STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the Application of DTE ELECTRIC COMPANY for approval of special contracts and for other relief.	)))	Case No. U-22058

INITIAL BRIEF OF THE GREAT LAKES RENEWABLE ENERGY ASSOCIATION

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The Great Lakes Renewable Energy Association (GLREA) files this Initial Brief in accordance with the schedule established by the Administrative Law Judge.

I. BACKGROUND

A. Data Centers are Driving Extreme Growth in Demand for Electrical Energy

The US has eight times as many data centers as any other country in the world. Since 2020, the size of new data centers has grown dramatically, with data centers that consume one GW or more of power becoming commonplace. New releases of AI systems are consuming ever greater amounts of energy; creating ChatGPT-4 consumed 50 GWh of energy (Richter direct, 3 TR 563-7).

US investment in data centers in 2025 is estimated at $770 billion, more than three times the aggregate capital investment of 47 energy investor-owned utilities. US data center spending is a larger share of the US GDP than either US railway construction in the 1850s or the US interstate highway system; the spend rate is astounding. It is estimated that data centers consumed 4.4% of US electrical energy sales in 2023, and their consumption is projected to rise to 6.7-12% of US electrical energy sales in 2028; a mere 2 years from now. The North American Electric Reliability Corporation (NERC) increased its estimates of demand growth 70% since last year, now projecting a 200 GW increase in summer peak demand. The Oracle data center under construction in Saline Twp., combined with the proposed Google data center in Van Buren Twp. will, with a combined load of 2.4 GW, increase DTE Electric's (DTEE's) sales by 47%! This may be the tip of the iceberg, as DTEE is in discussions for an additional 6 GW of potential data center projects, and Consumers Energy (CECo) has inquiries for 15 GW of new data center load. For comparison, CECo's total system generating capacity is only 5.3 GW. The impact of data centers on Michigan's electric grid will be rapid and huge (Richter direct, 3 TR 568-72).

Only DTEE and MPSC Staff filed rebuttal testimony in the instant case. No party in the instant case rebutted any of the GLREA testimony recorded in 3 TR 563-72.

B. Demand Growth in PJM Has Caused High Residential Rate Increases

The State of Virginia has led data center construction in the US; data centers consumed 40% of the State's electricity in 2025. The entire PJM region has seen explosive growth in power demand and the PJM grid operator has attributed "almost all" of the increase in summer peak demand to data center demand. PJM peak demand was fairly steady for years, but started to see substantial growth in 2024, and the market monitor has repeatedly increased their forecasts of future peak load. In 2024, the price of capacity in the PJM auction increased 833% from the prior year, and an artificial cap was introduced on the price of capacity. The PJM market monitor noted that "data center load growth is the primary reason" for the increase in the auction price of capacity. The market monitor recommended that data centers be required to bring their own new generation to prevent "continued massive wealth transfers," i.e., cost shifting to other customers.

In addition to the increases in the auction price of capacity, PJM has experienced large increases in the price of energy in wholesale auctions. The 2025 energy auctions set an average energy price 51% higher than the prior year. Energy costs are a significant part of the cost of electrical energy service. The market monitor observed that "It is difficult to shield customers from the costs caused by data center load growth in the energy market."

The costs of capacity and energy get allocated to all customer classes. The extreme increases in PJM auction prices have shown up in residential rates. Treating the District of Columbia as a state, of the eight states with the largest increases in retail electric rates, six of them are in the PJM region. Witness Richter presented data that residential increases in the top 10 States ranged from 89.3% in Maryland to 13.6% in Pennsylvania (Richter direct, 3 TR 573-580). After

the submission of testimony, the source of that residential rate data (the EIA) corrected a mistake on the Maryland rate increase (which was based on faulty EIA data) to 17%.[1]

Only DTEE and MPSC Staff filed rebuttal testimony in the instant case. No party in the instant case rebutted any of the GLREA testimony recorded in 3 TR 573-80.

