Troposphere Legal
420 East Front Street
Traverse City, Michigan 49686
231.709.4000
TroposphereLegal.com

July 20, 2026

Ms. Lisa Felice
Michigan Public Service Commission
7109 W. Saginaw Hwy.
Lansing, MI 48909

Via E-File

RE: MPSC Case No. U-22058

Dear Ms. Felice:

Attached please find the enclosed documents for filing:

- Public Initial Brief by Michigan Environmental Council, Natural Resources Defense Council, and Sierra Club; and
- Proof of Service.
- Please note that there is a confidential version of this Initial Brief filed under seal and will only be served to those with an executed non-disclosure certificate pursuant to the Protective Order.

Thank you for your assistance in this matter. If you have any questions, please feel free to contact me.

Sincerely,

Holly L. Hillyer

Digitally signed by Holly Hillyer
Date: 2026.07.20 15:12:14 -04'00'

Holly L. Hillyer
holly@tropospherelegal.com

CC: Parties to Case No. U-22058

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 BY

MICHIGAN ENVIRONMENTAL COUNCIL,
NATURAL RESOURCES DEFENSE COUNCIL, AND SIERRA CLUB

PUBLIC VERSION

July 20, 2026

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I. INTRODUCTION

DTE Electric Company (DTE or the Company) seeks expedited approval of a Primary Supply Agreement (PSA) and a Clean Capacity Accelerator Agreement (CCAA) (together, the Special Contracts) executed between DTE and Google LLC (Google or the Customer). This proceeding has significant cost and energy supply implications as the Special Contracts would govern electric service for a data center with an anticipated peak of 1 gigawatt (GW) over a 20-year contract. Google's load is anticipated to come online during a crucial period of increased obligations for DTE under Public Act 235, which requires all Michigan electric providers to achieve a renewable energy credit (REC) portfolio of 50% by 2030 and 60% by 2035. Thus, these Special Contracts have serious consequences on both potential costs to other ratepayers and DTE's compliance with the state's renewable energy commitments.

The Michigan Environmental Council, Natural Resources Defense Council, and Sierra Club (MNS) submit this brief to address issues with the Special Contracts and DTE's application and related testimony, and to provide the following recommendations.

1. DTE's estimate that the Special Contracts will provide other ratepayers \$1.7 billion in benefit is inflated for multiple reasons outlined below. <u>The Commission should not find that the Special Contracts will result in DTE's claimed benefit.</u>
2. DTE's "affordability backstop" provision is untested, unclear, and unwieldy, and does not properly safeguard other ratepayers from bearing the costs of Google's load on DTE's system. <u>The issues identified by MNS below support a careful evaluation in the ongoing rate case of direct assignment of incremental costs rather than the flawed affordability backstop approach.</u>

3. While DTE selects a proxy resource solely for the purpose of a benefit analysis in this proceeding, it incorporates several purported benefits of this resource in its testimony. The Commission should not endorse those purported benefits and should affirm that the need for additional generation capacity be identified through a rigorous and objective analysis in the upcoming Integrated Resource Plan (IRP) proceeding.
4. The CCAA requires only that DTE develop "up to" certain amounts of renewables and battery storage to be paid for by Google, leaving open the potential for far less than 1.6 GW of renewables and 450 megawatts (MW) of storage to be deployed under the CCAA. The Commission should condition any approval of the Special Contracts on DTE deploying the full amount of renewable energy and storage resource capacity contemplated by the CCAA at Google's expense and further should not endorse DTE's erroneous claim that Google will then be served with 100% renewable energy.
5. Google's load requires deployment of a significant amount of renewable energy resources for DTE to maintain compliance with Michigan's renewable portfolio standard (RPS), and DTE has not conducted any meaningful assessment of the feasibility of its required build amounts. The Commission should direct DTE to take specific actions to help ensure the Company meets its stated renewable energy goals.

II. LEGAL STANDARDS

"The approval of special contracts 'requires an evaluation of the public interest.'"[1] The Commission has consistently approved special contracts that are reasonable and in the public

[1] Case No. U-21990, Order, December 18, 2025, p 32 (quoting Case No. U-10646, Order, March 23, 1995, p 18, n8).

interest.[2] The Commission has withheld approval of contracts containing provisions that are not in the public interest.[3]

In Case No. U-21859, which concerned Consumers Energy Company's application for approval of the addition of a data center provision to its General Primary Demand Rate, the Commission emphasized the importance of the cost causation principle: "A core tenet of ratemaking is that customers are responsible for the costs they impose on the system and the costs required to serve them. Residential, commercial, and other industrial customers should not have to pay for investments driven solely by large load additions." [4] Accordingly, the Commission directed Consumers to "clearly demonstrate[]" that, for each large load customer taking service under the newly amended tariff, "costs caused by the interconnecting large load customer . . . are not being paid for by other customers" and required that an application for approval of a special contract with a such a customer "include a showing that the full costs of serving the large load customer are paid for by that customer under the provisions of the special contract."[5]

The applicant in a Commission case bears the burden of proving by a preponderance of the evidence that it is entitled to the relief requested.[6] The Commission may find even uncontradicted

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[2] *See, e.g.*, Case No. U-11153, Order, September 12, 1996, p 4 ("The Commission concludes that it should approve the contract as reasonable and in the public interest.").

[3] *See, e.g.*, Case No. U-13050, Order, July 10, 2002, p 9 (finding that "[p]rovisions of the special contract are not in the public interest and should not be approved").

[4] Case No. U-21859, Order, November 6, 2025, p 116.

[5] *Id.* at 117.

[6] *Dillon v Lapeer State Home & Training School,* 364 Mich 1, 8 (1961) (standard of proof in administrative proceeding is preponderance of the evidence); *Blue Cross & Blue Shield v Milliken*, 422 Mich 1, 89 (1985) (party asserting claim in administrative proceedings bears burden of persuasion); Case No. U-7484, Order, August 30, 1983, p 10; Case No. U-8030-R, Order, July 9, 1987, pp 16-17 (applicant bears burden of proving reasonableness and prudence); Case No. U-18419, Order, July 24, 2018, p 6 ("Though the burden of going forward shifts between parties as a proceeding progresses, the burden of proof never shifts away from the applicant.").

evidence insufficient to satisfy an applicant's burden.[7] When the burden of proving a fact falls on one party, the other party does not have the burden of proving the opposite fact.[8] Commission decisions must be supported by competent, material, and substantial evidence on the record as a whole.[9]

<u>Public Act 235 Requirements</u>

Public Act 295 of 2008 required rate-regulated electric providers[10] to meet a renewable energy standard corresponding to 10% of their retail electricity sales, through the development of a renewable energy credit (REC) portfolio. Public Act 342 of 2016 increased the renewable energy standard to require a REC portfolio corresponding to 15% of retail sales.

