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 SIERRA CLUB AND 5 LAKES ENERGY
ON DTE ELECTRIC COMPANY'S TRANSPORTATION ELECTRIFICATION PLAN

I. Introduction

Sierra Club and 5 Lakes Energy appreciate the opportunity to provide comments regarding the Transportation Electrification Plan (TEP) filed by DTE Electric Company ("DTE" or "the Company") in the above-captioned docket on April 22, 2026.[1] Sierra Club is a national environmental organization dedicating to protecting people and the planet by advancing clean energy, conservation, and climate solutions. 5 Lakes Energy (5LE) is a clean energy consulting firm that supports policymakers, utilities, and stakeholders in developing and implementing equitable and sustainable energy policies. Collectively, we are referred to in these comments as "Sierra Club/5LE."

Recognizing that transportation electrification (TE) is a high-leverage opportunity to advance Michigan's economic and clean energy goals, our interest is to ensure that utility TEPs effectively address market barriers to electric vehicle (EV) adoption, charging access, and infrastructure deployment. The Company's latest TEP proposes to invest substantially in EV charging infrastructure in several important customer segments. It targets these investments equitably, recognizes the unique barriers to charging access among low-income (LI) households and multi-

[1] DTE Electric Company, "2027-2031 Transportation Electrification Plan," April 22, 2026, last accessed on July 13, 2026 at https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA.

unit dwellings (MUDs), and improves the accounting framework the Company uses to assess and design EV programs. Overall, the TEP is well-constructed. However, DTE's TEP falls short in adequately addressing range anxiety, leaves long-term ratepayer benefits on the table, and is hindered by an administrative process that limits oversight and meaningful stakeholder input.

II. Process Comments

The Michigan Public Service Commission (MPSC) approved new TEP filing requirements[2] ("Filing Requirements") on January 24, 2025, in case U-21492. The Filing Requirements ordered that the Company file a new TEP in 2026[3] in the present docket, that interested parties submit initial comments within 45 business days,[4] and that reply comments be submitted within 30 business days after.[5] Combined with a stakeholder process to shape the TEP ahead of the Company's April 22 filing, this would seem a reasonable timeline for interested parties to review and influence the TEP. While DTE sought stakeholder input[6] prior to the April 22 filing, and while the TEP states that this process "provided valuable feedback,"[7] it is unclear what, if any, of this feedback was incorporated into TEP program design. Moreover, if the Commission intended for stakeholder comments in U-21538 to meaningfully critique the resulting TEP after it was filed, this comment period should have concluded *before* the Company sought cost recovery for these programs. But that is not the case.

[2] Michigan Public Service Commission, Case No. U-21492, "Michigan Transportation Electrification Plan, Amended Filing Requirements," January 24, 2025, last accessed on July 13, 2026 at https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000XDvn6AAD.
[3] *Id.,* §(2)(c).
[4] *Id.,* §(8)(a).
[5] *Id.*, §(8)(b).
[6] DTE Electric Company, "2027-2031 Transportation Electrification Plan," April 22, 2026, page 36, last accessed on July 13, 2026 at https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA.
[7] *Id.*

Instead, the Company filed for approval of its TEP programs in its 2026 general electric rate case (Case No. U-22046) on April 28, 2026,[8] only four business days after the TEP filing. Nominally, initial comments in U-21538 were due on June 26, and reply comments are due on August 10. With intervenor testimony due in U-22046 on August 26[9] and an evidentiary hearing scheduled for September 28,[10] it is nearly impossible for the Company to account for stakeholder feedback in U-21538 before approval and cost recovery of the TEP programs is decided. The Commission's February 19, 2026 Order[11] in case U-21860 compounds this problem by providing that only "cost recovery will be addressed in rate cases," while "TEP filing requirements, process issues, and design issues will be dealt with in separate proceedings.[12] By allowing the TEP and rate case filings to occur nearly simultaneously, and by insisting that program design issues generally be handled outside the rate case, the Commission has effectively prevented meaningful stakeholder input and Commission review of the TEP. These comments, and those of other interested parties in the present docket, are unlikely to receive meaningful attention from the Commission or the Company before the rate case concludes and the TEP becomes part of the Company's official strategy.[13]

[8] Direct Testimony of Milena Kabashi on behalf of DTE Electric Company, April 28, 2026, last accessed on July 13, 2026 at https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001xwP3ZAAU.
[9] Scheduling Memo in Case U-22046, May 28, 2026, last accessed on July 13, 2026 at https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000024LPoAAAW.
[10] *Id.*
[11] Michigan Public Service Commission, "Order in the matter of the application of **DTE ELECTRIC COMPANY** for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority," February 19, 2026, last accessed on July 13, 2026 at https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001kHayeAAC.
[12] *Id.*
[13] In addition, the procedural schedule in this docket does not provide stakeholders with a regular or predictable opportunity to comment on TEPs. Rather than being tied to fixed intervals, the comment deadlines are triggered by the utility's filing of a TEP—which, in this instance, was driven by the timing of the Company's rate case. That structure is emblematic of the broader procedural concerns discussed in these comments. Because this is an open docket, Sierra Club and 5 Lakes Energy submit these comments now to inform the Commission's consideration of both this TEP and its process for future TEP proceedings.

In future TEP proceedings, the Company should be required to file its TEP at least 180 days before filing its rate case to ensure that stakeholder comments can provide meaningful input before the Company seeks cost recovery. Such sequencing is routine in other jurisdictions. In Minnesota, for example, utilities file TEPs alongside their biennial Integrated Distribution Plans, with TEP program-specific approvals sought in subsequent proceedings. In other jurisdictions, both TEP design and spending authorization are addressed in dedicated contested cases. This is the approach, for example, in Massachusetts, Virginia, Colorado, New Mexico and Nevada. This structure allows all elements of a TEP to be evaluated by interested parties and the Commission in a single, transparent, and comprehensive proceeding. Given the size and scope of the spending decisions at issue and the importance of TE to Michigan's economic and clean energy goals, the Commission would better serve utility customers and TE stakeholders by ensuring that they have a path to provide meaningful input on utilities' TEPs and that decisions relating to the TEP are made transparently and accountably.