C. Contract Comparison

The GLREA discussed the various customer protections that the Google PSA and CCAA contracts provide. In particular, we discussed the funding of up to 1600 MW of renewable energy, and funding for some storage, the purchase of ZRCs, and participation in a temporary demand response plan. We also discussed the protections of the load off-ramp and the backstop provision. We created a table, providing a direct comparison of the features of the CECo large load tariff approved in U-21859 with the features of the proposed Google PSA and CCAA (Richter direct, 3 TR 581- 4).

II. ARGUMENT

A. The Commission Should Order that Any Payment Deficiency Caused by Customer Default Will Not Be Recoverable from Ratepayers

The GLREA recommended that the Commission restate the position it ordered in U-21990; that if the Customer failed to make payments and the collateral was insufficient, that DTE ratepayers would not bear the shortfall, DTEE would. We explained that this was necessary because of the shear size of the contract, and proper because DTEE did the risk evaluation, set the collateral requirements, and likely has more expertise in financial risk evaluation that the

[1] Maryland Public Service Commission, "U.S. EIA Corrects Maryland Electricity Price Data," June 3, 2026. Accessed on 7/16/26 at: https://psc.maryland.gov/news/2026/u-s-eia-corrects-maryland-electricity-price-data/. And also: https://www.visualcapitalist.com/mapped-where-electricity-prices-jumped-the-most-in-america/

Commission does (Richter direct, 3 TR 585). Staff made the same recommendation (Simpson direct, 3 TR 844 and also Isakson direct, 3 TR 871 and 879). So did the AG (Coppola direct, 3 TR 469).

DTEE responded in rebuttal, stating that "the Company acknowledges that it bears the risk of collateral insufficiency for costs that the Commission ultimately determines in excess of revenues received…" (N.T. Foley, rebuttal, 3 TR 135, lines 1-3).

We appreciate the Company's acknowledgement, but believe that, in the event of this unfortunate scenario (which could occur many years from now) the addition of a direct Commission statement in the order would provide other customers more legal protection than the Company's acknowledgement alone.

The ALJ should recommend, and the Commission should issue, a statement that any payment deficiency by the customer will not be recoverable from ratepayers, but will be borne by DTEE and its shareholders.

B. The Commission Should Deny DTE's Request for Non-Refundable Income Treatment of Customer Payments Related to ZRCs

Under the proposed CCAA, the customer will provide DTEE a specified quantity of ZRCs of capacity, and pay DTEE a fee computed in a manner similar to the financial incentive authorized in MCL 460.1028(8) for Power Purchase Agreements (PPAs) (Foley direct, 3 TR p 116). The Company requested that the Commission allow DTEE to record this fee as "non-refundable income, like it does with the FCM" (Foley direct, 3 TR 116, line 8). The GLREA noted that MCL 460.1028 applies to PPAs or third-party storage contracts, and a gift of ZRCs from a customer does not qualify for the added profit. We recommended that the Commission reject DTEE's request for profitable accounting treatment, and treat the fee as ordinary income (Richter

direct, 3 TR 586-7). Staff made the same recommendation (Naomi direct, 3 TR 843-4), as did the ABATE (Dauphinais direct, 3 TR 525-7).

In rebuttal, the Company states that it is "not suggesting that the accounting treatment be granted pursuant to MCL 460.1028" (Foley rebuttal, 3 TR 156, lines 2-3). In rebuttal, the Company made the following three assertions regarding the accounting treatment they are proposing, which we will respond to in sequence.

1. The ZRC Fee Is Compensation for Lost Opportunity

> "The financial adder is similar in concept to the Financial Compensation Mechanism ("FCM") in that it is intended to account for the opportunity cost of the Company foregoing the development of a company-owned resource. As it is similar in concept with a similar objective, it should receive the same accounting treatment" (Foley rebuttal, p NTF-26-Rebuttal, lines 19-22).

