

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of
DTE ELECTRIC COMPANY
for approval of Amendments to Rate D11
and related relief

Case No. **U-22061**

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**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 (2 TR 169 – 179)

As this case is setting the terms and conditions for new large load customers, it is important to understand the progress of the primary industry building new large-load facilities: data centers. There are approximately 11,000 data centers in the world, and the US has eight times as many as any other country. Over the past six years, the typical size of new data centers has grown dramatically, with more than 38 data centers of more than 250 MW proposed across the world. These new, “hyperscale” data centers are primarily used for artificial intelligence (AI). Training a new AI product consumes huge amounts of energy; training ChatGPT-4 took 50 GWh of energy, and each new generation of AIs is consuming more energy than the prior generation.

The 614 data centers operating in the US are rated at 18 GW of load. The US has 936 planned data centers, with a projected load of 330 GW. Michigan has only two operating data centers with a combined load of 3 MW, and at least 14 planned data centers, with a projected load of 2,964 MW, though that does not include the 525 MW proposal for a data center in Lyon Township.

Huge sums of capital are being invested in data center development. The Wall Street Journal reports that the capital investment of the four largest US tech companies is 2.1% of the gross domestic product (GDP), a higher percentage than any previous infrastructure build-out in US history, including the interstate highway system and the railroad system. Data center capital investment hit \$770B in 2025. The development of data centers and AI has been compared to the industrial revolution, and the invention of the wheel

A 2024 study by the Lawrence Berkeley National Laboratories (LBNL) estimated that data centers consumed 4.4% of US electrical energy in 2023. LBNL projected that by 2028, data centers will consume between 6.7% and 12.0% of US electrical energy. In a newer July 2026 study, Bloomberg NEF forecasts that data centers demand will reach 194 GW by 2035, consuming 20% of the nation's electricity. Based on DTE Electric's (DTEE's) projections from U-21990, and Company testimony in the instant case, the combined demand of the proposed data centers in Saline and Van Buren Townships will increase DTEE's annual sales by 47%. The Company's rebuttal did not challenge this figure.

II. Proposed Tariff Provisions

The provisions of the large load tariff are uniquely important for two reasons. Firstly, large load customers will soon become a very large portion of Michigan's total electrical energy consumption. Secondly, the Company's financial incentives are not well aligned with the interests of other ratepayers. The significant increases in unit sales to large load customers give the Company the opportunity for significant increases in capital investment and profit; the Company has a motivation to encourage more large load customers to locate in its territory. (2 Tr 180).

A. Load Reduction Provision (2 Tr 182-3)

In U-21859, the Commission ordered that a specific degree of load reduction is allowed. In the Company's proposal, there is no new language on customer load reduction. However the existing language in the D11 tariff is vague and open-ended. The GLREA recommended that the Commission order either: (2 Tr 182-3)

1. A provision allowing the customer a one-time 10% reduction, or that the customer must get approval for a load reduction in an ex parte filing, per the provision in U-21859

Or

2. Order that the sentence in D11 allowing contract reduction be removed entirely.

AG-NS Witness Havumaki testified that in discovery, the Company clarified that reductions in contract capacity are not permitted, and proposed that the tariff explicitly includes language that does not permit a reduction in contract capacity. (2 Tr 330)

In rebuttal, the Company opposed the option of allowing a one-time 10% reduction in capacity, because the Company will need to ensure resources to serve the original load (2 Tr 48). GLREA Witness Richter proposed that option to the Commission only because it matched the terms in U-21859. GLREA agrees with the Company and witness Havumaki that no reduction in contracted load is the preferred option.

The Company recommends that language prohibiting a decrease in load be added to the tariff. However, the Company recommends that the existing language in the D11 tariff, which allows a reduction in load remain in the tariff “as-is so as not to alter the characteristics of service for ‘non-large load provision’ customers taking service on D11” (2 Tr 48, lines 10-12). While GLREA agrees that the Company’s proposal would address the reduction in contract load issue while not changing service for non-large load customers on the D11 tariff, the tariff language that would result from the Company’s proposal will have two contradictory provisions regarding load reduction, depending on the size of the customer’s load. This example of confusing terms that results from putting two different groups of customers with different terms and conditions in the same tariff supports GLREA’s proposal that a separate tariff with separate terms and conditions be created for large-load data center customers, even though the large load customers use the same D11 *rates* as other industrial customers (2 Tr 247).