Recommendation: Sierra Club/5LE therefore recommend that the Commission require that, at a minimum, the Company file its next TEP at least 180 days before filing the application in its subsequent electric rate case, to ensure that the comment period allows for meaningful feedback. Absent this requirement, if the Company is serious about transparency and accountability, DTE should voluntarily time its filings as suggested. To fully commit to TE as a key lever in Michigan's future success, the Commission should require that the Company's next TEP be filed for review in a contested case.

III. EV Load Forecast

The TEP's proposed portfolio of chargers, rebates, and make-ready investment is based on a single five-year EV adoption forecast, reflecting the Company's view of "the most likely market

conditions, incorporating OEM production plans, economic and demographic drivers, and observed regional adoption patterns."[14] The Company treats this "highest-probability scenario"[15] as the foundational assumption beneath every rebate level, market share target, and make-ready dollar in the filing. The Company's forecast is based on a fairly robust accounting of near-term market drivers and headwinds, but does not appear to account for certain factors likely to support EV adoption. In any event, while forecasting is a useful tool for grid planning and load management, Sierra Club/5LE emphasize that near-term forecasts should not serve as the sole foundation for long-term infrastructure planning decisions.

The Company's forecast is heavily influenced by recent policy developments, most notably the "One Big Beautiful Bill Act" of 2025. The Company notes that the "removal of the federal EV tax credit is the primary near-term driver of reduced EV adoption impact, resulting in an approximately 52% decline in total projected EV registrations during the TEP Refresh timeframe relative to the previous TEP forecast."[16] The Company acknowledges, however, that the removal of the federal EV tax credit has "a diminishing influence over the long term."[17] Meanwhile, there are many other economic, policy, and geopolitical factors that affect the EV adoption outlook in the U.S. and in Michigan over the near- and longer-term. These factors include reinstatement of a National Electric Vehicle Infrastructure (NEVI) Formula Program),[18] geopolitics and volatile oil

[14] DTE Electric Company, "2027-2031 Transportation Electrification Plan," April 22, 2026, page 10, last accessed on July 13, 2026 at https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA.
[15] *Id.*
[16] *Id.* at 20.
[17] *Id.* at 21.
[18] *State of Washington et al. v. U.S. Department of Transportation et al.*, No. 2:25-cv-00848-TL, Dkt. #175 at 55–56 (W.D. Wash. decided Jan. 23, 2026). The Court's Order vacated USDOT's freeze of the NEVI program, declared it unlawful, and permanently barred the defendants from withdrawing or withholding states' funds, canceling states' approved implementation plans, or otherwise interfering with the program in violation of applicable statutes or regulations. The order was not appealed.

prices (e.g., the war in Iran),[19, 20, 21] shifting automaker strategies,[22, 23, 24, 25, 26] and state-level policies (e.g., Michigan EV registration fees).[27] While the net impact of these dynamics on the EV market is difficult to assess in the near-term, global EV adoption continues to rise.[28] Indeed, the long-term EV outlook remains stable and robust despite current headwinds in the U.S.[29] Moreover, we should expect that near-term forecasts will continue to swing wildly as these volatile dynamics play out. This underscores the risk of treating a short-term forecast as a foundation for long-term infrastructure decisions.

DTE's TEP will provide funding in the next five years for assets that will remain in operation for decades, either supporting the EV fleet that exists during that time or failing to do so. In light of Michigan's long-term clean energy and economic goals, the Company faces a choice: either continue reacting to the latest developments in an ever-changing market, or develop a consistent, long-term strategy that recognizes the Company's own role in shaping this market.

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[19] Grist, "Why $4 gasoline is the tipping point for EVs," March 19, 2026, last accessed on July 13, 2026 at https://grist.org/energy/why-4-gasoline-is-the-tipping-point-for-evs/.
[20] Canary Media, "Used EVs are a bargain right now – and buyers are noticing," April 2, 2026, last accessed on July 13, 2026 at https://www.canarymedia.com/articles/electric-vehicles/used-evs-are-bargain-buyers-noticing.
[21] The New York Times, "Oil Prices Spike as U.S. and Iran Exchange Fire," June 1, 2026, last accessed on July 13, 2026 at https://www.nytimes.com/2026/06/01/business/oil-gas-price-iran.html.
[22] CNBC, "Ford to record $19.5 billion in special charges as it pulls back on EV plans," December 16, 2025, last accessed on July 13, 2026 at https://www.cnbc.com/2025/12/15/ford-ev-pullback.html.
[23] Reuters, "GM to take $6 billion writedown on EV pullback," January 9, 2026, last accessed on July 13, 2026 at https://www.reuters.com/business/autos-transportation/gm-take-6-billion-writedown-ev-pullback-2026-01-08/.
[24] Forbes, "With Model S And Model X Axed, Thin Tesla Lineup Gets Thinner—What's Next?" January 29, 2026, last accessed on July 13, 2026 at https://www.forbes.com/sites/brookecrothers/2026/01/29/with-model-s-and-model-x-axed-thin-tesla-lineup-gets-thinner--whats-next/.
[25] Business Insider, "The EV retreat deepens with $26 billion write-down from Jeep-maker Stellantis," February 6, 2026, last accessed on July 13, 2026 at https://www.businessinsider.com/stellantis-stock-jeep-ram-chrysler-ev-retreat-26-billion-charge-2026-2.
[26] EV Magazine, "Why Volkswagen is Stopping US Production of Top Selling EV," April 12, 2026, last accessed on July 13, 2026 at https://evmagazine.com/news/why-volkswagen-is-stopping-us-production-of-top-selling-ev.
[27] Clean Fuels Michigan, "EV Fees Keep Transportation Costs High As Consumers Look For Relief," June 8, 2026, last accessed on July 13, 2026 at https://www.cleanfuelsmichigan.org/2026/06/ev-fees-keep-transportation-costs-high/.
[28] Canary Media, "Electric cars are starting to take over the world," June 5, 2026, last accessed on July 13, 2026 at https://www.canarymedia.com/articles/electric-vehicles/electric-cars-starting-take-over-world.
[29] Bloomberg New Energy Finance, Electric Vehicle Outlook 2026: Executive Summary, page 7. Last accessed on July 13, 2026 at https://about.bnef.com/insights/clean-transport/electric-vehicle-outlook/.