This is a new argument, which the Company has introduced in rebuttal. We have three issues with this this argument.

a. Legislative Intent

The Company offers no support for its assertion regarding the intent of the FCM. The FCM was introduced in 2023 PA 235. PA 235 includes a detailed declaration of its purpose, none of which mentions opportunity cost or the importance of utility-owned assets (see Act No. 235, Section 1). PA235 does not contain the term "opportunity cost" anywhere in its text.

b. Loss of Opportunity

The Company fails to provide any support for its implied assertion that getting free ZRCs from the Customer will result in the Company's loss of the opportunity to own a resource. The Customer could have built on-site generation to supply their own electrical energy, as dozens of data centers are choosing to do.[2] The Company's monopoly status does not grant it a legal right to

[2] Michael Thomas, "Bypassing the Grid: How Data Center Developers Are Building Their Own

own all power generation equipment in its service territory nor to meet all electric power needs in its service territory. Therefore, there is no opportunity cost to "account for."

c. Similarity to Power Purchase Agreement

The Company offers no support for its assertion that charging the customer for buying capacity on the open market and giving it to the Company is "similar in concept" to the Company entering into a PPA with a third-party power supplier. Prior to the passage of PA 235, the FCM for PPAs was optional. In U-20713, The Company sought MPSC approval for an FCM; it made three arguments, two of which were based on the effect of PPAs on the Company's credit rating (U-20713, 4 TR 318-9). PPAs require the Company to make monthly payments which may affect the Company's credit rating. The Customer giving DTEE free ZRCs does not affect the Company's credit rating. These two situations are not similar in concept.

2. The ZRC Fee is Compensation Risk of Default

In rebuttal, the Company defended its request for added profit with this novel new argument:

> "All four intervenors that took a position on the accounting treatment of the financial adder variously argued that the Company should bear the risk of the Customer not fully covering their financial obligations. However, all four also argued that the Company should not be allowed to offset that risk by capturing the benefit of the financial adder that the Customer has agreed to pay.
>
> ...The position taken by intervenors to not allow the Company to offset the risks it is taking by providing service under the special contracts (all while holding other customers harmless) is unreasonable and inequitable" (Foley rebuttal, 3 TR 156, lines 9-20).

First, we note that Commission is under no obligation to provide the Company with profits beyond those provided by law. The law already provides for profits based on the capital base, as

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Power Plants," Clearview, Accessed on 7/16/26 at: https://cleanview.co/reports/behind-the-meter-data-centers

well as incentives for energy waste reduction, demand response, and entering into third party PPAs or storage contracts. The Company cites no legal basis for their claim to unique profits from special contracts. A special contract is not an opportunity to create entirely new sources of profit for the Company. Approval of the Company's proposed accounting treatment would set a very bad precedent. Staff is also concerned about the precedent this would set, and the bad incentive it would create (Simpson direct, 3 TR 844).

Second, any financial risk that the Company is exposed to as a result of these special contracts is of its own making. The Company negotiated the terms and conditions with the customer. The Company negotiated the collateral requirements. The Company could have written more solid collateral requirements. The Company could have, as an example, required an escrow account prefunded with the full amount of the exit fee. It chose not to.

Third, the Company has provided no evidence that the amount of the proposed adder is in any way proportional to the asserted financial risk to the Company, nor did the Company make any attempt to quantify the financial risk they believe they are exposed to. Indeed, the available evidence is the opposite. The Company did not cite risk of default as a justification for the ZRC adder in its direct testimony. Only in rebuttal to four parties recommending rejection of the adder does the Company argue that the adder compensates for default risk; this creates the appearance that this justification was invented after criticisms in testimony. The CCAA contract requires the customer to provide ZRCs for only five years of the contract, though the CCAA continues far longer. In the event of an early default, no adder would have been paid yet. The ZRC fee is not compensation designed to address default risk. The computation of the fee is consistent with the Company's other asserted justification; that the fee compensates the Company for a "lost opportunity" to own additional capacity resources. The value of capacity bears no resemblance to

compensation for risk.

Fourth and finally, we note that these special contracts will provide very significant profits to the Company. The renewable generation and battery assets will all be Company owned, with the customer paying DTEE the profits that they would normally receive for owning assets through the regulatory process. Unlike other assets, once the Commission approves the contracts, it appears that the profits will continue to be paid to the Company without the need for recurring Commission approval in rate cases. In other words, the Company will have no recurring need to show that the assets are "used and useful." The Google contracts are already a very advantageous for the Company without the ZRC adder.

