 MW

Company-owned:

- Keystone Solar Park Project – 50 MW
- Peatville Solar Park Project – 185 MW

⁶ Carryover capacity is determined in accordance with the IRP Settlement Agreement and does not necessarily equal the amount of unfilled capacity.

⁷ The 2025 Renewable Energy RFP requested 1,400-1,450 MW which included 50-100 MW of Customer Requested Special Contract capacity.

Table 3 2028 Renewables Capacity Summary			
	2028 Target	Contracted	Unfilled Capacity
<i>Company Owned</i>	444	141	303
<i>PPA</i>	260	75	185
<i>BTA</i>	100	0	100
2028 PCA & Accel & Carryover Subtotal	804	216	588
<i>Company Owned</i>	340	94	246
<i>PPA</i>	193	50	143
MIGP Subtotal	533	144	389
<i>Company Owned</i>	784	235	549
<i>PPA</i>	453	125	328
<i>BTA</i>	100	0	100
Total	1,337	360	977

Energy Storage

The IRP Settlement Agreement established DTE Electric's target capacity allocation for energy storage projects in its PCA through 2030, as shown in Table 4.

Table 4 Target Energy Storage PCA Build and Capacity Allocation (MW)							
	2025	2026	2027	2028	2029	2030	Subtotal
PCA Build	230	0	120	430	0	0	780
Company Owned	230	0	0	275	0	0	505
Tolling Agreement	0	0	120	155	0	0	275

To meet the energy storage build and capacity targets for 2027, the Company issued the 2024 Energy Storage RFP on June 28, 2024, seeking tolling agreements (TA) with third-party developers for 120 MW of energy storage capacity. Although the Company shortlisted several projects, none resulted in executed contracts. As directed by the IRP Settlement Agreement, the Company carried the full 120 MW of unfulfilled capacity forward to the 2025 Energy Storage RFP.

To meet the 2028 energy storage build and capacity targets for 2028, including the 2027 carryover, the Company conducted the 2025 Energy Storage RFP. The Company selected three projects to meet IRP needs, including two company-owned projects totaling 550 MW and one TA project of 450 MW as listed in Table 8. The Company's 2028 Energy Storage Capacity is summarized below in Table 5.

Table 5 2028 Energy Storage Capacity Summary			
	2028 Target	Contracted	Unfilled capacity
Company Owned	275	550	(275)
TA	275	450	(175)
Total	550	1000 ⁸	(450)

Section III: Energy Storage Systems Update

As required by the Commission’s Order in Case No. U-21571, the Company filed its first annual energy storage report in December 2024 and has since incorporated its storage reports in these annual IRP reports. Under DTE Electric’s 2022 IRP Settlement Agreement, the Company agreed to add 780 MW of storage capacity by the end of 2028. Additionally, the Company is developing and contracting for additional energy storage projects under Customer special contracts.

Energy Storage Installed Prior to Act 235

Table 6 identifies the battery energy storage systems (BESS) projects installed before the passage of Act 235.

Table 6 Energy Storage Installed Prior to Act 235					
Project Name	Installed Capacity (MW)	Energy (MWh)	Storage Duration	COD	Centralized or Distributed
Battery Trailer (Westland)	1	4	4-Hour	2023	Distributed
Battery Storage (Ford Industrial site)	0.125	0.506	4-Hour	2021	Distributed

Energy Storage Installed Since Act 235

Table 7 identifies the BESS projects installed after the passage of Act 235.

Table 7 Energy Storage Installed Since Act 235					
Project Name	Installed Capacity (MW)	Energy (MWh)	Storage Duration	COD	Centralized or Distributed
Slocum	14	56	4-Hour	2025	Distributed
O’Shea Battery Storage	1	1.3	1-Hour	2026	Distributed
Omega Load Relief	2	8	4-Hour	2026	Distributed

⁸ Section 14 of the IRP Settlement Agreement expressly permits exceeding the RFP target. See also, Case No. U-21193 Order dated February 11, 2026, pp. 6-8.

Energy Storage Contracted, Not Yet Installed Since Act 235

Table 8 identifies the Company's current storage pilots and projects that are under contract but not yet installed. Expected CODs are also shown in the table.

Table 8 Energy Storage Contracted, Not Yet Installed						
Project Name	Nameplate Capacity (MW)	Energy (MWh)	Storage Duration	Expected COD	Centralized or Distributed	Self-Build or TA
C&I Battery DR Pilot	0.25	1	4-Hour	2026	Distributed	Self-build
Trenton	220	880	4-Hour	2026	Centralized	Self-build
Port Austin Load Relief	1	4	4-Hour	2027	Distributed	Self-build
Waters Edge (formerly Monroe)	350	1400	4-Hour	2028	Centralized	Self-build
Fermi	200	800	4-Hour	2028	Centralized	Self-build
Big Mitten	450	1800	4-Hour	2028	Centralized	TA

Map of Individual Storage Facilities

Image 1 depicts a map of the listed energy storage projects in Tables 6, 7 and 8. The projects marked with a green pin are those which were installed prior to Act 235 and currently in service. The project marked with a blue pin came online since Act 235. The projects marked with a red pin are those which are contracted but have yet to be installed post Act 235.