Utilities are uniquely positioned to provide long-term funding certainty in support of state goals and proactively address barriers to EV adoption that the free market will not. Indeed, utilities can provide substantial benefits to their ratepayers through robust TE programs. DTE should treat its TEP as an opportunity to shape the EV market and advance Michigan's clean energy and economic goals, not merely to chase whatever forecast results from the latest swing in market conditions.

Recommendation: Sierra Club/5LE find that the Company's EV Adoption Forecast is robust and accurately reflects some—but not all—of the latest developments in the EV market. While useful for distribution system planning, assessing load management needs, and understanding market barriers to EV adoption, we caution against letting this forecast dictate long-term infrastructure funding. Since the long-term EV outlook remains optimistic despite short-term volatility, Sierra Club/5LE recommend that TEP infrastructure funding (e.g. charger rebates, make-ready) be guided by the long-term needs of Michigan's grid, which are consistent with widespread EV adoption. DTE can and should take a leadership role in shaping the EV market, ensuring that its investments not only support but accelerate achievement of Michigan's clean energy and economic goals.

IV. Rebate Programs

The Company's proposed rebate programs in this TEP include substantial investments to fund rebates for Electric Vehicle Supply Equipment (EVSE) installations in several customer segments. Direct incentives for charging infrastructure amount to $136 million from 2027-2031 and are summarized in Table 1 of the TEP.[30] Notably, the Company proposed a three-tier incentive model in the residential segment and a two-tier model for multi-unit dwellings (MUDs), varying the rebate level based on the customer's income level. The Company is also offering rebates for

[30] DTE Electric Company, "2027-2031 Transportation Electrification Plan," April 22, 2026, page 3, last accessed on July 13, 2026 at https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA.

public DC fast charging (DCFC) installations, workplace level 2 (L2) chargers, and fleet DCFC and L2 chargers.

Judging by the proposed structure of these investments, the Company appears to understand many of the key barriers to EV adoption that its customers face. In Michigan, low-income areas struggle with EV adoption compared to more affluent areas in the state, largely due to charging access barriers.[31, 32] The majority of the Company's residential rebate budget ($13.7 million out of $23.3 million) is allocated to rebates for low-income (LI) and middle-income (MI) customers. Similarly, $40 million out of the $58.4 million dedicated to MUDs is allocated to rebates for MUDs in low-income areas. This structure properly recognizes that widespread EV adoption depends on widespread charging access, dedicating the largest shares of funding to the segments where charging access has lagged. In particular, residents in MUDs (of all income levels) face especially high barriers to charging access.[33, 34] Sierra Club/5LE are encouraged that DTE recognizes this problem and has proposed robust funding to address it.

The Company proposes $43.9 million for public DCFC installation rebates, with $25.6 million allocated for sites located in disadvantaged communities (DACs) or along major highway corridors in rural areas ("rural on-route"). This reflects a recognition that combatting range anxiety is key to widespread EV adoption. However, DTE's program design for its public DCFC incentives

[31] Bridge Michigan, "Which Michigan counties have most EVs? Which have none? Politics play a role," August 14, 2024, last accessed on July 13, 2026 at https://bridgemi.com/michigan-environment-watch/which-michigan-counties-have-most-evs-which-have-none-politics-play-role/.
[32] Michigan Public, "Electric vehicle accessibility is disproportionate in Michigan despite policies that consider equity," July 5, 2026, last accessed on July 13, 2026 at https://www.michiganpublic.org/environment-climate-change/2026-07-05/electric-vehicle-accessibility-is-disproportionate-in-michigan-despite-policies-that-consider-equity.
[33] M. Kuby, et al. "EV charging for multifamily housing: Review of evidence, methods, barriers, and opportunities." *Renewable and Sustainable Energy Reviews,* Volume 210. March, 2025. Last accessed on July 13, 2026 at https://www.sciencedirect.com/science/article/abs/pii/S1364032124009791.
[34] Energy Innovation, "Increasing Electric Vehicle Charging Access At Multi-Unit Dwellings: Workshop Summary Report," September 2020, last accessed on July 13, 2026 at https://energyinnovation.org/wp-content/uploads/2020/09/Increasing-Electric-Vehicle-Charging-at-Multi-Unit-Dwellings_FINAL3.pdf.

is not geographically targeted, which is a recurring problem in Michigan utility TEPs. We address this issue in detail in Section VI, below. Broadly speaking, however, DTE's inclusion of public DCFC funding in the current TEP is warranted and Sierra Club/5LE support it.

The Company proposes a limited budget for DCFC and L2 rebates for commercial fleets in this TEP, supporting a handful of DCFC for buses and "other" use cases. Buses are an especially vital target for TEP funding because of their co-benefits: electric school buses are linked to improved pupil mental health;[35] both transit buses and school buses drive an outsized number of miles, and hence have the greatest potential to reduce emissions and local air pollution;[36] and due to their predictable duty cycles and charging patterns, buses can participate in vehicle-to-grid (V2G) programs and provide significant grid benefits.[37] Sierra Club/5LE strongly support this funding.