3. There is No Harm to Customers

The Company notes that the profits that the adder would provide would not come from other customers (Foley rebuttal, 3 TR 156). That is true, however, if the requested accounting treatment is denied, the ZRC fee would benefit other ratepayers. The Company's ratepayers are exposed to considerable risk if these contracts are approved. As AG witness Coppola testified, the 80% Minimum Billing Demand (MBD) and the exit payment based on the MBD leave other customers exposed in the event that the customer uses materially less energy than the contract maximum (Coppola direct, 3 TR 472-4). Other ratepayers should be compensated for the risk these contracts expose them to. Unlike the Company, the Company's other ratepayers were not represented in the negotiations that led to the writing of these contracts. The ZRC fee should be collected, but treated as ordinary income, to compensate the other ratepayers for the risk that these contracts expose them to.

The ALJ should recommend rejection, and the Commission should reject, the Company's request for non-refundable income accounting treatment of the ZRC-related fee in the special

contract.

C. The Commission Should Issue the Company a Warning on RPS Compliance

We explained that data centers, by increasing Company sales, increase the amount of renewable energy generation the Company must acquire or contract, and that the tax-break incentive for data centers to join Voluntary Green Pricing (VGP) programs increases the renewable requirement even more. While data centers (generally, and this one in particular) provide revenue to purchase more renewable energy facilities, there exists some kind of limit on how fast new renewable generation can be built and interconnected. In its last IRP, DTEE asserted that it was not feasible to build more than 1,000 MW of renewables per year, from 2026 onward. The Company's Proposed Course of Action (PSA), approved by the Commission in that case, called for an average of 920 MW/year of new renewables over a five-year period. The renewables to be purchased in the special contracts under consideration in the instant case call for an additional 400 - 700 MW/year of new renewables, and the data center at Saline will require similar amounts of additional renewables. There is a very significant risk that the Company will be forced to seek one or more 2-year extension(s) to the RPS date, as provided by MCL 460.1032 (Richter direct, 3 TR 598-600).

In rebuttal, the Company argues that the Customer is funding 1600 MW of renewable energy under the VGP special contract, and that DTE will identify additional resources for compliance in their upcoming IRP and amended REP, that DTEE remains committed to meeting its obligations, and that "such a warning is not warranted and this is not the appropriate forum" (Bilyeu rebuttal, 3 TR 314, lines 16-17).

Firstly, the 1600 MW of renewables that the customer is funding will generate RECs for

the customer; DTE will not be able to use those RECs for RPS compliance, as that would constitute double-counting the RECs. The same Company witness made it very clear earlier in his rebuttal testimony that the RECs from the 1600 MW of renewables will be transferred to the customer for the customer's use (Bilyeu rebuttal, 3 TR 290 – 96). Secondly, we never questioned the Company's commitment to RPS compliance. What we questioned was the Company's ability to comply without seeking an extension of the compliance date. Simply saying it will "identify any additional resources needed for compliance" in a future proceeding (Bilyeu rebuttal, 3 TR 314, lines 12-13) does not demonstrate the ability to get new facilities built in time.

The ALJ should recommend, and the Commission should issue, a warning to the Company that, in any application for an extension to the RPS deadline, the Company must show that it has taken every reasonable and prudent measure to meet the RPS mandate.

D. The Commission Should Order That the Customer Must Comply with Existing and Proposed Standards on Grid Transients

During AI model training, data center load can spike or plunge by hundreds of megawatts in microseconds. These spikes and troughs in demand can be repeated every few seconds. This can introduce harmonics in the waveform of the transmission lines that feed the data center, causing power quality problems for other customers. This problem with data centers has been empirically observed in power monitors near data centers. While large industrial motors can cause similar power quality problems, data centers bring a new scale to the problem, due to their huge loads (Richter direct, 3 TR 588-90 and 3 TR 595-7).