Public Act 235 of 2023 increased the renewable energy standard again, requiring providers to achieve a REC portfolio of 50% of retail sales by 2030 and 60% by 2035.[11] REC portfolios correspond to the amount of electricity generated using renewable energy systems, plus incentive RECs and other credits authorized by the statute.[12] Sales of electricity to customers participating in a provider's voluntary green pricing (VGP) program, which allows customers to specify how much of their electricity will be renewable energy, are subtracted from the provider's total retail

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[7] *Woodin v Durfee,* 46 Mich 424, 427 (1881) ("A jury may disbelieve the most positive evidence, even when it stands uncontradicted."); *Cuttle v Concordia Mut Fire Ins Co,* 295 Mich 514, 519 (1940) (uncontradicted testimony not conclusive); Case No. U-18014, Order, January 31, 2017, p 8 (presentation of substantial evidence supporting proposal "does not make the reasonableness and prudence of that proposal a foregone conclusion").

[8] *S C Gary, Inc v Ford Motor Co,* 92 Mich App 789, 803-804 (1979).

[9] *Consumers Power Co v. Pub Serv Com*, 181 Mich. App. 261, 266 (1989); Mich Admin Code R 792.10133(2).

[10] Henceforth, "providers." Different provisions apply to municipal electric utilities and cooperatives that are not relevant here.

[11] MCL 460.1028(1) and (2).

[12] MCL 460.1011(d) (definition of RECs); MCL 460.1039 (calculation of RECs and incentive RECs); MCL 460.1028(7) energy waste reduction credits.

sales before making these percentage calculations, and the provider receives no RECs from renewable electricity used to serve VGP customers.[13]

III. ARGUMENT

A. The Commission should not find that the Special Contracts will result in DTE's claimed $1.7 billion benefit.

DTE's application asserts that the Special Contracts are expected to generate an estimated $1.7 billion of benefit for other customers.[14] As a threshold issue, the expedited nature of this Special Contracts proceeding has provided limited opportunity for robust, independent, third-party expert review of DTE's estimated customer costs and benefits.[15] Further, as described in this section, this oft-quoted number of $1.7 billion is based on faulty assumptions and extrapolations that overestimate benefits, underestimate costs, and unreasonably credit Google with avoided costs. As such, DTE's benefit claim should not be endorsed by the Commission or relied upon in its evaluation of whether the Special Contracts are reasonable and in the public interest.

1. DTE's analysis overestimates "Base Sales Benefit."

DTE witness Aaron Willis estimated that the "Base Sales Benefit" from Google's additional load will result in a $4.85 billion benefit.[16] As an initial matter, DTE derived this figure through a simplistic, non-rigorous methodology—rather than modeling system costs and revenues for each year of the contract term, DTE essentially added Google's load to its 2025 cost of service

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[13] MCL 460.1028(2)(b)(i); MCL 460.1061; MCL 460.1039(1)(b).

[14] Direct Testimony of Aaron Willis, 3 Tr 408.

[15] Direct Testimony of Bryndis A. Woods, 3 Tr 626.

[16] Willis Direct, 3 Tr 411.

model and increased the results by 1.5% per year for twenty years.[17] In addition to the rudimentary nature of this approach, the benefit calculation is also based on certain assumptions that unreasonably inflate the potential benefit.

First, the "Base Sales Benefit" calculation assumes that Google's load is at full ramp and a 90% load factor.[18] As MNS witness Bryndis Woods testified, this assumption represents an "exceptionally efficient utilization" that "has not been realized among existing data centers in the United States."[19] The PSA itself establishes a minimum billing demand of only 80% of the contract capacity applicable for a billing period; thus Google is neither likely nor obligated to reach the 90% load factor assumed for the "Base Sales Benefit."[20] Accordingly, if Google's load factor is less than 90%, the "Base Sales Benefit" will be overestimated compared to any actual benefit, as lower load would lead to lower actual sales.[21]

Second, the "Base Sales Benefit" assumes that the D11 rate schedule will have an annual 1.5% rate increase for the life of the PSA.[22] As Staff witness David Isakson noted, it is "not reasonable to assume increasing revenues from Google without considering that those revenues are actually increasing to offset new cost recovery."[23] Should Google's load not increase costs, as DTE continuously asserts, rates and the revenue from Google should also not increase. When recalculated without the static 1.5% rate increase, the purported benefit of the Special Contracts

[17] Willis Direct, 3 Tr 414.

[18] Willis Direct, 3 Tr 412.

[19] Woods Direct, 3 Tr 627 (citing 2025 study by Energy and Environmental Economics, Inc.).

[20] Woods Direct, 3 Tr 627 (citing Direct Testimony of Neal T. Foley, 3 Tr 97).

[21] Woods Direct, 3 Tr 627.

[22] Willis Direct, 3 Tr 414.

[23] Direct Testimony of David W. Isakson, 3 Tr 858.

was nearly halved.[24] Here, again, DTE potentially overestimates the "Base Sales Benefit" compared to the potential actual benefit.

Third, ABATE witness James Dauphinais also pointed out that DTE presented the overall net benefit analysis "in nominal dollars rather than on a present value basis more typically used for IRP analysis and which DTE itself used in Exhibit A-15."[25] Witness Dauphinais further noted that, when calculated on a net present values basis with a discount rate of 7.05%, the purported overall net benefit was reduced from $1.7 billion to approximately $1.0 billion.[26] MEI-CEO witness William Kenworthy echoed this critique of the use of nominal dollars in DTE's analysis.[27]

As described above, multiple and compounding factors affect the "Base Sales Benefit," rendering it likely to be an overestimation of the benefit of Google's load.

2. DTE's analysis improperly includes "Avoided Costs."

In addition to the purported direct benefits of Google's load addressed above, witness Willis further included "Avoided Costs" of reducing renewable compliance builds in the $1.7 billion benefit, which he attributed to Google.[28] The amount of "Avoided Costs" is not identified explicitly, but is included in the purported benefit to incremental Power Supply Cost Recovery (PSCR) charges.[29] In explaining how DTE determined "Avoided Costs," witness Willis referred to the testimony of DTE witness Kevin Bilyeu, who contended that the "1.6 GW supporting the Customer's VGP Special Contract . . . enabl[es] a 250 MW reduction by 2034" of DTE's planned

[24] Isakson Direct, 3 Tr 858.

[25] Direct Testimony of James R. Dauphinais, 3 Tr 540.

[26] Dauphinais Direct, 3 Tr 540-541.

[27] Direct Testimony of William D. Kenworthy, 3 Tr 678.

[28] Willis Direct, 3 Tr 410-411.

[29] Willis Direct, 3 Tr 410 and 411.

build under its current Renewable Energy Plan (REP),[30] or 200 MW in 2033 and 50 MW in 2034.[31] This assumption that the Special Contracts lead to a 250 MW reduction and thus provide an avoided cost is unsupported by the record.

At the most basic level, the Special Contracts with Google *increase* DTE's requirements under the RPS. Google has requested that DTE build "up to" 1.6 GW of renewable energy projects through the VGP program, thus removing 40% of its load from DTE's RPS obligations.[32] However, that leaves 60% of Google's load subject to the RPS; witness Bilyeu thus calculated that Google's load increases DTE's RPS target by 10.8%.[33] When asked how the addition of Google affects the amount of RECs needed for compliance with the RPS, witness Bilyeu further conceded that Google's load "requir[es] an increase in the RECs needed for the RPS target."[34] While Google is paying for "up to" 1.6 GW of renewable energy, this amount only *reduces the increase* in the number of RECs DTE needs.[35] That 1.6 GW of renewable energy does not increase the number of RECs that the Company has available to serve the 60% of non-VGP load that Google would be adding to the system.[36] Thus, DTE's hand-waving attempts to explain how the Special Contracts can somehow result in an overall reduction in DTE's required renewable builds are unavailing.