B. Tariff Applicability (2 Tr 236 – 47)

The Company's proposal would apply large load rules to:

“Customers who have incremental load served within a 5-year period which (1) exceeds 100 MW at a single site, or (2) exceeds 100 MW in the aggregate across multiple sites, with a site average of >20 MW” (2 Tr 28, line 6, table 1, row “applicability”)

The Company's proposal for applicability closely mirrors the tariff applicability approved in U-21859.

GLREA asserts that inserting a separate set of requirements for large customers within the existing D11 tariff is awkward, and that the special large-load provisions being proposed as additions to the existing D11 tariff should instead be included in a new tariff, which would also include additional provisions for large computational loads.

In U-21589, the Commission recognized that data centers present “unique and significant cost implications,” which pose unusually large potential stranded costs, risk cross-subsidization, have a unique load profile, and are driven by a small number of discrete loads. Nonetheless, the Commission ordered that the large load tariff should be end-use neutral. GLREA disagrees. GLREA Witness Richter presented evidence of the numerous qualities that make data center customers unique: (2 Tr 236-247):

1. Consumers Energy stated that, compared to other large industrial customers, data centers have more frequent hardware refresh, lack local supply chains, and do not create significant local employment - presenting greater risks.
2. ABATE noted that data centers lack the locational attachments of other industrial customers.
3. Data centers represent a unique load forecasting problem, because they can be built in a fraction of the time necessary to build the facilities to meet their load.

4. Data center customers are unlike other industrial customers, because they are willing and able to pay the full costs of their grid impact.
5. Data center load is uniquely volatile, varying by hundreds of megawatts in milliseconds, citing (among others), Secretary of Energy Jennifer Granholm (2 Tr 192 – 201). These load characteristics require special “ramp rate” rules.
6. Data center uninterruptable power systems (UPS) are often configured to be very sensitive to transient grid voltage disturbances, which has repeatedly resulted in simultaneous load drop in multiple jurisdictions (2 Tr 201-208). This unique load characteristic requires special “fault ride-through” rules.
7. Michigan law gives the Commission a unique responsibility regarding the regulation of tariffs used by “enterprise data centers” in MCL 205.54ee(10), making them legally unique.
8. Other jurisdictions that have enacted special rules for data centers in law or in PUC rules.
9. NERC rules that distinguish computational loads, and compare their impact on the grid with metal melting loads.

For all of these reasons, GLREA recommended in direct testimony that the large load terms and conditions be put into a separate tariff, and applicable only to enterprise data centers, as defined in MCL 205.54ee(10).

In rebuttal, the Company opposes GLEA’s proposal, based on two concerns. First, the Company asserts that “rates and tariffs are generally established on the characteristics of electric usage and not on statutory definitions of certain end users... the specific statute cited is a tax exemption statute that is not a condition of service with the Company...” (2 Tr 69, lines 3-7). The Company points out that the Commission approved an end-use neutral structure in U-21859.

Secondly, the company argues that this is the wrong case for this proposal and that any new or additional tariffs should be considered in a rate case, and that one of the elements of U-21859 was that it applied to Consumers Energy's standard large industrial rate. (2 Tr 69)

Regarding the Company's first objection, GLREA agrees in part, and disagrees in part. GLREA agrees that the definition of an "enterprise data center," from the tax exemption statute is not the best definition of a computational load for purposes of a utility tariff. On August 28, 2026, after both direct and rebuttal testimony in the instant case were filed, MISO filed a proposed set of "Interconnection Reliability Requirements for Large Loads," which MISO refers to as "the IRR proposal" with the Federal Energy Regulatory Commission (FERC). In the instant case, in the hearing held September 16, 2026, ALJ Sarah Stancati took judicial notice of MISO's FERC filing in docket number ER26-3650, accession number 20260828-5278 (2 Tr 271).¹ With this new information available. GLREA proposes that the new DTEE large load tariff use the proposed MISO definitions, which are:

"Large Load: Load with Demand of 50 MW or more associated with any facility or aggregation of facilities located at a single substation behind one or more Point(s) of Withdrawal from the Transmission System that is owned, operated, or controlled by: (a) a single entity or (b) a group of entities that will coordinate with respect to the profile of the Load. Large Load does not include Load used exclusively for charging an Electric Storage Resource.