Image 1 Legend		
Battery Storage Project	City	County
1. Battery Trailer	Westland	Wayne
2. Battery Storage (Ford Facility)	Dearborn	Wayne
3. Slocum	Trenton	Wayne
4. O'Shea Battery Storage	Detroit	Wayne
5. Omega Load Relief	Harrison Township	Macomb
6. C&I Battery DR Pilot	Detroit	Wayne
7. Port Austin Load Relief	Port Austin Township	Huron
8. Trenton Channel Energy Center	Trenton	Wayne
9. Waters Edge (formerly Monroe)	Monroe Charter Township	Monroe
10. Fermi	Frenchtown Charter Township	Monroe
11. Big Mitten	Winsor Township	Huron

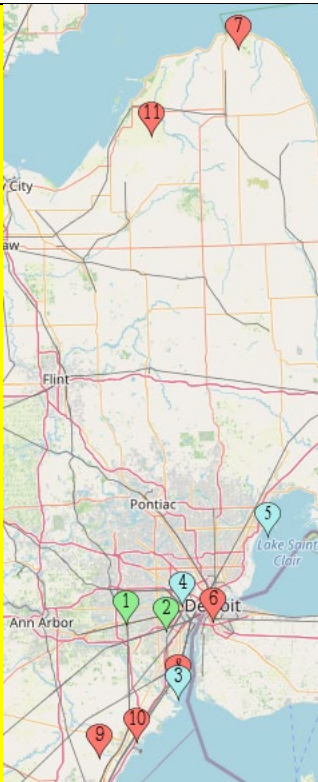


Image 1

Existing and Anticipated Challenges in Storage Development

One of the primary challenges the Company continues to face in developing energy storage is the absence of established local ordinances. Without preexisting requirements, each project must first support development of a workable ordinance and then navigate the often-lengthy project-specific permitting process. Securing permits also requires the Company to build and maintain strong relationships with local officials and stakeholders, and to establish trust in the communities where it seeks to be a long-term partner.

Recent changes in federal policy and tax credits, combined with continued uncertainty regarding potential tariffs, global commodity prices, and supply chains make it difficult for the energy storage industry to plan projects and source materials effectively. These conditions place projects at risk of cost increases and schedule delays and may create additional financial strain for battery equipment suppliers, particularly those with greater exposure to tariff fluctuations or limited diversification into other industries.

Despite these challenges, the Company advanced several BESS projects over the past year:

- The Trenton Channel Energy Center project proceeded with design under the new supplier, and all units have been installed at the site. The project is now in the commissioning phase before full commercial operation.
- In 2026, the Company executed equipment supply agreements for seven projects including Waters Edge (formerly Monroe) and Fermi.
- The Company also executed a tolling agreement with Big Mitten.

Estimation of Company's Energy Storage Target

On April 29, 2025, Commission Staff filed the proportional shares of the statewide energy storage target for Michigan's load-serving entities (LSE), based on the calculation methodology approved in Case No. U-21571. Based on that calculation, the Company's allocated target was 1,131.2 MW. With the energy storage capacity developed and contracted pursuant to the 2022 IRP settlement plus the additional energy storage capacity developed and contracted under Customer special contracts, the Company expects to exceed its share of the statewide energy storage target.

Conclusion

Over the past year, the Company has continued implementation of the 2022 IRP through its Demand Response programs, the Belle River Power Plant conversion, and the procurement of renewable energy and energy storage capacity. These programs and projects are either

demonstrating success or progressing toward meeting the goals laid out in the Company's IRP, while providing opportunities for continued improvement.

Respectfully Submitted,

DTE ELECTRIC COMPANY

[illegible]

Company Name: DTE Electric Company

Case Number: U-21193

Filing Date: August 3, 2026

Attachment A

2022 IRP Belle River Conversion Costs (\$ million)

Category	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Project Total</u>
Internal Labor (Direct)	\$ 0.02	\$ 0.37	\$ 0.75	\$ 1.48	\$ 0.99	\$ -	\$ 3.6
Contract Labor (Direct)	\$ 1.02	\$ 19.03	\$ 28.58	\$ 27.67	\$ 20.46	\$ -	\$ 96.8
Material (Direct)	\$ -	\$ -	\$ -	\$ 0.01	\$ 0.01	\$ -	\$ 0.0
Other (Direct)	\$ -	\$ -	\$ -	\$ 0.82	\$ 0.82	\$ -	\$ 1.6
Subtotal (Direct)	\$ 1.0	\$ 19.4	\$ 29.3	\$ 30.0	\$ 22.3	\$ -	\$ 102.0
Indirects	\$ 0.1	\$ 2.6	\$ 4.4	\$ 7.7	\$ 8.7	\$ -	\$ 23.6
Subtotal	\$ 1.2	\$ 22.0	\$ 33.8	\$ 37.6	\$ 31.0	\$ -	\$ 125.6

June 2026 Project Forecast

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Project Total</u>
Internal Labor (Direct)	\$ 0.10	\$ 0.33	\$ 0.33	\$ 1.45	\$ 1.83	\$ 1.17	\$ 5.2
Contract Labor (Direct)	\$ 1.21	\$ 1.31	\$ 40.05	\$ 29.08	\$ 17.60	\$ 12.15	\$ 101.4
Material (Direct)	\$ 0.00	\$ 0.00	\$ 0.01	\$ 0.08	\$ 0.01	\$ -	\$ 0.1
Other (Direct)	\$ 0.00	\$ 0.01	\$ 0.03	\$ 0.90	\$ 0.92	\$ 0.06	\$ 1.9
Subtotal (Direct)	\$ 1.3	\$ 1.7	\$ 40.4	\$ 31.5	\$ 20.4	\$ 13.4	\$ 108.6
Indirects	\$ 0.1	\$ 0.2	\$ 2.7	\$ 4.4	\$ 5.6	\$ 4.0	\$ 17.1
Subtotal	\$ 1.4	\$ 1.9	\$ 43.2	\$ 36.0	\$ 26.0	\$ 17.3	\$ 125.8