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[30] Direct Testimony of Kevin L. Bilyeu, 3 Tr 287.

[31] Bilyeu Direct, 3 Tr 283.

[32] Bilyeu Direct, 3 Tr 279.

[33] Bilyeu Direct, 3 Tr 283.

[34] Cross Examination of Kevin L. Bilyeu, 3 Tr 336.

[35] Bilyeu Cross, 3 Tr 333 (Q: . . . inclusion of 40% of the Google Data Center load in the VGP Program reduces the extent to which adding Google increases your REC requirements, correct? A: That's correct.).

[36] *Id*. at 327 ("We do not retire RECs to count towards RPS compliance that are from the VGP program."); *see also* MCL 460.1039(1)(b) ("A renewable energy credit shall not be granted for renewable energy the renewable attributes of which are used by an electric provider in a commission-approved voluntary renewable energy program.").

Witness Bilyeu contended that the 250 MW reduction in renewable build is supported by the fact that the Company is projected to "maintain a surplus of RECs" even with the addition of the Google load.[37] That projected surplus is shown in the annual REC ending balances found in line 37 of Exhibit A-2, which is the Renewable Portfolio Standard Compliance Summary provided by witness Bilyeu. Exhibit A-2 projects that in the scenario with the Google data center online, the Company's ending year REC balance would drop from nearly 6.8 million in 2030 to less than 700,000 in 2032, and remain below 6 million in each year through 2037.[38] By contrast, the RPS Compliance Summary that witness Bilyeu sponsored in the Amended REP case, U-21662, projected an ending year REC balance of approximately 15.7 million in 2030 increasing every year to more than 49.5 million in 2037.[39] One of the reasons that the projected REC surplus is so much smaller in the present case than under the Amended REP is the addition of the non-VGP Google load without any additional renewables to serve that load. It strains credulity to suggest that because a small projected surplus remains in this proceeding, Google can somehow be credited with the reduction of 250 MW of renewable builds that were selected in the face of the much larger projected surpluses found in the Amended REP proceeding.

Finally, it is important to note that the REC surplus shown in Line 37 of Exhibit A-2 is due to an assumed 1.8 GW of renewables for the Oracle data center for which contracts were approved in U-21990, *not* the renewables to be deployed under the CCAA. In discovery, DTE produced an expanded version of Exhibit A-2, which has been admitted into evidence as Exhibit MEC-28, that showed how the annual REC ending balances in Line 37 were calculated. At the hearing, witness

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[37] Bilyeu Cross, 3 Tr 334; *see also* Bilyeu Direct, 3 Tr 283.

[38] Exhibit A-2, line 37.

[39] Exhibit MEC-29, U-21662 Exhibit A-2 REP Summary, p 2 line 26 and p 3 line 26.

Bilyeu explained that Line 29 of Exhibit MEC-28 showed the projected annual REC ending balances for a scenario in which only the Amended REP builds occur but both the Google and Oracle data centers come online.[40] In that scenario, DTE projected REC deficits for each of the years 2031 through 2041.[41] Line 45 of Exhibit MEC-28 shows projected annual REC ending balances in a scenario in which both the Google and Oracle data centers come online with the accompanying renewable energy builds shown in Exhibit MEC-10.[42] Line 45 of Exhibit MEC-28 (which is the same as Line 37 of Exhibit A-2) projects the REC surpluses that witness Bilyeu identified as a reason for the 250 MW reduction in renewable build. At the hearing, witness Bilyeu conceded that the difference between the two scenarios was an assumption of 1.8 GW of renewables to be built for the Oracle data center:

> **Q.** So the primary difference between the REC deficit shown in line 29 and the surpluses shown in line 45 is the additional RECs -- the additional 1.8 gigawatt of renewables assumed for Oracle, correct?
>
> **A.** That's correct.[43]

It is unclear on this record why witness Bilyeu assumed 1.8 GW of renewable energy for the Oracle data center in this proceeding when he assumed only 443 MW in his Renewable Portfolio Standard Compliance Summary in U-21990.[44] Regardless, the record is clear that it is the assumption of 1.8

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[40] Bilyeu Cross, 3 Tr 331-32.

[41] *Id*. at 332, citing Exhibit MEC-28, Company Response to U-22058-CEOMEIBCIEIDE-3.2 + Att, p 2, line 29.

[42] Bilyeu Cross, 3 Tr 332.

[43] Bilyeu Cross, 3 Tr 333. At the hearing, witness Bilyeu claimed multiple times that Google's decision to enroll 40% of its load in the VGP program reduced DTE's RPS compliance requirement and, therefore, was a factor in the shift between a REC deficit shown in Line 29 of Exhibit MEC-28 and the REC surplus shown in Line 45. Bilyeu Cross, 3 Tr 332-335. In reality, the annual REC ending balances shown in Lines 29 and 45 were both calculated from the same RPS compliance requirement which factored in Google's VGP enrollment. *Compare* Lines 27 and 43 of Exhibit MEC-28.

[44] Bilyeu Cross, 3 Tr 337, 340; Exhibit MEC-30, U-21990 Ex. A-3 Renewable Portfolio Compliance Summary.

GW of renewables for Oracle, not the Special Contracts with Google in this proceeding, that helped lead to the REC surplus projection here.

Thus, the benefit analysis for the Special Contracts improperly includes "Avoided Costs" of 250 MW of renewable energy projects as a benefit of serving Google's load, when, in fact, Google's load increases DTE's costs for RPS compliance.

3. DTE's analysis underestimates "Costs."

Furthermore, the $1.7 billion benefit to other customers does not include all potential costs and likely underestimates the costs of adding Google's load.

For example, as described by DTE witness Shawn Burgdorf, Google's impact on power supply costs are based in part on "transmission cost assumptions associated with the Customer's load."[45] Those transmission cost assumptions are described by DTE witness Steven Benyard and are currently estimated at $308 million.[46] However, as witness Benyard noted, stability studies for the transmission projects necessary to connect Google's load are ongoing.[47] The incompleteness of the analysis of the transmission impacts of the Google project creates the potential for additional transmission costs. [redacted] The potential costs from projects identified by stability studies are currently not included in the benefit analysis.

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[45] Direct Testimony of Shawn D. Burgdorf, 3 Tr 384.

[46] Direct Testimony of Steven N. Benyard, 3 Tr 449.

[47] Rebuttal Testimony of Steven N. Benyard, 3 Tr 454.

[48] [redacted]

Second, as noted above, Google's load increases DTE's RPS obligations. In particular, Google's non-VGP load is projected to add between 2.3 million and 2.9 million RECs per year to DTE's RPS compliance requirements in every year from 2032 through 2045.[49] Despite this reality, DTE nevertheless insists that there are no incremental renewable energy costs from serving the Google data center and that no additional renewable energy projects will be needed to serve the non-VGP Google load.[50] This is only possible because of DTE's REC surplus.[51] Witness Bilyeu conceded at hearing that DTE could serve Google's load using banked RECs, some of which were created before Google will begin paying PSCR costs.[52] Even though other customers paid for these RECs, DTE does not consider their retirement an incremental cost of serving Google[53] and does not account for them as a cost of serving Google's load in its benefit analysis, which further calls into doubt DTE's claimed $1.7 billion benefit from the Special Contracts.