The total level of rebate funding proposed—$136 million across all segments—is an appropriate amount to spend in this TEP, given the size of the Company's customer base and current EV market conditions. Because these investments are targeted at some the most acute charging access barriers, the Company is poised to boost EV adoption in its territory, realizing the grid benefits that EVs have shown in other areas. A recent report from Synapse Energy[38] shows that between 2011-2024, EV drivers in Michigan have contributed $187.8 million more in utility

[35] Forbes, "Parents See Electric School Buses And Student Mental Health links, Survey Suggests," May 16, 2025, last accessed on July 13, 2026 at https://www.forbes.com/sites/jamiehailstone/2025/05/16/parents-see-electric-school-buses-and-student-mental-health-links-survey-suggests/.
[36] United States Department of Transportation, "Annual Vehicle Distance Traveled in Miles and Related Data – 2020(1) by Highway Category and Vehicle Type," January 2024, last accessed on July 13, 2026 at https://highways.dot.gov/media/119291.
[37] Reuters, "Electric school buses tapped to shore up fragile US power grids during summer heat," July 3, 2026, last accessed on July 13, 2026 at https://www.reuters.com/business/energy/electric-school-buses-tapped-shore-up-fragile-us-power-grids-during-summer-heat-2026-07-03/.
[38] Synapse Energy, "Driving Affordable Rates with EVs: Michigan," April 2026, last accessed on July 13, 2026 at https://www.synapse-energy.com/sites/default/files/25-136%20Michigan%20Factsheet_2.pdf.

revenues than their associated costs to serve that incremental load.[39] A parallel report[40] shows that, in each of the 48 contiguous U.S. states, EVs have driven downward net rate pressure due to EV drivers contributing more revenue than they cost to serve.[41] The Company's own benefit-cost analysis (BCA) in this TEP support this finding: DTE projects that its TEP will result in net rate relief of more than $1.8 billion between now and 2066.

Recommendation: Subject to the refinements to the Company's DCFC rebate offering discussed below in Section VI, Sierra Club/5LE generally support the Company's proposed TEP rebate budget of $136 million. However, given the projected $1.8 billion in customer benefits—which, as discussed in Section V below, are likely conservative because they do not account for broader societal benefits—we urge DTE and the Commission not to cap the Company's rebate programs. Instead, the programs should be allowed to expand in response to customer interest and demand.

V. Benefit-Cost Analysis

In its February 2026 order in Case No. U-21860,[42] the Commission ordered the Company to "propose an accounting scheme that accurately captures the full net present value benefits, including all revenue attributable to charging and associated network effects, provided by its programs across customer classes… ."[43] In this TEP, the Company made real improvements to its BCA in accordance with the Commission's order. Most notably, DTE appropriately included

[39] *Id.* at 2.
[40] Synapse Energy, "EVs Driving Affordable Rates For All Customers," June 2026, last accessed on July 13, 2026 at https://www.synapse-energy.com/sites/default/files/EV%20All%20State%20List%202026%20June%20Updated%2025-136.pdf.
[41] *Id.* at 2.
[42] Michigan Public Service Commission, "Order in the matter of the application of **DTE ELECTRIC COMPANY** for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority," February 19, 2026, last accessed on July 13, 2026 at https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001kHayeAAC.
[43] *Id.* at 484.

100% of revenue attributable to charging, showing that the TEP will result in a net present value (NPV) of $1.8 billion in rate relief between now and 2066. This more accurately captures the network effects of charging availability. For example, the increased availability of public charging, which occurs partly through TEP rebates, encourages EV adoption, which results in charging above and beyond what occurs at public charging sites, leading to vastly more revenue for the utility than what comes from rebated chargers.

However, the Company did not account for all network effects associated with its TEP programs as directed by the Commission's order. The Company's BCA does not account for the societal benefits of increased transportation electrification, which include reductions in local air pollution, reductions in greenhouse gas emissions, improved health outcomes, economic development, and improved energy security. According to the Harvard Business School, direct network effects occur when "the value of a product, service, or platform increases simply because the number of users increases…"[44] The societal value of, for example, reduced pollution attributable to a growing EV charging network is a clear example of network effects: as the EV network grows, more EV drivers use it, which reduces more pollution and increases the value of the EV network. The Company must therefore include these network effects in its BCA to comply with the Commission's order.

While some of these network effects may be difficult to quantify, the effects of changing air pollution have been studied for many years, and the EPA has a straightforward framework for calculating the monetized value of reductions in air pollution. The Co-Benefits Risk Assessment Health Impacts Screening and Mapping Tool (COBRA)[45] translates changes in pollutant emissions

[44] Stobierski, T., Harvard Business School, "What are Network Effects?" November 12, 2020, last accessed in June, 2026 at https://online.hbs.edu/blog/post/what-are-network-effects.
[45] COBRA is available at https://cobra.epa.gov.

into societal benefit, accounting for local population density, emissions sources, and local economic and environmental conditions.

Take, for example, a single light-duty passenger vehicle traveling roughly 10,000 miles per year in Wayne County. The Bureau of Transportation Statistics (BTS) estimates[46] that, as of 2026, gasoline-powered light-duty vehicles emit an average of 0.121 grams of NO_x and 0.004 grams of $PM_{2.5}$ per mile driven. Over the course of a year, that passenger vehicle will emit 1,210 grams of NO_x and 40 grams of $PM_{2.5}$, equivalent to 0.001334 tons and 0.000044 tons, respectively. COBRA estimates that eliminating emissions from this vehicle would result in between $180-280 in societal health benefits per year. These benefits are currently unaccounted for in the Company's current BCA scheme. They are substantial and readily calculable. Besides failing to comply with the Commission's directives that all network effects be included in the BCA, by failing to account for societal benefits, the Company risks understating the true value of its TEP investments.