The uninterruptable power supply (UPS) systems on data centers can trip off-grid (onto onsite backup generators) due to small, brief variations in grid voltage or frequency. This happened in Virgina, where grid disturbances lasting only milliseconds caused sixty data centers

using 1,500 MW of power to drop off the grid simultaneously, and stayed off-grid for hours. Hyperscale data centers pose an even greater threat. ERCOT filings show more than 30 similar events in Texas across the last six years. This could result in cascading power failures. ERCOT proposed rules requiring data centers to configure their UPS systems for "ride through" to prevent further incidents, or they will be disconnected from the grid (Richter direct, 3 TR 590-5). After testimony was submitted in the instant case, the Texas PUC approved the proposal and reported that ERCOT "has experienced 28 events involving LCL [large computing load] trips of at least 100 MW due to voltage and frequency excursions since the beginning of 2023. This risk will increase exponentially with the significant growth of LCLs expected in the ERCOT region."[3] We recommended that the Commission take action on interconnect standards, before the data center in Saline Twp. comes fully online (Richter direct, 3 TR 597).

MEI/CEO witness Shaver also expressed concern about operational ramp rates (rapid changes in load) and UPS ride-through. He recommended that DTE implement ramp rate limits and ride-through requirements consistent with proposed MISO requirements, IEEE 2800, and NERC PRC-029. He specifically recommended an operation ramp limit of 30 MW per minute. He recommended that DTE provide finalized operational parameters as an exhibit, and if it does not, that the Commission should deny contract approval until they are provided and justified (Shaver direct, 3 R 750 – 760).

In rebuttal, the Company did not respond to our discussion of transient loads or ride-through. It did, however, respond to MEI/CEO regarding timelines for completion of a stability

[3] Diana DiGangi, "Texas PUC approves 'ride-through' rules for data centers," July 13, 2026. Accessed on 7/17/26 at: https://www.utilitydive.com/news/texas-puc-approves-ride-through-rules-data-centers/825051/

study, and short-circuit and EMT (Electromagnetic Transient) studies. DTEE responded that it does not conduct the stability study or the short-circuit study - ITC and another party conduct those studies. DTEE also said it will complete EMT based transient simulations and estimates, with an estimated completion in the fall of 2026. The Company also responded that DTEE and ITC are engaged with MISO's Large Load Working Group and are holding bi-weekly meetings with MISO and ITC. The Company has provided draft operating parameters in a confidential exhibit, and expects final values only after more months of studies, but before energization of the service (Benyard, 3 TR 454-6).

This is a very serious issue. Specific and enforceable rules need to be in place before either data center (Saline Twp. or Van Buren Twp.) are energized. Some of these rules, such as ramp rates and UPS ride-through settings, will require significant work on the part of the customer to comply; dropping them on the customer shortly before energization would be problematic. We note with alarm that DTEE's response made no specific mention of UPS ride-through requirements, though they might be included in the generic "operating parameters" category. The stakes are high; no one wants cascading power failures. We support witness Shaver's recommendations for specific rules aligned with MISO's proposed, but unadopted requirements; this will prepare the customer for the eventual MISO rules (though they may change in part), minimizing the new rules disruption to the Customer's operations. Delaying contract approval (as recommended by witness Shaver) would be an appropriate lever to ensure these critical matters are addressed before they can become a threat to grid reliability. It would also signal the importance of the issue to the customer.

We would add that we did not see any discussion of the need for power quality and ramp rate monitoring. Without measurement, violations cannot be confirmed. Without measurement, the

rules could be ignored without detection, until a crisis occurs.

The ALJ should recommend, and the Commission should adopt, MEI/CEO witness Shaver's recommendations on operating parameters, including ramp rates and UPS ride-through. Additionally, the ALJ should recommend and the Commission order that the Company shall have power quality monitoring equipment in place to verify the Customer's compliance with the operating parameters.

E. The Commission Should Consider Both Direct and Indirect Impacts on the Cost of Service to Protect Other Customers from Cross Subsidizing Data Centers

We discussed the high concentration of data centers in Virgina, and in the PJM region generally, which has been and continues to drive up annual peak system load. We showed that peak load forecasts for PJM are being revised significantly upward every year. We provided the pricing data showing the dramatic increases in both capacity and energy auction prices. We provided unequivocal quotes from the PJM market monitor that data centers are the cause of the dramatic increases in the capacity auction prices and likely the energy auction prices, and that this is causing a wealth transfer (i.e., customer class cross-subsidy). We showed that residential electric rates in six states in the PJM region exceed the national average, and some state's increases were twice the national average. (Richter direct, 3 TR 573 - 580). No party rebutted this data.