In addition, DTE's assertions that it can rely on banked RECs in lieu of additional renewable generation to serve the non-VGP Google load are difficult to reconcile, especially given that: (a) this proceeding comes on the heels of claims in U-21990 that, thanks to banked RECs, only 443 MW (now apparently 1.8 GW) of renewables will be needed to ensure RPS compliance after the addition of the 1.4 GW Oracle data center,[54] and (b) DTE's REC bank has been declining[55] even before any of the significant increase in load from the Google or Oracle projects materializes.

[49] Calculated as the difference between lines 34 and 35 in Exhibit A-2. Notably the same calculation shows that before the full VGP build under the CCAA is expected to come online, the number of RECs needed to serve non-VGP load from Google is projected to be approximately 3.9 million and 3.4 million in 2030 and 2031, respectively.

[50] Bilyeu Cross, 3 Tr 343, 347.

[51] Bilyeu Cross, 3 Tr 343; Bilyeu Direct, 3 Tr 283.

[52] Bilyeu Cross, 3 Tr 345.

[53] Bilyeu Cross, 3 Tr 345.

[54] Woods Direct, 3 Tr 647 (quoting Exhibit MEC-14, Company Response to U-22058-MNS 2.12a).

[55] Woods Direct, 3 Tr 649-650, and Figure 3.

At a minimum, DTE's ability to achieve RPS compliance with the addition of the Google load but with no non-VGP renewable additions or incremental costs to other ratepayers needs to be carefully scrutinized. In the likely event that DTE will need to deploy additional renewable generation to meet increased RPS obligations from serving Google's load, the Commission should attribute the costs of those renewable energy projects to Google.

The above unaccounted-for costs throw considerable doubt on the purported $1.7 billion benefit of the Special Contracts.

4. DTE has not carried out a full analysis of resource needs caused by Google's load.

Finally, DTE's costs are based on the hypothetical addition of a 727 MW combined cycle gas turbine (CCGT) with carbon capture and sequestration (CCS) to fill the projected resource inadequacy caused by Google's load.[56] DTE intends to conduct an analysis during IRP proceedings to determine the full extent of additional resources needed to serve Google's load.[57] DTE's current benefit analysis is thus far too preliminary to be relied upon, as DTE has not conducted fulsome IRP modeling of need created by the addition of Google's load to DTE's system nor of the resources that would be selected to serve that need.

The faulty assumptions, improper inclusions of avoided costs and exclusions of costs, and the level of uncertainty associated with DTE's benefit analysis all compound to throw considerable doubt on the $1.7 billion benefit espoused by DTE—"there are too many unknowns."[58] Therefore, the Commission should not find that the Special Contracts will result in DTE's claimed benefit.

[56] Burgdorf Direct, 3 Tr 377; Direct Testimony of Justin J. W. Brooks, 3 Tr 440; Willis Direct, 3 Tr 411.

[57] Foley Cross, 3 Tr 243-244.

[58] Woods Direct, 3 Tr 623.

B. DTE's affordability backstop approach is fundamentally flawed, counseling instead toward a careful evaluation in the ongoing rate case of direct assignment of the incremental costs of serving Google.

In its November 6, 2025, order in U-21859, the Commission ordered that "[a]n application for approval of any special contract shall also include a showing that the full costs of serving the large load customer are paid for by that customer under the provisions of the special contract."[59] DTE's proposed method to comply with the Commission's order in this proceeding is the "affordability backstop" provision. In his Direct Testimony, Witness Foley described the "affordability backstop" provision in the PSA (Section 5.1.3) as an analysis that compares "aggregate benefits, including revenues received from the Customer and avoided costs realized through the Contracts" to the "costs of serving the Customer's load."[60] The analysis will be presented during rate and PSCR proceedings[61] and, if the Commission (1) issues a ruling or order determining that the costs to serve Google exceed the combined revenues paid or payable to DTE or (2) disallows DTE's recovery of costs attributable to Google, Google agrees to comply with any such order and, if applicable, reimburse DTE for unrecovered costs.[62]

As described below, the affordability backstop concept relies on the same faulty assumptions described in the previous section, is untested and unclear, and will require continuous and complicated efforts by Staff, intervenors, and the Commission to untangle.

First, the affordability backstop concept, just like DTE's analysis for the $1.7 billion benefit, appears to improperly include the "Avoided Costs" of 250 MW of renewable energy

[59] Case No. U-21859, Order, November 6, 2025, p 117.

[60] Foley Direct, 3 Tr 103.

[61] Foley Rebuttal, 3 Tr 144, 153.

[62] Foley Direct, 3 Tr 104 (citing PSA Section 5.1.3).

projects[63] and does not include costs associated with using banked RECs paid for by other customers. And, while witness Foley testified that the affordability backstop would include "[t]he revenue requirement of renewable energy projects deployed to meet the Company's Renewable Portfolio Standard (RPS) obligations not covered by the CCAA,"[64] as discussed above, DTE's assertion that it does not anticipate any such costs[65] raises concerns as to whether DTE will properly attribute additional renewable energy costs caused by Google's load to Google.

Second, witness Foley acknowledged that DTE has not previously employed the affordability backstop concept, has not executed it in practice,[66] and has not developed the form of how it will be presented in future proceedings.[67] It is thus unclear what will be included in the affordability backstop analysis, whether and how DTE will record and present such information, and the extent to which the Company will seek to hinder or foreclose the ability of interested parties to review and evaluate the information and assumptions upon which such analysis is based. For example, witness Foley, who was involved in the development of the affordability backstop provision in particular,[68] includes "the revenue requirement of renewable energy projects deployed to meet the Company's [RPS] obligations not covered by the CCAA" as a category of costs for the affordability backstop analysis.[69] When asked to describe how DTE would calculate such costs, witness Foley referred the issue to witness Bilyeu.[70] When asked whether and how incremental

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[63] Foley Rebuttal, 3 Tr 144.

[64] Foley Rebuttal, 3 Tr 143.

[65] Bilyeu Cross, 3 Tr 343, 346.

[66] Foley Cross, 3 Tr 232.

[67] Foley Cross, 3 Tr 257.

[68] Foley Cross, 3 Tr 173.

[69] Foley Rebuttal, 3 Tr 143.

[70] Foley Cross, 3 Tr 241.

cost from additional renewable energy generation would be reflected in the affordability backstop analysis, witness Bilyeu noted that he was "not the affordability . . . witness."[71] Only when asked to speak in general terms about how DTE would calculate incremental costs for renewable energy projects did witness Bilyeu respond:

> The thing that makes this question challenging is that it depends on the circumstances, like what is causing the deficiency in the RECs; is it an industry, is it a market thing that would apply to everything, and why isn't there a surplus of RECs, or why would there be incremental need. . . ."[72]

If the process for determining costs under the affordability backstop analysis is so "challenging," it will require a great deal of effort to review such costs on a regular basis to ensure all costs of serving Google are properly accounted for.