Recommendation: Sierra Club/5LE recommend that the Commission require the Company to include the societal benefits of its programs in its next TEP progress report, including both reductions in greenhouse gas emissions and reductions in local air pollution.

VI. Public DCFC Rebate Program

The Company's TEP includes nearly $44 million for public DCFC rebates. While funding public DCFC installations is critical for combatting range anxiety, not all such sites are equally important. During DTE's public engagement process prior to filing, stakeholders noted that "DCFC serves as a critical backstop even for customers who primarily rely on L2 charging and highlighted the importance of strategically filling gaps along major trunklines to improve statewide

[46] Bureau of Transportation Statistics, "Estimated U.S. Average Vehicle Emissions Rates per Vehicle by Vehicle Type Using Gasoline, Diesel, and Electric."

coverage."[47] But DTE has proposed an open-ended application process for these subsidies, allowing any site to potentially qualify for these rebates, with no strategy for identifying and filling the aforementioned trunkline gaps. This lack of geographic specificity risks using TEP funds on sites that may not meaningfully advance EV adoption. For example, site hosts may qualify for rebates even in areas already saturated with public charging, such as dense, urban areas. Additional sites in these areas, far from solving range anxiety, could distort the local DCFC market and skew the economics that motivated the development of the existing sites. Greater care is therefore warranted in designing DCFC incentives to ensure that installations occur where they are needed the most.

Range anxiety faces a well-known chicken-and-egg problem: the EV market will never reach mainstream adoption if there is insufficient fast charging infrastructure to enable convenient, long-distance travel in the U.S. Meanwhile, if EV adoption remains low, developers have little incentive to build additional DCFC stations, owing to the poor economics of low-utilization chargers. The U.S. Department of Transportation (USDOT) established NEVI to solve this exact problem by allocating funding to build DCFC stations spaced 50 miles apart along critical "Alternative Fuel Corridors" (AFCs). While there are now more than 15,000 public DCFC ports in the U.S.,[48] and although NEVI is enabling interregional travel, the need still exists for Michigan to build DCFCs in enough locations to enable long-distance travel within the state. Critical gaps remain, and the state lacks a strategy for filling these gaps.

[47] DTE Electric Company, "2027-2031 Transportation Electrification Plan," page 49, April 22, 2026, last accessed on July 13, 2026 at https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA.
[48] U.S. Department of Energy, Alternative Fuels Data Center, Alternative Fueling Station Locator, last accessed on July 13, 2026 at https://afdc.energy.gov/stations#/find/nearest?fuel=ELEC&ev_levels=dc_fast.

USDOT has designated several AFCs in Michigan,[49] but the trunkline network designated by the Michigan Department of Transportation (MDOT) contains many more routes that connect the state and are not targeted for NEVI funding. Roads in huge portions of Michigan (namely, most of the Upper Peninsula, the Thumb, and virtually all of the state's Lake Huron shore) fall into this category. To make EVs universally accessible across Michigan, the State's objective should be to fully build out MDOT's trunkline network, creating a sufficiently dense DCFC network to enable reliable EV travel throughout the state. We refer to this as the "minimum viable network" (MVN). The market conditions driving DCFC installations in Michigan have thus far failed to produce an MVN. The reason is straightforward: many of the sites needed to complete an MVN may never be profitable and therefore do not attract private investment. Although the overall number of DCFC ports in the United States continues to grow, many of these new ports are located where they maximize profitability, rather than where they would do the most to reduce range anxiety. As currently designed, the Company's DCFC rebate proposal may perpetuate this problem. If the purpose of the TEP is to address EV adoption barriers that the market will not address on its own, then TEP investments should be directed toward those market failures. The Company's MUD incentive design reflects this principle by recognizing that MUDs require larger incentives to overcome unique barriers. By contrast, the Company's DCFC incentive structure provides no assurance that rebated chargers will be sited where they advance development of Michigan's MVN. Instead, incentives may flow to locations with very strong underlying economics and/or existing DCFC sites, directing ratepayer dollars toward chargers that do little to expand network coverage or reduce range anxiety. DTE should instead identify the gaps in Michigan's DCFC

[49] Michigan Department of Transportation, "Michigan NEVI Project Status," last accessed on July 13, 2026 at https://experience.arcgis.com/experience/0f0eafe4cefe43a0adb8104d600d3cd3/page/Home/.

network relative to the MVN, determine which of those gaps fall within Company's service territory, and design its DCFC rebate program to prioritize filling them.

During the Company's TEP stakeholder process, 5LE identified those gaps and which ones are in their service territory. We reached out proactively to advocate that the Company develop their DCFC rebate program that would fill these gaps. Though the TEP notes that stakeholders "highlighted the importance of strategically filling gaps along major trunklines to improve statewide coverage,"[50] and that our "questions and comments emphasized the importance of addressing corridor gaps,"[51] the Company's DCFC incentive structure does not substantively address gaps in Michigan's MVN, and ratepayer dollars are at risk of being spent inefficiently on stations that don't help solve range anxiety. As shown in Figure 1, there are already many public DCFC stations throughout DTE's service territory.