We discussed the alignment of the Company and the Commission on the proposition that other customers must not end up subsidizing data center electrical service. We cited a Bloomberg news detailed analysis of wholesale electricity rates in tens of thousands of locations, and the study's finding that data centers are responsible. We cited a Harvard Law School study which declared that the conventional regulatory approach will impose data center energy costs on the

public, including its recommendation that new data centers be forced to commit to "flexible operations" (i.e. demand response). We showed that demand from data centers, (many of which are building on-site gas-fired power plants) has more than tripled the cost of commissioning a new gas-fired power plant. Transformers and switch-gear are also leaping in cost. We cited a study by Wood MacKenzie of 20 large power users showing that other customers are subsidizing their energy. (Richter direct, 3 TR 600 – 607).

We note that both DTEE and Consumers Energy will be proposing new gas-fired plants. These power plants will cost much more than if data centers were not being built so rapidly and purchasing gas-fired plants themselves. In testimony, we explained that no single data center is responsible for the leap in capacity and energy auction prices, and no single data center is responsible for the sky-rocking cost of gas-fired generation and electrical transformers and other equipment. Rather, it is the combined effect of so much load being added so fast that is causing these price escalations. We noted that only four or five Companies are commissioning most of the data center capacity being built or proposed in the US. We proposed that a separate class be created for large load customers, and a separate rate, with terms and conditions customized to the unique load profile of data centers. We noted that it would violate the regulatory principle of cost-causation if the indirect costs imposed by data centers (higher capacity and energy auction prices, and equipment prices) were spread across customer classes, as they are today. We asked the Commission, in concurrent and future rate cases, to be open to imposing a temporary "scarcity pricing fee" on electrical service to data center customers, until the market adjusts to the new demand levels (Richter direct, 3 TR 607-9).

In rebuttal, the Company opposes the idea of a scarcity fee. The Company points to witness Richter's praise of the Customer's efforts to prevent impact to other customers as

undermining the premise of our proposal (Burgdorf rebuttal, 3 TR 400 – 401). It does not. It appears to us that the customer is perfectly willing to pay all costs that they impose on the grid. This is demonstrated by the backstop provision in the contract. But the customer does not know, and cannot know, the dollar amount of their impact on the grid. That is the responsibility of the regulatory process, and of the MPSC in particular. It is clear from drastic movements in market prices that data center demand is driving up a wide variety of costs. The Company's rebuttal made no counter-argument to our assertion and evidence that data centers are driving up costs. It is the responsibility of the Commission, Staff, and intervenors to quantify those costs to the best of our ability, and to ensure they are paid by the cost-causing customer class.

In rebuttal, the Company calls out witness Richter's note that the costs discussed are indirect, and not caused by a particular data center, but by data center demand across the country and world. (Burgdorf rebuttal 3 TR 401). In traditional ratemaking, costs are not allocated to specific customers; they are allocated to a class of customers. That is precisely what we are suggesting. We acknowledge that the instance case concerns a specific data center's special contracts, and that the "affordability backstop" provision in the contracts requires allocating costs to this specific customer. But this is the second hyperscale data center customer seeking special contracts in Michigan. We believe that changes to the traditional regulatory approach in allocating costs are necessary because of the rapid influx of massive new loads. We assert that this is an appropriate time for the Commission to signal that it is willing to do so, once concrete proposals are presented.

The Company asserts that we made:

> "…no attempt to identify the requisite causal relationship between the Customer and the alleged indirect costs. Nor has Witness Richter provided any evidence that the Company's agreements with the Customer have or will increase prices of

power equipment or MISO energy can capacity." (Burgdorf rebuttal, 3 TR 402, lines 20-23).