Third, even for costs that there is little dispute can be attributed to Google, DTE instead adds such costs meant exclusively to serve Google to the rate base. Under the Special Contracts and the Line Extension Agreement with Google, if there are distribution costs greater than $50 million to connect Google, those costs will be added to the rate base to be paid for by all customers.[73] DTE intends to include such additional costs in the affordability backstop analysis,[74] adding another factor for Staff, intervenors, and the Commission to keep track of in an already convoluted process. As witness Woods testifies, Google should instead "pay[] all electric

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[71] Bilyeu Cross, 3 Tr 347; *see also* 3 Tr 343 ("Q: Is it your understanding that if there were incremental renewable energy costs to serve the Google Data Center that were not covered by the CCAA, those would be reflected in the affordability analysis? A: Is the question like a hypothetical, if that were to happen within it, or are we saying that is there any incremental – Q: Hypothetical, if there is. A: I don't know, I'm not the affordability witness, I don't know if I could respond to that.")

[72] Bilyeu Cross, 3 Tr 349.

[73] Benyard Direct, 3 Tr 450-451.

[74] Foley Cross, 3 Tr 252.

infrastructure costs required to connect Google's data center without any cap and prohibit DTE from recovering any of these costs from non-data center customers."[75]

The lack of clarity and transparency around how the affordability backstop would be calculated and implemented counsels in favor of a careful evaluation in the rate case of potentially more transparent and straightforward cost allocation methods, including direct assignment to Google of the incremental costs of serving it. In the interim, the Commission should require the following to strengthen the affordability backstop provision.

- RPS compliance costs – Rather than using the "challenging" approach identified by witness Bilyeu of identifying potential incremental RPS compliance costs associated with Google's load,[76] DTE should provide in its next IRP and REP proceedings a comparison of renewable energy resources necessary to meet RPS obligations without Google's non-VGP load and the resources needed with Google's non-VGP load. The revenue requirement of the difference in resources should be attributed to Google in the affordability backstop.
- "Avoided costs" – The Commission should require that avoided costs can be credited to Google only upon a showing that such cost avoidance is directly attributable to the addition of Google. As discussed previously, the Commission should also make clear that no such showing has been or could be made with regards to the 250 MW of renewable energy builds in 2033 and 2034 that DTE claims are avoidable.

[75] Woods Direct, 3 Tr 628.

[76] Bilyeu Cross, 3 Tr 349.

- Transmission costs – MNS supports the additional transmission cost reporting recommendations of MEI-CEO witness Kenworthy and Attorney General witness Sebastian Coppola.[77]
- Distribution costs – Google should pay all distribution-related costs for interconnection without the $50 million cap.[78]
- Generation costs – DTE currently plans to compare the resources selected with Google's load to resources selected without Google's load during IRP proceedings.[79] The revenue requirement of the additional resources selected with Google's load will be included in the affordability backstop.[80] MNS agrees with this general approach, but reserves the right to challenge its application in upcoming proceedings.

Further, under the PSA, Google is not required to switch to a different rate schedule should the Commission subsequently approve a rate that would otherwise apply to Google and similarly-situated large loads.[81] Google may do so voluntarily, or the Commission may order that Google do

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[77] Kenworthy Direct, 3 Tr 687-688 ("report: (1) the actual ITC transmission upgrade costs associated with serving the Customer; 1 (2) how those costs are recovered through MISO schedules and reflected in PSCR; (3) the portion of those costs paid by the customer through D11 and PSCR charges; (4) the effect of the Customer's load on transmission billing determinants and unit costs; and (5) whether, after accounting for both incremental costs and revenues, other customers are held harmless."); Direct Testimony of Sebastian Coppola, 3 Tr 485 ("the transmission capital costs related to those incremental resources need to be tracked and reported separately, along with the ITC O&M costs related to all of the new transmission facilities installed to supply power to the Google data center from resource origin to the data center delivery point. Additionally, there may be incremental MISO transmission-related oversight and system management costs pertaining to the new data centers, which are billed through other transmission schedules. These additional incremental costs and ITC costs related to the Google, Oracle, and other data centers that may occur in future years need to be separately identified to ensure that other customers are not subsidizing data center customers.").

[78] Woods Direct, 3 Tr 628.

[79] Foley Cross, 3 Tr 243-245.

[80] *Id.*

[81] Foley Cross, 3 Tr 231 (citing PSA Section 5.1.2 and 5.1.3).

so, but only after aggregate costs are found to exceed aggregate benefits.[82] However, should the Commission, during a non-expedited proceeding with more information on which to base its decision, find that a different rate schedule for large loads such as Google's would better protect other ratepayers from bearing the costs of large loads, Google should be required to switch to that schedule. The Commission required such an approach in U-21859 when it noted that Consumers Energy plans to transfer any existing large load customers to a new rate that results from a rate case order and further ordering that "[t]his expectation should be included in any contract that Consumers enters into with a large load customer served on Rate GPD after the date of this order."[83] The Commission should do the same here, and approval of the Special Contracts should be conditioned on Google switching to a different rate schedule approved by the Commission in subsequent proceedings.

C. The Commission should not endorse the purported benefits of the proxy resource selected for its benefit analysis and should affirm that the need for additional generation capacity be identified through a rigorous and objective analysis in the upcoming IRP.

With regard to the CCGT with CCS resource used by DTE to model costs and benefits, witness Woods noted that DTE discusses multiple purported benefits of CCGT with CCS.[84] Such descriptions of purported benefits are irrelevant to this proceeding and unnecessarily place a thumb on the scales in favor of the CCGT to be selected in future proceedings. The Commission should disregard all information DTE has provided regarding the various purported benefits of the CCGT

[82] Foley Cross, 3 Tr 229.

[83] Case No. U-21859, Order, November 6, 2025, p 116.

[84] Woods Direct, 3 Tr 632-633.

with CCS proxy resource described in its application that was developed for the singular purpose of performing DTE's customer benefit analysis.[85]

Further, besides the renewables and storage in the CCAA, DTE is not proposing any specific resources in this proceeding and has committed to selecting actual resources "during the Company's upcoming Integrated Resource Planning (IRP) proceeding."[86] MNS agrees with this approach. The Commission should affirm that any need for additional generation capacity as a result of Google's data center, and the most reasonable and prudent resources for filling such need, be assessed in the upcoming IRP case through a rigorous and objective analysis of all resource options with no presumptions in favor of the CCGT with CCS that DTE has portrayed as only a "proxy" resources in this proceeding.

Finally, DTE currently anticipates adding the cost of additional generation resources identified in the IRP meant to serve Google to the rate base and thus paid for in part by other customers; it will merely account for those additional generation resources as part of the flawed affordability backstop.[87] In the ongoing rate case, there should instead be a careful evaluation of direct assignment to Google of the costs of whatever resource(s) are used to fill any resource inadequacy caused by Google's load.

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[85] Woods Direct, 3 Tr 633.

[86] Woods Direct, 3 Tr 631 (citing Exhibit MEC-2, Company Response to U-22058-MNS 1.2b & d).