[50] DTE Electric Company, "2027-2031 Transportation Electrification Plan," page 49, April 22, 2026, last accessed on July 13, 2026 at https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA.
[51] *Id.*

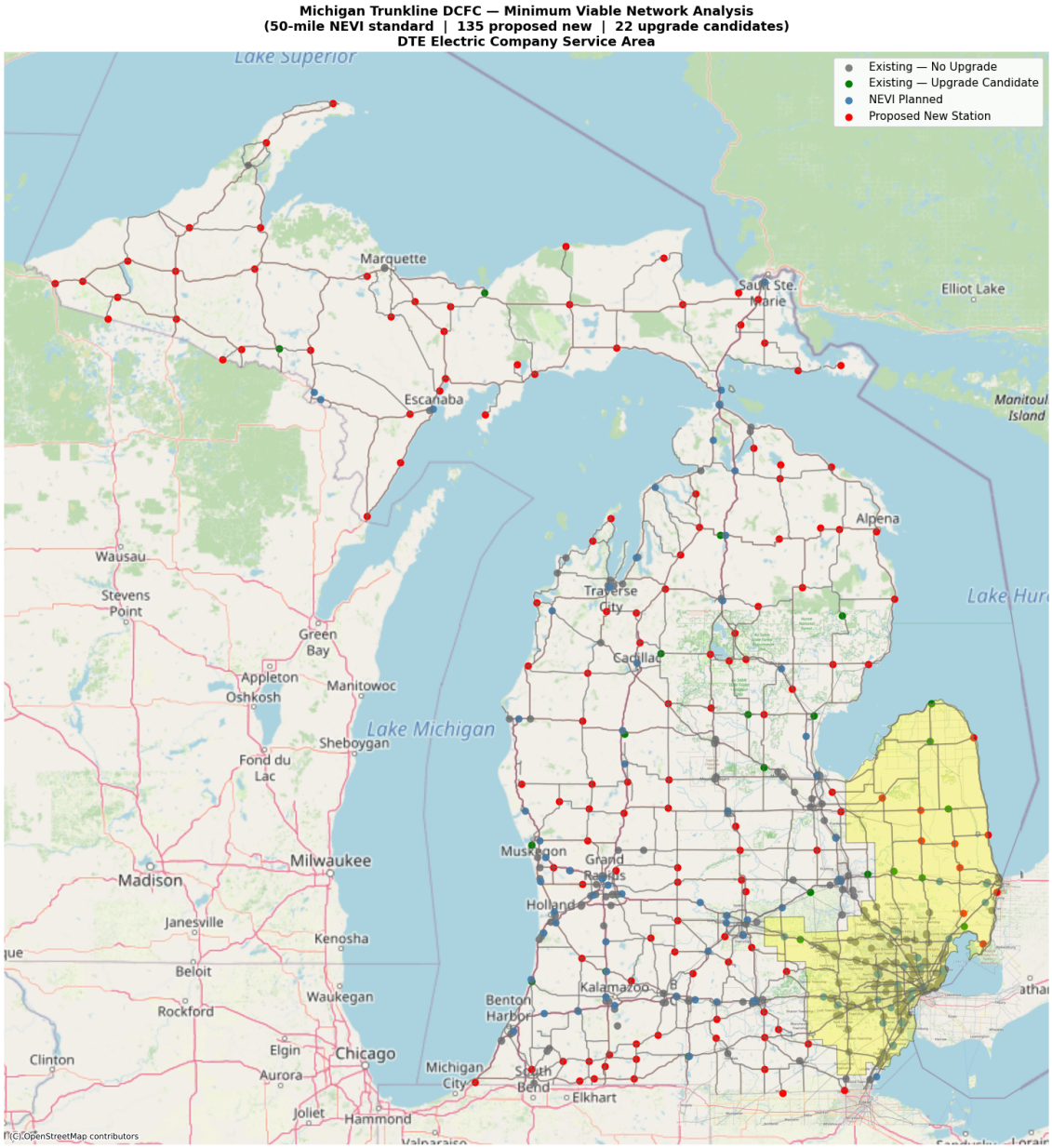

Figure 1: MDOT trunklines, existing and planned DCFC stations, and gaps relative to a Michigan Minimum Viable Network. DTE's service territory is highlighted, showing 10 gaps.

But there are roughly 10 MVN sites that don't have any DCFC infrastructure. While new DCFC stations will likely always help expand charging access, visibility, and convenience, not all sites are equally deserving of ratepayer subsidy. Funds should be targeted first at MVN sites where gaps currently exist. If DTE fails to support development at these sites, it will fail to target a meaningful

barrier to EV adoption. Ratepayer funds will meanwhile assist site hosts in financing sites that may be redundant and may fail to advance Michigan's goals.

During stakeholder discussions on the TEP, the Company expressed hesitation about proactively identifying priority sites out of concern that doing so could raise competitive issues with parties or the Commission. Sierra Club/5LE does not believe that concern is warranted. The problem this program should address is the market's *lack* of interest and investment in locations that are critical to developing a MVN but may not now (or ever) deliver high utilization. And because DTE's program operates as a rebate program available to any qualifying site host, as opposed to utility ownership of charging infrastructure, targeting incentives to those locations should not raise competitive concerns.

Put simply, the MVN is a uniquely non-market problem, one that utilities are uniquely positioned to solve: utilities can provide patient capital and can be guaranteed cost recovery on these investments over time. Meanwhile, the presence of an MVN will result in greater EV adoption and greater EV travel through its service territory, yielding utility revenues that far outstrip the cost of subsidizing these sites in the first place, owing to the substantial network effects of these sites. In short, DTE is the party most ready to address this key market barrier and accelerate EV adoption, but they are waiting for the Commission to either permit or require it. Given that there are only roughly 10 MVN gaps in DTE's service territory, and that they anticipate 730 DCFC rebates during this TEP term,[52] the Company can very easily fill the fast-charging gaps in its service territory without materially affecting the overall budget of their proposed program.

[52] *Id.* at 48.