Computational Load: Large Load comprised of 25 MW or more of Demand from information technology equipment, such as servers, storage, and networking hardware."²

MISO has proposed that the IRR go into effect on December 4, 2026.³ MISO created the sub-

¹ The MISO filing is available at:

https://elibrary.ferc.gov/eLibrary/filelist?accession_number=20260828-5278&optimized=false

² MISO, "Filing Description for Accession Number 20260828-5278," *FERC*, Transmittal Letter, p 10-11. Accessed on 10/4/26 at:

https://elibrary.ferc.gov/eLibrary/filelist?accession_number=20260828-5278&optimized=false

³ *Ibid*, p 2

category of large computational loads because computational loads:

“...may exhibit operational characteristics different from more traditional loads, including rapid changes in demand, highly coordinated control behavior, and power-electronic responses during system disturbances. This distinction allows MISO to apply certain incremental requirements – such as Ramp, PMU, and Ride-Through requirements – only where those characteristics warrant additional reliability consideration... Defining Computational Load supports a more targeted and risk-informed approach, rather than applying the same requirements to all Large Loads regardless of facility type or operating behavior.”⁴

While it is not certain that the proposed MISO rules will be enacted as-is, it is clear that MISO sees merit in distinguishing between large loads which have interconnection requirements that smaller loads do not, and large computational loads which have additional interconnection requirements due to their unique operational characteristics.

Therefore, based on this new information from a relevant regulatory body, GLREA modifies its recommendation. The large load tariff applicability should be modified to align with MISO’s IRR proposal, and should include MISO’s definition of a computational load, for which there will be additional interconnection requirements.

While GLREA may generally agree with the Company that rates should be set in rate cases, GLREA here is not proposing new rates for large load customers. To the contrary, GLREA is simply proposing that tariff applicability be aligned with MISO’s IRR proposal, and that a separate tariff be used for large loads to separate the terms and conditions applicable to large loads from rules applicable to other, smaller, industrial loads. Separating the terms into two tariffs will promote clarity.

⁴ Ibid, p 11

C. Demand Above Contract Capacity Provision (2 Tr 182-3)

The Company's proposal states that the Company will make "reasonable efforts" to serve load in excess of the customer's contracted capacity, up to 5% over the contracted capacity, but for not more than 3 of 12 months on a rolling basis. GLREA objects to this provision on two principles. Firstly, there is no similar provision in U-21859; this is a deviation from that model. Secondly, an overage cap of 5% is arbitrary and not based on the impact the overage will have on the grid. In this regard, a hypothetical customer with a contracted load of 2 GW could increase their load by 100 MW (5% of 2 GW). But a new 100 MW customer would trigger large load requirements and a PSA on its own. The overage could be proportional greater with a larger contracted load (> 2 GW), such as the a 9 GW data center under construction in Utah. There is nothing preventing such a huge customer from locating in the Company's territory and receiving service under this tariff. In addition to the size of the potential overage, there is the issue of timing. Typically, 30-55% of a data center's load is for cooling, so it seems likely that these data center customer peak loads will occur during the summer months, when the grid is under the most stress. It is therefore likely that large load customer requests for capacity overage will occur during hot weather, when the load of other customers is also high. Adding 100 MW or more of load in the summer months could negatively affect system reliability. GLREA recommends that the provision be changed so that the cap is the lessor of 5% of the customers contracted capacity, or 50 MW, and that any overage be restricted to the non-summer months, as defined by MISO (2 Tr 189 - 90).

In rebuttal, ABATE witness Dauphinais states that our observation that a 5% allowance can amount to a large load scale addition "is well taken." (2 Tr 157, lines 18-20). He suggests an alternative of Commission approval for large load demand above contracted capacity, but considers our proposal of the lessor of 5% or 50 MW an alternative to address the magnitude concern. (2 Tr 158)

In rebuttal, the Company repeats its proposal, pointing out that, “the Company in its sole discretion may decline to serve any overage if system integrity is at risk.” The Company asserts that that this provides sufficient protection (2 Tr 47, lines 8-9).

The Company’s rebuttal, which provided no new information, has not altered our position. The Company’s rebuttal did not address the fact that this provision is a deviation from the model in U-21859. GLREA remains concerned that the Company may grant the customer a temporary overage capacity, and be surprised by a heatwave that causes an increase in system load. Presumably the Company would then call on demand-response systems to reduce load. In that scenario, other customers would be inconvenienced for the benefit of the large load customer, when they would not have been inconvenienced if not for the large load customer’s request for power over and above its contracted capacity. As GLREA Witness Richter discussed in testimony, it is in the Company’s financial interest to implement customer-friendly large load policies to encourage more large loads to locate in its territory (2 Tr 180). Historically, the Company has ample excess capacity in the non-summer months. GLREA has no objection to large load customers making use of that excess capacity during off-peak times. But it would be imprudent to allow a large load customer to exceed their contracted capacity by 5% during the summer. GLREA stands by its recommendation. GLREA also considers ABATE’s suggestion of Commission review of any large load customer operation in excess of contracted capacity a reasonable alternative proposal.