[87] Foley Rebuttal, 3 Tr 143-144 ("The revenue requirement of other resources that may be identified in the IRP as being caused by the Customer's load" will be included in the affordability backstop.)

D. The Commission should require DTE to deploy the full 450 MW in energy storage and 1,600 MW in renewable energy projects contemplated in the CCAA as a condition of approving the Special Contracts.

The proposed CCAA addresses the development and cost recovery of up to 480 MW in energy storage and up to 1,600 MW in renewable energy projects, plus the transfer of 300 zonal resource credits (ZRCs).[88] The 480 MW in energy storage, which would include 55 MW of long duration storage, is "to help support resource adequacy with the addition of the Customer's load," while the 1,600 MW in renewable energy projects is at Google's request "to meet its renewable energy goals."[89]

The words "up to" limit how much energy storage and renewable energy Google will pay for under the CCAA. Nothing in the CCAA, however, obligates DTE to develop any particular amount of energy storage or renewable energy resources. This, as MNS witness Woods observed, "all but ensures that the Company will fall short of deploying the contemplated 1,600 MW of renewable energy and 480 MW of energy storage resources."[90] DTE confirmed in discovery that, should the procurement process not result in bids equaling its MW target amounts, it would accept less.[91] Therefore, witness Woods recommended that the Commission condition its approval of the Special Contracts on DTE deploying the full amount of the resources contemplated by the CCAA.[92]

The 1,600 MW of renewable energy resources is critical to DTE's ability to comply with the renewable energy standards in PA 235 and deliver the claimed customer benefits of the Special

[88] Foley Direct, 3 Tr 88.

[89] Application, p 3.

[90] Woods Direct, 3 Tr 633-34.

[91] Woods Direct, 3 Tr 634 (citing Exhibit MEC-7, Company Response to U-22058-MNS 1.4a).

[92] Woods Direct, 3 Tr 635.

Contracts. As DTE witness Bilyeu explained, the Company's RPS Compliance Summary reflects that Google intends to enroll 40% of its load – 1,600 MW – in a VGP program, thereby allowing DTE to exclude that amount from the retail sales used to calculate its REC requirement. The 1,600 MW of renewable energy resources thus allows DTE to reduce the increase in the number of RECs it will need for RPS compliance due to Google's load.[93]

If, however, DTE fails to deploy the full 1,600 MW of renewable energy resources under the CCAA, it will have to retire more RECs than planned or acquire additional non-CCAA renewable resources that would be paid for by all customers rather than just Google. As witness Woods explained, DTE is already burning through RECs at a rapid rate – its REC balance dropped from about 8 million in 2016 to just over 2 million in 2024.[94] If DTE fails to deploy the full 1,600 MW of renewable resources under the CCA, not only could the anticipated cost savings from the CCAA fail to materialize, but the Company's REC bank could be further depleted.

In rebuttal, witness Foley criticized witness Woods for not justifying the necessity of 480 MW in energy storage and emphasized that the Company only used 450 MW in its modeling.[95] But irrespective of how much storage the Company modeled, neither the CCAA nor witness Foley's testimony that the Company "intends to deploy at least 450 MW" of energy storage ensures that DTE will develop any particular amount.[96]

Witness Foley also testified that the Company "intends to deploy the full 1,600 MW of renewable energy projects" but explained the "up to" language as necessary to avoid unreasonably

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[93] Bilyeu Direct, 3 Tr 281; Exhibit A-2; see also Woods Direct, 3 Tr 635; Cross Examination of Kevin L. Bilyeu, 3 Tr 333 (confirming enrollment of 40% of Google data center load in VGP program reduces extent to which adding Google's data center would increase DTE's REC requirement).

[94] Woods Direct, 3 Tr 636-37.

[95] Foley Rebuttal, 3 Tr 158.

[96] *Id.*

"forc[ing] the Customer to accept" more resources than agreed upon if the procurement and development process does not result in a portfolio of projects totaling exactly 1,600 MW.[97] Witness Foley concluded by noting that, should the Company be "unable to fully deploy the contemplated resources, Section 2.4 of the PSA provides a mechanism for the Company and the Customer to jointly identify an alternative solution, which could include reductions to the renewable energy portfolio and/or Google's load ramp."[98]

Witness Woods' recommendation would not require Google to accept more resources than agreed upon, as the CCAA is clear that Google will only pay for 1,600 MW of renewables. Witness Woods' recommendation would, however, ensure that DTE develops the full amount of resources contemplated by the CCAA to reduce DTE's risk of RPS noncompliance and increase the likelihood that its customers will see the anticipated cost savings from the Special Contracts. If the renewable portfolio ends up slightly exceeding 1,600 MW, the excess would further assist DTE in meeting its increased REC requirement caused by the addition of the Google data center. Therefore, the Commission should require DTE to deploy 450 MW in energy storage consistent with the Company's modeling and the full 1,600 MW in renewable energy projects contemplated by the CCAA as a condition of approving the Special Contracts.

E. The Commission should not endorse DTE's claim that Google's data center will be served by 100% renewable energy.

Witness Bilyeu testified that, with its participation in DTE's VGP program, Google will achieve its 100% renewable energy goal when DTE meets its own renewable energy requirement

[97] *Id.* at 159.

[98] *Id.*

of 60% of total retail sales by 2035.[99] But, as MEI-CEO witness Shaver demonstrated, even assuming deployment of the full 1,600 MW of renewables under the CCAA and DTE's compliance with the RPS, by 2035 only about 76% of the energy needed to serve Google's load will come from renewable sources.[100] Therefore, the Commission should not rely on DTE's claim that Google's data center will be served by 100% renewable energy.

In support of his assertion, witness Bilyeu presented a table titled "Customer Build Required to Support 100% Renewable Energy Claim" showing 60% of Google's load coming from renewable energy attributable to DTE's satisfaction of its RPS obligation by 2035 and 40% from Google's participation in the VGP program, which would purportedly equal 100% renewable energy.[101] But, as witness Shaver explained, witness Bilyeu's math relies on the flawed assumption that 100% of the 60% of Google's load not enrolled in the VGP program will come from renewable sources.[102] The RPS requires only that 60% of DTE's total retail sales come from renewable energy by 2035, not 100%, as witness Bilyeu conceded on cross.[103] So only 60% of the 60% – i.e., 36% – of Google's load not enrolled in the VGP program can be expected to come from renewable sources by 2035. Combined with the 40% of Google's load enrolled in the VGP program, that equals 76% renewable energy, not 100%.

Witness Bilyeu did not rebut witness Shaver's calculations and conclusions but dismissed witness Shaver's testimony as irrelevant because witness Bilyeu did not ask the Commission to

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[99] Bilyeu Direct, 3 Tr 280.

[100] Direct Testimony of Lee Shaver, 3 Tr 740-41.

[101] Bilyeu Direct, 3 Tr 280, Table 1.

[102] Shaver Direct, 3 Tr 740-41.

[103] Bilyeu Cross, 3 Tr 328.