There is precedent for this kind of proposal as well. The Upper Peninsula Power Company (UPPCO) filed their TEP in 2025 in the present docket,[53] and it included a site-specific rebate program that would issue an RFP for each of 12 potential DCFC sites. Rather than an open-ended rebate that could miss the MVN gaps, UPPCO structured their program so that those specific sites would get built, solving the MVN problem within their service territory. While the optimal structure of a site-specific program can be debated, the Commission has been supportive of this kind of proposal before. In addition to options like UPPCO's proposal, DTE could offer rebates for bundled sites, where a site host could bid for both an attractive site and an MVN gap and receive funding for both, jointly. There are likely other options as well. But DTE has not shown that it has explored any of these options beyond our engagement with them during the stakeholder process.

Recommendation: Given the existing level of proposed investment, the handful of key sites identified in Figure 1 would not materially affect the overall budget, yet they would have an outsized impact in combatting range anxiety. Moreover, these specific sites are by definition unlikely to be built by the private market, hence utility intervention is warranted. Therefore, Sierra Club/5LE recommend that the Commission require the Company to modify its public DCFC rebate program to include a budget and a plan for attracting site host investment in filling gaps in Michigan's MVN. At a minimum, the Company should present a proposal of this nature and start a conversation with the Commission about how to fill these gaps.

[53] Upper Peninsula Power Company's Ex Parte Application and the Direct Testimony and Exhibit of Nicole E. Bell, Case No. U-21538, July 1, 2025, last accessed on July 13, 2026 at https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000xCqFUAA0.

VII. Load Management

To manage the grid impacts of EV charging, the Company has employed several strategies to shift charging off-peak, minimizing the costs associated with serving new EV load. Since March 2023, all DTE residential customers have had time-of-day (TOD) pricing in their bills, off-peak electricity consumption. The Company says that "[s]ince all residential customers now have a TOD component, this means passive managed charging is already embedded in customer bills, enabling cost-effective load shifting at scale."[54] Moreover, they assert that "TOD pricing alone reliably shapes charging behavior."[55] The Company's active managed charging pilot, "Smart Charge," has enrolled a total of 3,486 customers as of the end of 2025.[56] It allows the Company to coordinate directly with their managed charging vendors, ChargeScape and WeaveGrid, to schedule charging sessions that reduce on-peak charging.[57]

The Company states that "Smart Charge is planned to run through December 2026,"[58] suggesting that in the future, DTE will rely on the more passive approach (TOD rates) to shift EV charging to off-peak hours. DTE believes that "the combination of universal TOD rate structures and strong E&O provides the most cost-effective, equitable, and grid-efficient foundation for supporting Michigan's growing EV market." But this plan to sunset Smart Charge is premature. First, while Smart Charge may appear expensive in the short term, that is largely because the substantial vendor and program administration costs are spread among a very small number of EVs (3,486 enrollments is only 3% of the 114,000 EVs in DTE's service territory.)[59] If DTE would enroll more customers, the net benefits per EV would grow.

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[54] DTE Electric Company, "2027-2031 Transportation Electrification Plan," page 60, April 22, 2026, last accessed on July 13, 2026 at https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA.
[55] *Id.* at 61.
[56] *Id.* at 64.
[57] *Id.* at 62.
[58] *Id.* at 66.
[59] *Id.* at 9.

More importantly, DTE's plan to rely only on TOD rates fails to adequately prepare for mainstream charging behavior, for two reasons: first, the Company already acknowledges the risk of secondary peaks on the distribution system,[60] a concern that only grows with EV adoption. Second, the Company is relying too heavily on historical charging behaviors. While TOD pricing may reliably shape charging behaviors among early EV adopters, there is no guarantee that mainstream EV drivers will exhibit the same behaviors. DTE touts off-peak charging behavior that has occurred among a highly self-selecting group of its customers, namely early EV adopters that engage with utility programs. But when EV adoption scales, relying on TOU rates alone will present two risks: first, that regular customers don't respond to price signals like the early adopters; and second, that if they do, TOD rates will result in a snapback effect,[61] in which large EV loads come online as soon as off-peak pricing is available. While these risks remain low today, they are certain to increase as EVs reach mainstream consumers. If DTE fails to build technical and administrative competence in active managed charging now, it risks being unprepared for the grid impacts of unmanaged charging among mainstream EV drivers. Moreover, it leaves substantial ratepayer benefits on the table, namely those that occur when EVs facilitate more complete utilization of the grid.

Recommendation: Sierra Club/5LE recommend that the Commission require the Company to keep Smart Charge running through 2031 (when this TEP concludes) and invest in scaling Smart Charge enrollments.

[60] *Id.* at 64.
[61] Brattle Group, "Demonstrating the Full Value of Managed Electric Vehicle Charging," page 18, January 2026, last accessed on July 13, 2026 at https://www.brattle.com/wp-content/uploads/2026/01/Demonstrating-the-Full-Value-of-Managed-Electric-Vehicle-Charging-1.pdf.

VIII. Utility Make Ready and Contribution in aid of Construction (CIAC)

DTE's TEP recognizes that stakeholders urged the Company, as part of its ordinary business practices, to provide utility make-ready infrastructure and/or limit or eliminate CIAC for new public charging installations.[62] The Company states that, although it considered these proposals, it did not include them in the TEP "based on Commission direction."[63] That justification overreads the Commission's prior decisions.

DTE's TEP cites the Commission's order in Case No. U-21534, in which the Commission permitted the Company to discontinue its general CIAC waiver for EV charging.[64] But the Commission simultaneously directed DTE to propose a CIAC waiver for residential charging[65]—which it subsequently approved[66]—and expressly observed that it would be "beneficial for interested persons to discuss … the next steps for Level 1 and Level 2 commercial EV charging CIAC waivers."[67] The Commission's order therefore did not foreclose consideration of broader CIAC relief for commercial charging. To the contrary, it expressly contemplated further discussion of that issue. DTE's reliance on the order as a basis for excluding these proposals from the TEP is therefore misplaced.