The first assertion is incorrect. We clearly provided evidence, citing multiple expert sources, that data center demand is driving up capacity and energy auction prices and equipment costs. This customer will build one more data center adding to that demand. The Company's second assertion is tricky; we did not show that the Company's agreements with the customer will do anything. We showed that the massive load increases of data centers, taken together as a group, have significantly increased demand for energy and the equipment necessary to generate and delivery it, which has been shown (in other jurisdictions) to drive up capacity and energy auction prices. The Company's focus on the contracts proposed in this case is appropriate, as those contracts are the subject of this case. Our concern is that looking at one data center customer at a time will not reveal the full impact of this customer group. This is the Company's second data center customer with special contracts, and there may be more after this. As we said, "We must not become so fixated on each data center 'tree' that we fail to notice the data center 'forest'" (Richter direct, p 607, lines 15-6).

Finally, the Company asserts that we did not make an actual proposal for the Commission to evaluate (Burgdorf rebuttal, 3 TR 402). That is true. In response to the Company's criticism, we hereby request that the Commission's order include a *statement* that the Commission will consider and weigh evidence concerning the manner in which both direct and indirect costs of providing data centers' energy service will affect the utility's cost of service and to impose remedies to protect other customers from cross-subsidizing data centers, and to require the recovery of those costs from data center customers as a group or customer class in concurrent and future proceedings. Such a statement will give future data centers fair notice that electric rates in the future may differ significantly from those today, and will encourage intervenors to consider the

broader cost impacts of data centers as a group and make specific recommendations for cost recovery.

F. The Commission Should Require Quarterly Reporting During the Customer's Ramp Up Period

In our table comparing the proposed contracts with the orders in U-21859 (Consumers Energy Large Load Tariff) and U-21900 (Special contracts for Oracle data center), we identified a glaring deficiency in reporting requirements (Richter direct, 3 TR 584). Witnesses Simpson, Coppola, Kenworthy and Hotaling also made reporting recommendations. We recommended that the Commission require the same reporting requirements in this case as they did in U-21990 (Richter direct 3 TR 586).

In rebuttal, the Company provides a table of recommendations made by witnesses in direct testimony, and declared specific annual reporting that the Company will provide, noting that much of data will be confidential (Foley rebuttal, 3 TR 151-3). The Company specifically objects to the recommendation of Staff and the GLREA for quarterly reporting, and our recommendation for an "Assessment of the financial state of the Customer" (Ibid, 154). The Company asserts that "Except during the Customer's ramp period, the information provided in the recommended report is not expected to change meaningfully, and even during the ramp period, the value of receiving this information every three months is unclear." (Ibid, 153-4 lines 23-25 and 1-2 respectively). We agree that important data changes much more quickly during the ramp period. We assert that reporting how much energy the customer is buying during the ramp period would provide a leading indicator of the Company's progress towards meeting its schedule and making use of its contracted capacity. Therefore, we modify our request for quarterly reporting to be limited in duration to the Customer's ramp period, and to report only on the Customer's energy consumption.

III. CONCLUSION

The GLREA summarizes its key recommendations in this case, as follows:

1. The ALJ should recommend and the Commission should order that any payment deficiency caused by customer default will not be recoverable from ratepayers.

2. The ALJ should recommend and the Commission should order the denial of the Company's request for non-refundable income treatment of customer payments related to ZRCs. These revenues should be considered general income.

3. The ALJ should recommend and the Commission should issue the Company a RPS Compliance warning.

4. The ALJ should recommend and the Commission should order that the Customer must operate their system in compliance with certain existing and proposed standards on grid transients.

5. The ALJ should recommend and Commission should declare that the Commission will consider and weigh evidence concerning the manner in which both direct and indirect costs of providing data centers' energy service will affect the utility's cost of service and to impose remedies to protect other customers from cross-subsidizing data centers, and to require the recovery of those costs from data center customers as a group or customer class in concurrent and future proceedings.

6. The ALJ should recommend and the Commission should require the Company to provide quarterly reporting of customer energy use during the customer's ramp up period.

Respectfully submitted,

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PROOF OF SERVICE

Carol A. Dane says that on **July 20, 2026**, she served a copy of **Initial Brief of the Great Lakes Renewable Energy Association** upon the following parties via email:

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The statements above are true to the best of my knowledge, information and belief.

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