"adjudicate the Customer's voluntary sustainability claims."[104] But witness Bilyeu did introduce in his direct testimony the claim that Google would achieve 100% renewable energy usage in support of DTE's request that the Commission approve the Special Contracts. That claim is demonstrably false, and the Commission should neither endorse it nor consider it in evaluating whether the Special Contracts are reasonable and in the public interest.

F. The Commission should direct DTE to take specific steps to help ensure the Company meets its stated renewable energy goals.

DTE's application in this proceeding identifies two major sets of renewable energy builds beyond what it was already planning in its most recent Amended Renewable Energy Plan in Case No. U-21662. The first is the up to 1.6 GW of renewables that Google has agreed to pay for in the CCAA. The second is the 1.8 GW of renewables assumed for the Oracle data center approved in Case No. U-21990, which is more than quadruple the 443 MW of renewables[105] assumed in the RPS compliance summary provided in that proceeding. In response to discovery, DTE stated that its build plan has these two sets of renewables coming online between 2030 and 2032, in addition to the 2.3 GW of renewables included in the Amended REP for those years, and additional amounts in the years before and after that time period. This build plan is summarized in the following table:[106]

Case	2028	2029	2030	2031	2032	2033	2034	2035
U-21662	420	700	700	1000	600	1000	1000	1000
U-21990			662	331	808			
U-22058			500	700	400	(200)	(50)	

[104] Bilyeu Rebuttal, 3 Tr 313.

[105] Bilyeu Cross, 3 Tr 337, 340; Exhibit MEC-30, U-21990 Ex. A-3 Renewable Portfolio Compliance Summary.

[106] Exhibit MEC-10, Company Response to U-22058-MNS-1.13a.

As witness Bilyeu agreed at the hearing, the renewables proposed in the CCAA and assumed for the Oracle data center represent a "pretty significant increase in the amount of renewable energy that DTE is looking to bring online in the next six years."[107]

MNS is, of course, supportive of and eager to see these levels of renewables brought online. As witness Woods explained, however, there are a number of "common hurdles to renewable energy development" that can cause a utility to fall short of renewable energy goals if the utility "fails to properly plan and prepare."[108] Unfortunately, DTE's application failed to provide any meaningful details on how it planned to achieve this substantial renewable energy build or navigate around these hurdles. Instead, witness Bilyeu simply stated, without detail, that DTE "has a robust and diversified strategy . . . [that] could include a combination of" company-owned projects, strategic acquisitions, and issuance of requests for proposals.[109] In response to discovery, DTE confirmed that it:

> has not conducted any project-specific analyses or studies regarding the feasibility of acquiring sufficient land, obtaining interconnection rights, receiving permitting approvals, or completing the construction and/or contracting necessary to achieve the annual renewable energy build plan amounts for 2028 through 2035 for projects intended to support the Customer.[110]

While that response was specific to the 1.6 GW renewable build under the CCAA, at hearing witness Bilyeu gave much the same response with regards to the full renewable build from Exhibit MEC-10 set forth above:

[107] Bilyeu Cross, 3 Tr 350.

[108] Woods Direct, 3 Tr 641-642.

[109] Bilyeu Direct, 3 Tr 284-285.

[110] Exhibit MEC-8, Company Response to U-22058-MNS 2.10a.

Q. O.K. And before deciding that -- before deciding to propose this level of, this level of builds reflected in Exhibit MEC-10, what analyses did DTE do to determine if these builds are feasible?

A. Would you be able to help me define analysis, Mr. Fisk?

Q. You know, a study, assessment of the market, you know, assessment of DTE's capabilities to bring things online at this level, generation online as quickly, I mean it could be a wide array things, but I'm just trying to get a sense of what you all did before signing on to this path.

A. So the Company did not conduct any kind of analysis or studies, however, it has confidence in its development pipeline that it can complete this build.[111]

Witness Bilyeu similarly stated in written testimony that the "Company's existing renewable energy portfolio and development pipeline offer a credible and sufficient foundation to meet the elevated renewable energy targets," but DTE declined to provide in discovery any further information regarding such development pipeline.[112]

In her testimony, witness Woods recommended that the Commission require DTE to take certain steps to help ensure that it will be able to achieve the sizeable and important renewable energy builds set forth in Exhibit MEC-10.[113] These recommendations, which MNS urges the Commission to adopt, are:

- Require the Company to issue RFPs that seek more renewable energy and energy storage resources than the proposed annual build amounts to help ensure that the targets are met in the most cost-effective manner possible and that annual deployment targets are achieved.
- Require the Company to pursue behind-the-meter and distributed energy resources (DERs) as part of its renewable energy and energy storage goals.

[111] Bilyeu Cross, 3 Tr 350-51.

[112] Woods Direct, 3 Tr 639-640, Exhibits MEC-9, -11, and -26.

[113] Woods Direct, 3 Tr 642-643, 652-653.

- Require the Company to conduct analyses and/or studies of the feasibility of acquiring sufficient land, obtaining interconnection rights, receiving permitting approvals, and completing the construction and/or contracting needed to achieve the annual renewable energy and energy storage plans.
- Require the Company to make specific commitments regarding how it will respond to each potential situation under which the Company would deploy less than its renewable energy and energy storage resource deployment.
- Require the Company to amend its RPS compliance assessment in its forthcoming REP as part of the Company's IRP such that the Company identifies the amount of additional renewable capacity that would be required in each year to achieve RPS compliance (e.g. 100 MW in 2030, 75 MW in 2031, etc.) rather than assume renewable energy capacity amounts that are not firm numbers (i.e., the 1,600 MW for Google and 1,800 MW for Oracle).

In rebuttal, DTE offered four responses, none of which are availing. First, the Company attacked a strawman by noting that it is not "necessary in this proceeding to identify every future project that may ultimately serve the Customer's load growth."[114] Nobody said it was. There is obviously a far distance between analyzing and planning for how a certain level of renewable energy build can be achieved on the one hand, and identifying now every specific project that DTE would build over the next six years. DTE's focus on the latter would seem to be little more than an attempt to change the subject away from its apparent failure to do the former.

Next, witness Bilyeu highlighted DTE's "substantial experience developing, acquiring, and integrating renewable resources" and the fact that the Company has "over 2,600 megawatts of

[114] Bilyeu Rebuttal, 3 Tr 299.

renewable energy currently online."[115] Witness Bilyeu did not identify how many years it took the Company to bring that amount of renewables online. The Company's 2024 REP Renewable Energy Plan summary, however, shows that DTE had at least 1,500 MW of wind and solar online at least as far back as 2022.[116] That would mean approximately 1,100 MW of renewables coming online over the past four years, which is a far cry from the 1,800 to 2,000 MW that DTE is assuming for each of the years 2030, 2031, and 2032. In addition, annual reports that DTE files in its IRP docket show that, in each of the 2023 and 2024 RFPs, DTE fell approximately 200 MW short of the renewable energy goal for that year.[117] While MNS hopes that witness Bilyeu's optimism is well founded that the 2025 RFP will lead to at least the amount of renewables sought therein,[118] performance to date combined with the significantly higher renewable targets that DTE would need to meet to comply with the RPS shows the importance of adopting the recommendations made by witness Woods.