This capacity provision is another situation in which the existing D11 tariff language directly contradicts the proposed large load provision. The DTEE rate sheet for the D11 tariff includes the statement: “Any single reading of the demand meter in any month that exceeds the

contract capacity then in effect shall become the new contract capacity.”⁵ This directly contradicts the Company’s proposal to allow a large load to exceed contract capacity on a temporary basis. To avoid confusion, GLREA reiterates its recommendation (stated in the section of this brief titled “Tariff Applicability”) that a separate tariff should be created for large load customers, with only the provisions that apply to large load customers. This will enhance clarity.

D. Collateral Provision (2 Tr 184 – 188)

In U-21859, the Commission recognized the critical importance of collateral in the event that a large load customer defaults, to protect other ratepayers from stranded costs in the event of the customer’s default. The Company’s proposal is a serious deviation from the model in U-21859. In U-21859, the default collateral is set at half of the exit fee and Consumers Energy may apply for Commission approval to seek higher or lower collateral requirements on a case-by-case basis. Collateral consists of an irrevocable letter of credit or cash. In DTEE’s proposal, the default is 100% of the termination fee, but may be less at DTEE’s *sole discretion*. There is no lower bound as to the minimum collateral that is acceptable. Additionally, the collateral may be a mix of a “letter of credit”, cash, or a parent guarantee, at the Company’s discretion. GLREA notes the absence of the legally critical word “irrevocable” in the letter of credit term. This should be corrected. GLREA also noted that in U-22058, DTEE included a “credit rating clause,” which requires the customer to provide a letter of credit, if their credit rating drops below a predefined level; there is no such credit rating clause in the U-21859 model, nor in the Company’s proposal in the instant case. GLREA recommends that the Commission order one of three options concerning

⁵ DTE Rate book, page D-48.01, accessed on 10/4/26 at: <https://www.michigan.gov/mpsc/-/media/Project/Websites/mpsc/consumer/rate-books/electric/dte/dtee1curd1throughend.pdf?rev=739604a251f74bfa8565b908f60da7a7&hash=131F4B90B155141B0463B41C04C1708A>.

the collateral provision:

1. That the Company has discretion over the amount and type of collateral the customer will provide (per the Company's proposal), but issue a clear statement that in the event that the customer defaults and the collateral is insufficient, the deficiency will not be recovered from other ratepayers, as it did in U-21990 and in U-22058.

Or

2. The Commission follow the precedent in U-21859 and require cash or an irrevocable letter of credit for collateral, in an amount based on the exit fee. Unlike U-21859, GLREA recommends collateral of 100% of the exit fee, due to the exposure of other ratepayers in the event of customer default with a lower collateral requirement.

Or

3. Follow the precedent in U-21859, including collateral of 50% of the exit fee. While GLREA preferentially recommends 100% of the exit fee, this option provides consistency with the rules in U-21589.

In any of these options, different collateral amounts for a specific customer could be requested, for review and approval by the Commission. Our logic is simple: either the Company has discretion on collateral, and is responsible for any shortfall of funds that results from its decision, or the Commission's standards must be met, and recovery of insufficiency is left to a future case (if the situation should ever occur). The Company can't have both discretion and impunity from the financial consequences (2 Tr 184-88).

In rebuttal, the Company addresses objections to its proposed collateral provision by Staff, AG-NS, ABATE, and the GLREA. On the question of allowing a parent guarantee as collateral,

the Company erroneously asserts that “GLREA remarks on adjacent topics, but makes no clear recommendation to the Commission.” (2 Tr 49, lines 14-15). This is incorrect. GLREA Witness Richter explicitly stated that in U-21859, the Commission “did not accept a parent guarantee as an acceptable form of collateral, unlike DTEE’s proposal.” (2 Tr 185, lines 16-7). GLREA’s second and third recommended options to the Commission are to “follow the precedent in U-21859...” (2 Tr 188, line 8). Therefore, GLREA did address the question of a parent guarantee.

In rebuttal, the Company asserts “its initial collateral proposal is more stringent than what was approved in Case No. U-21859, “because it is 100% of the termination fee vs. 50%” (2 TR , lines 12-13). This assertion ignores the language in the Company’s proposal that allows the Company to reduce the requirement at its sole discretion. There is nothing in the Company’s proposal that would prevent it from requiring zero collateral, to take an extreme example. The Company says that “Whether a parent guarantee is ultimately appropriate, and to what extent, will continue to be determined case-by-case (2 Tr 52, lines 1 – 3). This statement ignores the more important question: by whom will the determination be made? As GLREA discussed in testimony, it is in the Company’s financial interest to implement large load friendly policies to encourage more large loads to locate in its territory (2 Tr 180). The Company should not be authorized to accept a parent guarantee as collateral, unless the Company also accepts full responsibility for any collateral shortfall, in the event of customer default.