Moreover, the rationale for CIAC waivers summarized by the Commission in U-21534 remains compelling. As multiple parties explained in that proceeding—and as DTE's updated benefit-cost analysis confirms—the benefits of public EV charging infrastructure to ratepayers and the electric system far exceed the revenues generated by an individual charging site.[68] Those broader system

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[62] DTE Electric Company, "2027-2031 Transportation Electrification Plan," page 38, April 22, 2026, last accessed on July 13, 2026 at https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA.
[63] *Id.*
[64] January 2025 Rate Order in Case U-21534 (page 345).
[65] *Id.* at 344.
[66] January 2026 Rate Order in Case U-21860 (pages 262-63).
[67] January 2025 Rate Order in Case U-21534 (page 344-45).
[68] *Id.* at 340 (summarizing testimony jointly submitted by Michigan Energy Investment Business Council and Advanced Energy United).

benefits continue to support consideration of utility make-ready investments and CIAC relief as tools to advance transportation electrification, consistent with similar policies adopted in numerous other jurisdictions.

Recommendation: Sierra Club/5LE recommend that the Commission clarify that its order in Case No. U-21534 does not foreclose continued consideration of utility make-ready investments or CIAC waivers for public charging infrastructure. The Commission and DTE should continue to evaluate incorporation of these policies during implementation of DTE's TEP.

IX. Interconnection and Energization

DTE correctly identifies "complexity and uncertainty associated with interconnection and energization" as a key barrier to charging deployment because it can "extend project timelines."[69] The TEP also notes that stakeholders emphasized the need for "increased transparency and predictability" around interconnection and energization "to reduce project risk and improve market confidence."[70] These challenges are not unique to DTE's service territory. Delays in energizing new charging stations have emerged as a critical barrier to charging deployment and EV adoption nationwide, imposing significant costs on charging project developers and businesses seeking to electrify their fleets.[71] Recent research estimates that reducing the energization timeline for a single heavy-duty charging site by 18 months would generate between $1.8 million and $3.4 million in net benefits.[72]

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[69] DTE Electric Company, "2027-2031 Transportation Electrification Plan," page 16, April 22, 2026, last accessed on July 13, 2026 at https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA.
[70] *Id.* at 38-39.
[71] See, e.g., D. Anand, F. Salcedo, S. Shah and F. Tuffner, "EV Charging Infrastructure Energization: An Overview of Approaches for Simplifying and Accelerating Timelines to Processing EV Charging Load Service Requests," Idaho National Laboratory, January 2025, at https://www.osti.gov/servlets/purl/2496574 ; Interstate Renewable Energy Council, "Paving the Way: Emerging Best Practices for Electric Vehicle Charger Interconnection," June 2022, at https://irecusa.org/resources/paving-the-way-emerging-best-practices-for-electricvehicle-charger-interconnection/.
[72] Atlas Public Policy, "Cost Savings from Improving Energization Timelines for EV Charging," page 3, February 2026, at https://atlaspolicy.com/cost-savings-from-improving-energization-timelines-for-ev-charging/.

DTE's interconnection pilot to demonstrate scalable interconnection processing is a positive step.[73] However, neither the pilot nor the Company's reporting provides the transparency needed to understand the scope of the problem or evaluate potential solutions. Although the Commission requires DTE to annually report DC fast charger energization timelines across its service territory,[74] DTE's report does not appear to include this information.[75] Even if it did, the requirement is too narrow because it is limited to DC fast charging, and because DTE's report appears to contemplate further limiting the reporting to only those projects funded through its "Public On-Route DCFC Program."[76] The Commission should require DTE to publicly report on interconnection and energization timelines for all new non-residential EV charging loads, regardless of whether they are projects receiving TEP funding. As with the Commission's requirement that DTE make hosting capacity maps publicly available, this information would improve market transparency and enable the Commission and stakeholders to evaluate reforms adopted in other jurisdictions, including utility performance standards to reduce energization timelines and more proactive approaches to distribution planning and grid investment.

Recommendation: Sierra Club/5LE urge the Commission to direct DTE to publicly report interconnection and energization performance for all new non-residential EV charging projects so

[73] DTE Electric Company, "2027-2031 Transportation Electrification Plan," page 81, April 22, 2026, last accessed on July 13, 2026 at https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA.
[74] Michigan Public Service Commission, Case No. U-21492, "Michigan Transportation Electrification Plan, Amended Filing Requirements" at § 9(c)(x) January 24, 2025, last accessed on July 13, 2026 at https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00000XDvn6AAD
[75] DTE Electric Company, "2025 Transportation Electrification Plan Annual Progress Report," page 52, May 26, 2026, at https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs00001wp0ldAAA. In the table on page 52, the TEP indicates that energization timeline information is included in the "Public On-Route DCFC" section. However, that information does not appear to be included in that section.
[76] *Id.* at 6-7 (stating that the purpose of the annual report is to provide an "update on DTEE's TEP and the performance of its electric vehicle programs" and that "[u]nless otherwise noted, all information and figures presented reflect the status of the Company's TEP.")

the Commission can monitor utility performance and determine whether further policy action is needed.

X. Conclusion

Sierra Club/5LE appreciate the opportunity to comment on DTE's TEP and look forward to continuing to work with the Company, the Commission, and other stakeholders to advance transportation electrification in DTE's service territory and across Michigan.

Respectfully submitted,

Joseph Halso
Sierra Club
1536 Wynkoop Street, Suite 200
Denver, Colorado 80202
(303) 454-3365
joe.halso@sierraclub.org

Graham Woolley
5 Lakes Energy
PO Box 869
Northport, Michigan 49670
(877) 908-0173
gwoolley@5lakesenergy.com