Third, witness Bilyeu contended that review of the DTE's renewable energy development plans should be delayed until the Company's upcoming IRP and Amended REP proceeding that will be initiated later this year.[119] But while a more detailed review of DTE's RPS compliance plans will presumably occur in that future proceeding, ensuring that DTE will be able to maintain RPS compliance even while adding substantial amounts of new load is an important part of the present proceeding. DTE has presented testimony claiming that it will be able to do so, and other parties have submitted testimony identifying shortcomings in and/or ways to improve DTE's RPS

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[115] Bilyeu Rebuttal, 3 Tr 300.

[116] Exhibit MEC-29, U-21662 Exhibit A-2 REP Summary, p 1, lines 80 and 81.

[117] Bilyeu Cross, 3 Tr 353-55.

[118] Bilyeu Cross, 3 Tr 357.

[119] Bilyeu Rebuttal, 3 Tr 300-01.

compliance plans. It is necessary for the Commission to evaluate this testimony now, and wholly appropriate for the Commission to adopt recommendations to help ensure DTE's continued RPS compliance where, as here, the record supports them. It is also timely for the Commission to do so in this proceeding given that the substantial amounts of new renewable energy builds identified by DTE in this proceeding are assumed to begin coming online in 2030. If, as witness Bilyeu urged, these issues are delayed to the upcoming IRP and Amended REP dockets, they would not be resolved until at least the fall of 2027, less than three years before the Company would need to start bringing multiple GW of renewables online.

Finally, witness Bilyeu's portrayal of witness Woods' recommendations as "prescriptive procurement requirements" that could somehow "constrain flexibility or lead to uneconomic outcomes before the relevant resource selection record is established"[120] is disconnected from reality. Nothing about witness Woods' recommendations prescribe an outcome or require the selection of uneconomic resources. Instead, those recommendations are focused on increasing the pool of renewable resources that the Company can choose from and preparing in advance for how to deal with the "common hurdles to renewable energy development" that can arise.[121] These are exactly the kinds of things one would do to increase flexibility and achieve more economic outcomes, and so MNS urges the Commission to adopt witness Woods' recommendations in this proceeding, rather than waiting until a future proceeding after "the relevant resource selection record" has been established.[122]

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[120] Bilyeu Rebuttal, 3 Tr 301.

[121] Woods Direct, 3 Tr 641.

[122] Bilyeu Rebuttal, 3 Tr 301.

IV. CONCLUSION

For the reasons discussed above, MNS respectfully requests that the Commission:

1. Decline to find that the Special Contracts will result in DTE's claimed $1.7 billion benefit;
2. Affirm the need for a careful evaluation in the ongoing rate case of direct assignment of incremental costs rather than the flawed affordability backstop approach;
3. Require strengthened conditions for the affordability backstop approach, including:
    a. Directing DTE to present in its next IRP and REP proceedings a comparison of renewable energy resources necessary to meet RPS obligations without Google's non-VGP load and resources needed with Google's non-VGP load; and finding that, for purposes of the affordability backstop, the revenue requirement of the difference in resources as determined in those proceedings will be attributed to Google;
    b. Finding that avoided costs can be credited to Google only upon a showing that such cost avoidance is directly attributable to the addition of Google; and finding that no such showing has been or could be made with regards to the 250 MW of renewable energy builds in 2033 and 2034 that DTE claims are avoidable;
    c. Adopting the additional transmission cost reporting recommendations of MEI-CEO witness Kenworthy and Attorney General witness Sebastian Coppola; and
    d. Requiring Google to pay all distribution-related costs for interconnection without a $50 million cap;
4. Decline to endorse the purported benefits of DTE's proposed proxy resource and instead affirm that the need for additional generation capacity, and the type(s) of generation to

meet such need, must be identified through a rigorous and objective analysis in DTE's upcoming IRP proceeding;

5. Require DTE to deploy 450 MW in energy storage and 1,600 MW in renewable energy resources as contemplated by the CCAA;
6. Decline to endorse DTE's erroneous claim that Google will be served with 100% renewable energy; and
7. Direct DTE to take specific steps to help ensure DTE meets its stated renewable energy goals, as discussed above.

Respectfully submitted,

Troposphere Legal
Counsel for MNS

Date: July 20, 2026

By: Digitally signed by Holly Hillyer
Date: 2026.07.20 15:12:32 -04'00'

Holly L. Hillyer (P85318)
Christopher M. Bzdok (P53094)
Sean C. Clark (P88870)
420 E. Front St.
Traverse City, MI 49686
Phone: 231-709-4000

Shannon Fisk (pro hac vice)
Helen Li (pro hac vice)
Earthjustice
Co-Counsel for Sierra Club
sfisk@earthjustice.org
hli@earthjustice.org

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

Proof of Service

On the date below, an electronic copy of **Public Initial Brief by Michigan Environmental Council, Natural Resources Defense Council, and Sierra Club** was served on the following:

Name/Party	E-mail Address
ALJ Hon. Theresa A.G. Staley	 staleyt1@michigan.gov
DTE Electric Company John A. Janiszewski Andrea E. Hayden	mpscfilings_account@dteenergy.com john.janiszewski@dteenergy.com andrea.hayden@dteenergy.com
Council for MPSC Staff Daniel E. Sonneveldt Amit T. Singh Adam M. Cozort	 sonneveldtd@michigan.gov singha9@michigan.gov cozorta1@michigan.gov
Michigan Attorney General Joel B. King Lucas Wollenzien	ag-enra-spec-lit@michigan.gov kingj38@michigan.gov wollenzienl@michigan.gov
Great Lakes Renewable Energy Association Don L. Keskey Brian W. Coyer Carol Dane	 donkeskey@publiclawresourcecenter.com bwcoyer@publiclawresourcecenter.com adminasst@publiclawresourcecenter.com
The Environmental Law & Policy Center, The Ecology Center, Vote Solar, Institute for Energy Innovation, and Michigan Energy Innovation Business Council Daniel Abrams Katie Toolan Alondra Estrada Katie Duckworth	MPSCDocket@elpc.org dabrams@elpc.org ktoolan@elpc.org aestrada@elpc.org kduckworth@elpc.org
Association of Businesses Advocating Tariff Equity Michael J. Pattwell Stephen A. Campbell Lauren Degnan James Dauphinais Jessica York Brian Andrews	 mpattwell@clarkhill.com scampbell@clarkhill.com ldegnan@clarkhill.com jdauphinais@consultbai.com jyork@consultbai.com bandrews@consultbai.com

Michigan Environmental Council, Natural Resources Defense Council, and Sierra Club Christopher M. Bzdok Sean C. Clark Natasha Fowles Sue Fruchey Bryndis Woods Helen Li Shannon Fisk	 chris@tropospherelegal.com sean@tropospherelegal.com natasha@tropospherelegal.com sue@tropospherelegal.com bryndis.woods@aeclinic.org hli@earthjustice.org sfisk@earthjustice.org

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

Troposphere Legal
Counsel for MNS

Digitally signed by Natasha Fowles
Date: 2026.07.20 15:12:56 -04'00'

Date: July 20, 2026 By: ______________________________

Natasha Fowles, Legal Assistant
420 E. Front St.
Traverse City, MI 49686
Phone: 231-709-4000
Email: natasha@tropospherelegal.com