Regarding the Company accepting responsibility for insufficient funds in the event of a customer default, the Company asserts that the order in U-21990 was specific to that one customer and “is not the correct reference point or basis for a recommendation in this case... to the extent that there is an applicable precedent, it is U-21859” (2 Tr 53, lines 11 – 16). The Company goes on to say that “the Commission should not adopt the recommendations of Staff or AG-NS and

should maintain consistency with prior precedent in Case No. U-21859 (2 Tr 54, lines 10-12).

In rebuttal testimony, GLREA Witness Richter clarified that GLREA's preferred recommendation is #2 above; a collateral requirement of 100% of the termination fee, which must be either cash or an irrevocable letter of credit, which aligns with Staff's recommendation.

It is notable that in U-21859, the Company did not have discretion on the amount of collateral, and the Company was not allowed to accept a parent guarantee. Also, after rebuttal was filed in the instant case, the Commission conditionally approved the Company's proposed special contracts for Google in U-22058. One of the conditions was the application of the same conditions approved in U-21990, "regarding the Company's responsibility for the sufficiency of collateral."⁶ Therefore, the Commission has put the responsibility for sufficiency of collateral on DTEE in two cases, both concerning special contracts. The Company cannot have it both ways, either the precedent of U-21859 applies, or the precedent of U-21900 (and U-22058) applies, not a Company-selected mix of each precedent that exposes ratepayers to more risk than either prior Commission order permitted. GLREA thus stands by its original three-option recommendation on collateral.

E. Commission Approval of New Customers Provision (2 Tr 191)

The Company's proposal does not require it to submit anything to the Commission when starting service for a new large load customer. This proposal constitutes a deviation from U21859, which required at least an *ex parte* filing for each new large load customer, with certain stipulations about what would be in the filing. In contrast, GLREA recommended that each new large load customer contract should be reviewed and approved in a *contested* case (2 Tr 191).

⁶ U-22058, Commission order dated October 1, 2026, p 113.

ABATE witness Dauphinais also noted that in U-21859, the Commission required the ex parte filing of new large load customer contracts prior to service being provided, with a demonstration of compliance with the large load tariff, a demonstration that costs caused by the new customer are not being paid by other customers, and information on, and defense of, the collateral amount. Witness Dauphinais reports that in discovery, the Company admits that it does not know the cost to serve future large load customers, presenting a risk of cross-subsidy. ABATE recommended a requirement for DTE to make an ex parte filing in a new docket with the requirements stipulated by the Commission in U-21859, but also including any modeling or cost of service studies that support the demonstration of no cross-subsidy (2 Tr 116-19). Witness Dauphinais also recommends that the Commission require the filing to show that, “the proposed termination fee and collateral amount are sufficient to recover the remaining unrecovered incremental cost of the production, transmission and distribution investment DTE will make to serve that customer, and to identify any residual cost exposure that would remain with other customers.” (2 Tr 115, lines 8-12)

AG-NS witness Havumaki likewise argued that the Company should make a filing before each large load customer commences service, including cost modeling to demonstrate that costs caused by the customer are not borne by other customers. Witness Havumaki points out that this was required in U-21859. He also reports that in discovery, the Company stated it was not aware of a requirement in U-21859 to report on cost-shifting (2 Tr 25).

In rebuttal, the Company asserts that “there is no basis” to require a contested case when bringing on a new customer (2 Tr 71, line 2) and asserts that our proposal would diminish standardization and certainty. The Company points out that the Commission rejected a similar suggestion in U-21859, but did require an ex parte filing before each large load customer begins

taking service, and that the Commission approved a large load customer contract in an ex parte filing in U-21990. After reviewing the recommendations of other intervenors, the Company states that it does not oppose making an ex parte filing before each large load customer takes service (2 Tr 73-4).

GLREA asserts that the scrutiny of a contested case would reduce the risk to ratepayers more than an ex parte filing. Also, a contested case process can be conducted on an expeditious basis, and can lead to a better informed Commission decision based upon a balanced public record. Multiple parties reviewing the contracts in a contested case would increase the likelihood that provisions that impose a risk to other customers will be found, prior to contract approval. GLREA also notes that the special contracts proposed for Google in U-22058 were approved in a contested case, without undue delay for the customer. In addition to the filing requirements the Commission approved in U-21589, GLREA supports ABATE's recommendation on a showing that the termination fee and collateral are sufficient to recover remaining unrecovered incremental costs of service. The Commission should require the same filing requirements approved in U-21859, and the additional requirement for a showing of termination fee sufficiency proposed by witness Dauphinais.

F. Reporting Requirements

The order in U-21859 included specific reporting requirements; the Company's proposal here had no reporting requirements. ABATE witness Dauphinais noted this void, and also noted that the Company provided no justification for it. He recommended that the Commission order DTEE to include the annual reporting similar to that required in U-21859, but with some differences (2 Tr 121- 23). In rebuttal testimony, GLREA Witness Richter agreed with ABATE's recommendation, with the addition that DTE should report every detected large load customer

violation of their operating parameters (fault ride-through and ramp rates). This addition to the reporting is important because of the history of large computational loads causing serious stability problems in other jurisdictions. The Commission and the public should be aware of similar issues caused by large load customers here. (2 Tr 269 - 70).

In rebuttal (2 Tr 74-76), the Company states that they have no objections to reporting consistent with the requirements in U-21859, subject to confidentiality considerations. The Company asserts that ABATE's proposal to include deviations from default terms in the annual reporting is rendered moot by the Company's willingness to file future large load tariffs for Commission ex parte approval. The Company notes that ABATE's proposal for administrative fee reconciliation reporting was not part of the U-21859 order, and that ABATE provided "no explanation for its purpose, or why it should be further included in the annual reporting" (2 Tr 76, lines 3-4).

GLREA repeats its recommendation that the Commission should direct DTEE to include reporting on any large load customer violations of operating parameters, while protecting customer confidentiality. Because we made this recommendation in rebuttal testimony, the Company has not yet had the opportunity to respond to it.

III. Risks to Grid Reliability

A. Load Volatility (2 Tr 192 – 201) & Simultaneous UPS Trips (2 Tr 201 – 208)

One of the risks that large computational loads pose to grid reliability is the extraordinary volatility in their demand. GLREA cites Jennifer Granholm, former US Secretary of Energy. She explains that in a data center, tens of thousands of GPUs (Graphical Processing Units) act like a single machine, causing demand to swing wildly in sub-seconds, something for which the grid was

not designed. GLREA Witness Richter cited various technical sources that explained that during AI training, data centers can double their load within milliseconds, and that this unique load behavior could result in a blackout, similar to the massive blackout in Spain and Portugal. He cited another source that rapid load volatility shortens the lifespan of gas-fired turbines. This load volatility is new in both scale and speed. GLREA cited the “High Impact Large Load (HILL)” framework adopted by the Southwest Power Pool ROT, and approved by FERC, which sets limits to how fast data centers can change their load. GLREA recommended that the Commission should order limits to large load ramp rates, citing MEI/CEO witness Shaver’s proposal of 30 MW per minute.

Large computational loads also impose a risk to grid reliability because multiple sites may trip off-line (switch to run on backup power) in response to very brief transient variations in grid voltage or frequency. This behavior results from the customers setting the trip parameters on their uninterruptable power supplies (UPSs) to be very sensitive to grid disturbances to protect the billions of dollars of electronics in a data center. This is not a theoretical behavior, there have been two massive load drops in Virginia, 60 data centers dropped 1,500 MW in July of 2024, and 3,100 MW in July, 2026. More than 30 similar (but smaller incidents) have been disclosed in Texas. This kind of very sudden plunges in load can cause power outages for an entire region. The Texas PUC recently approved “UPS ride-through” requirements for large loads. These rules required large loads to stay on the grid during transient voltage or frequency variations. GLREA recommended a study group to review the Texas requirements and make a recommendation for Michigan large loads.

In rebuttal, ABATE witness Dauphinais argues that technical values should come from NERC and MISO, and that any such reliability related recommendations should be scoped to

computational loads and not traditional industrial processes (2 Tr 155-7). Given what we now know about the status of MISO large load reliability rules (but did not know at the time that our testimony was filed), GLREA agrees.

In rebuttal, the Company disagrees with the reliability recommendations of GLREA and CEO witness Shaver. The Company says that it is proactive in managing these risks, and has “developed a customer-specific Operating Parameters framework” (2 Tr 90, lines 9-10). The Company works with ITC and MISO on reliable large load interconnections. The Company also disagrees with setting technical standards in a tariff proceeding.

While the Company’s discovery responses indicate they may have taken measures to address load volatility and UPS ride-through for the two large load customers with which they have signed contracts, GLREA disagrees that that these parameters should be customer-specific. The Texas PUC enacted very specific technical requirements for ramp rates and UPS ride-through, which apply to all large load customers in the service area. As discussed earlier in this brief, MISO has proposed very specific operating parameters for ramp rates and UPS ride-through, which, if enacted, will apply to all large load customers throughout the MISO region.

Because of the pending MISO IRR proposal (discussed earlier in this brief), which very specifically addresses GLREA’s concerns, GLREA withdraws its recommendation that the Commission order the addition of technical operating parameters in the tariff, and/or establish a study group to further review these issues.

B. Resource adequacy (2 Tr 216 – 36)

The PJM region has the highest concentration of data centers in the world. PJM’s peak load has grown rapidly in the past few years. In Virginia, data centers are now consuming 40%

of all the electrical energy. As a result, the price of capacity in PJM capacity auctions has increased more than 800% in a single year and the last two auctions have failed to acquire sufficient capacity to meet the planning reserve requirement. PJM's market monitor has explained that data center load growth is directly responsible for the increase in capacity prices, and recommended that large loads be required to bring their own new generation, or have their load treated as curtailable.

GLREA notes that in both MPSC special contract cases for large loads (U-21990 and U-22058), the customer paid for capacity resources, but that these terms were negotiated between DTEE and the data center customers, at their discretion. GLREA noted how President Trump has suggested that data centers bring their own generation, and how FERC has ordered RTOs and ISO to accommodate co-location agreements and behind the meter (BTM) generation. GLREA cited sources that between one quarter and one third of new data centers are planning BTM generation. GLREA explained that while BTM generation has some advantages for large load customers, BTM generation would not benefit DTEE, since BTM would deprive the Company of the substantial profit potential of owning additional generation facilities to meet the load.

GLREA Witness Richter also discussed the tremendous capacity benefit if large loads were put on demand response (DR) programs, which would interrupt or reduce their load for a very limited number of hours each year when the grid is under stress and capacity is short. GLREA noted that Google seems to be unique amongst tech companies, agreeing to DR programs, in U-22058, for example. GLREA's witness explained how DR is treated as a capacity resource in the MISO resource adequacy process, effectively acting like dispatchable generation for purpose of resource adequacy. GLREA also referenced the MPSC's order to DTEE to shed the load of

large load customers prior to shedding other customer's firm load, if necessary to prevent the shedding of other customers' firm load. The emergency procedures for this policy were approved in DTEE's case U-22059. GLREA Witness Richter also discussed how the DOE has authorized other jurisdictions to take similar measures, but only during specified time periods of high demand.

While the Commission's "shed large loads first" directive may provide a positive quick and easy to implement remedy to the large load capacity adequacy problem, GLREA proposes an alternative that will provide equal reliability, but a very significant improvement in *affordability*. GLREA recommends that the Commission order the Company to propose the details and tariff language of a two-tier DR program in its next filed rate case, or better yet, as a follow-up to its contemporaneous rate case (U-22046), where we have submitted testimony supporting the same two-tier DR proposal. The first tier would operate as today, with the existing enrolled customers, and would remain open to new customers. The second tier would be open to enrollment by large load customers, and would not reduce their rates. These second-tier DR customers would be called upon to reduce their load, only after all the first-tier customers had been called upon, and only if there was still a capacity shortfall. The effect on the second-tier DR customers would be very much like the emergency procedures approved in U-22059; since their service would be curtailed only as a last resort, before curtailing service to other customers. Being in the second-tier DR program would have one additional impact on the large load customers; once per year they would have to curtail service in a test, under MISO DR rules. Switching to generator power does cost the large load customer some money, in terms of both fuel and wear and tear on their backup generators. But this second-tier DR option would be significantly lower in cost for large load customers than either building BTM generation, or

paying for DTEE to acquire capacity resources.

The enrollment of large load customers in this second-tier of DR would have a huge benefit: the customers' load would be largely offset by the capacity credit for their DR participation in the MISO capacity adequacy process. This would directly and very significantly reduce the amount of capacity DTEE would need to meet the MISO capacity adequacy requirement. This would directly and very significantly reduce the amount of generation and/or battery storage that DTEE would need to procure to maintain reliable service. This would directly and very significantly reduce DTEE's future rate base, and (other things being equal) *reduce customer rates*.

In rebuttal, the Company states that customers already have the option to take non-firm service while paying regular rates under the D11 tariff, citing D-48.01 (2 Tr 79). The Company then asserts that witness Richter "acknowledges that the proposal is essentially similar to the pending revisions to the Company's emergency procedures in Case No. U-22059." (2 Tr 79, lines 20-1).

The D11 tariff states "HOURS OF SERVICE: 24 hours, subject to interruption by agreement, or by advance notice."⁷ That provision in the D11 tariff provides for non-firm service, but it does not constitute a DR program and does not provide a capacity credit in the MISO resource adequacy process, which is the objective of GLREA's proposal for a two-tier DR program. The Company's paraphrase of witness Richter's testimony on our two-tier DR proposal

⁷ DTE rate book tenth Revised Sheet No. D-48.01, accessed on 10/5/26 at: <https://www.michigan.gov/mpsc/-/media/Project/Websites/mpsc/consumer/rate-books/electric/dte/dtee1curd1throughend.pdf?rev=739604a251f74bfa8565b908f60da7a7&hash=131F4B90B155141B0463B41C04C1708A>

is grossly misleading. The full quotation is:

“To the large load customer, this would function much like the current “first load to shed” directive in U-21990; the large load customer would have their service curtailed only when necessary to prevent the firm load shed of other customers. But it would have the huge advantage that DTE Electric could register the customer’s load flexibility as demand response in the MISO resource adequacy process. Therefore, DTE Electric would not have to acquire nearly as much additional capacity to meet the large customer’s load. This would reduce the Company’s cost of service, putting downward pressure on customer rates.” (2 Tr 233-4, lines 16-22 and lines 1-3, respectively, emphasis added).

The Company’s rebuttal arguments incorrectly assert that GLREA’s proposal is duplicative of existing policies and completely miss the substantial affordability benefit of GLREA’s proposal.

The Commission should order DTEE, in its next filed rate case, or in its current ongoing rate case, to support a proposal for a two-tier DR program, as described in GLREA’s testimony and brief, for inclusion as an optimal *option* in the large load tariff.

IV. GLREA’s Recommendations

1. The Commission should accept DTEE’s offer to amend the tariff language to make it clear that large loads cannot reduce their contracted capacity for the duration of the contract. However, GLREA recommends that all the terms and conditions specific to large load customers be moved to a new tariff, using the same rates as D11.

2. The Commission should direct DTEE to change the large load applicability provision to align with the proposed MISO Interconnection Reliability Requirements, including the definition of a large computing load, for which additional terms and conditions may apply.

3. GLREA recommends that the Commission direct DTEE to change the usage over contracted capacity provision so that the cap on the overage is the lesser of 5% of the customers contracted capacity, or 50 MW, and that any overage be restricted to the non-summer months, as

defined by MISO. Alternatively, ABATE's proposal for Commission review and approval of any requested demand above the contracted capacity is reasonable.

4. The Commission should order the Company to change the collateral provision in the tariff to one of following three alternatives:

a) That the Company has discretion over the amount and type of collateral the customer will provide (per the Company's proposal), but issue a clear statement that in event that the customer defaults and the collateral is insufficient, the deficiency will not be recovered from other ratepayers, as it did in U-21990 and in U-22058.

Or

b) The Commission follow the precedent in U-21859 and require cash or an irrevocable letter of credit for collateral, in an amount based on the exit fee. Unlike U-21859, we recommend collateral of 100% of the exit fee, due to the exposure of other ratepayers in the event of customer default with a lower collateral requirement.

Or

c) Follow the precedent in U-21859, including collateral of 50% of the exit fee. While GLREA preferentially recommends 100% of the exit fee, this option provides consistency with the rules in U-21589.

5. The Commission should order the Company to seek approval of the PSA for all new large load customers in a contested case, with the same filing requirements approved in U-21859, and the additional requirement for a showing of termination fee sufficiency proposed by ABATE witness Dauphinais.

6. The Commission should order the Company, in its next filed rate case or preferably in its current ongoing rate case, U-22046, to support the creation of a two-tier DR program.

The first tier of DR would operate as today, with the existing enrolled customers, and would remain open to new customers. The second tier would be open for voluntary enrollment by new large load customers, and would not reduce their rates. These second-tier DR customers would be called upon to reduce or curtail their load, only after all the first-tier customers had been called upon, and only if there was still a capacity shortfall. The second-tier DR would be included in MISO resource adequacy procedures.

7. That the Commission grant GLREA such further and consistent relief as proposed by GLREA in its evidentiary presentation and this Initial Brief.

Respectfully submitted,

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Dated: October 6, 2026

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of
DTE ELECTRIC COMPANY
for approval of Amendments to Rate D11
and related relief

Case No. **U-22061**

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PROOF OF SERVICE

Carol A. Dane says that on October 6, 2026, she served a copy of the 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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