THE UNIVERSITY OF CHICAGO

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May 19, 2022

Via E-Filing Only

Ms. Lisa Felice
Michigan Public Service Commission
7109 W. Saginaw Hwy.
P. O. Box 30221
Lansing, MI 48917

RE: MPSC Case No. U-20836

Dear Ms. Felice:

Please find enclosed the Direct Testimony of Jackson Koeppel on Behalf of Soulardarity and We Want Green, Too, and accompanying exhibits DAO–32 through DAO–57, FILING 1 OF 2, along with the proof of service for electronic filing in the above referenced matter. Please do not hesitate to contact my office with any questions or comments.

Sincerely,

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xc: Parties to Case No. U-20836

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the Application of **DTE ELECTRIC COMPANY** for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority	))))))	Case No. U-20836 ALJ Sharon L. Feldman

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DIRECT TESTIMONY OF JACKSON KOEPPEL

ON BEHALF OF

SOULARDARITY AND WE WANT GREEN, TOO

May 19, 2022

I. Introduction and Summary

Q: Please state your name, occupation, and business address.

A: My name is Jackson Koeppel. I am an independent consultant, presently working on policy and development for Soulardarity, 21 Highland Street, Highland Park, Michigan 48203.

Q: On whose behalf are you testifying?

A: I am testifying on behalf of Soulardarity and We Want Green, Too.

Q: Please describe your work experience.

A: I studied climate change and social inequity at Oberlin College in Oberlin, Ohio until I transferred to Wayne State University to pursue my work on community solar advocacy. I moved to Highland Park, Michigan in 2012 and co-founded Soulardarity, an organization rooted in the Highland Park community, to organize community-owned solar streetlights and to improve weatherization to reduce home energy usage. Shimekia Nichols succeeded me as Executive Director of Soulardarity in 2021. I am now engaged in organizing locally, regionally, and nationally to democratize and decarbonize our energy economy. I am also working on wealth redistribution, the democratization of land ownership, local development, and other projects to build community control and local assets. I have been part of the LeadNow Fellowship organized by SustainUS and the Will Steger Foundation's Intergenerational Co-Mentorship fellowship, and I have received the Brower Youth Award and the Vehicle of Change Award for my work. I was a 2018–19 Detroit Innovation Fellow and a 2021 Grist 50 cohort member.

Q: For what purpose was Soulardarity created?

A: In 2011, DTE repossessed more than 1,000 streetlights from Highland Park, Michigan, a predominantly low-income and people-of-color city, after its municipal government defaulted on its electric utility payments. A coalition of Highland Park residents formed Soulardarity in 2012 to help alleviate the crisis by installing community-owned, solar-powered streetlights in the city. Soulardarity's mission has subsequently broadened to include energy education and advocacy for community solar and greater equity in Michigan's energy generation and delivery systems. Through activism and advocacy, Soulardarity emphasizes the particular needs, experiences, and perspectives of low-income communities and communities of color.

Q: What is Soulardarity's focus?

A: Soulardarity's focus is improving access to affordable, clean energy for low-income communities and communities of color, including women, children, the elderly, people with disabilities, and others who live in poverty. As such, Soulardarity promotes solar street lighting, solar bulk purchasing, energy education, job training, and expanding access to clean energy to improve the economic condition of low-income communities, especially low-income communities of color, in southeast Michigan. Soulardarity has developed partnerships with other Michigan stakeholders interested in energy justice and affordability, including experienced solar installers, solar developers, environmental justice advocates, and public health experts. Soulardarity also advocates for equitable utility rates and services, including but not limited to investments in reliability, safety, and energy waste reduction, on behalf of low-income communities and communities of color.

Finally, Soulardarity pushes for reducing the burdens of fossil-fuel energy generation on low-income communities and communities of color and for just transitions from the fossil-fuel energy economy to the clean energy economy.

Q: Has Soulardarity previously intervened in or commented on an MPSC matter?

A: Yes, Soulardarity intervened in MPSC matter U-18232 and advocated, through testimony and briefing, for the inclusion of community solar projects in DTE's Renewable Energy Plan (REP) and for the accommodation of low-income, people-of-color ratepayers in DTE's energy decision-making. Soulardarity filed a comment in MPSC matter U-18418 regarding the proposed Integrated Resource Planning (IRP) process and advocated that the process include more robust engagement with stakeholders from low-income, people-of-color communities. Soulardarity also commented during the MPSC Staff's development of the Distributed Generation Tariff in MPSC matter U-18383 and advocated for changes that would increase transparency and access to solar energy for low-income communities and communities of color. Soulardarity joined a Response to Prior Comments in MPSC matter U-18076 concerning DTE's application for Commission approval of a previous amended REP. Soulardarity intervened in DTE's 2018 rate case, MPSC matter U-20162, and DTE's 2019 rate case, MPSC matter U-20561, and advocated, through testimony and briefing, for a more equitable rate design through the provision of increased resources in underserved communities and for policies that promote access to distributed generation programs for low-income and people-of-color ratepayers. Soulardarity has also intervened and raised similar concerns in DTE's 2019 IRP proceeding, MPSC matter U-20471, DTE's Energy Waste Reduction (EWR) proceeding, MPSC matter U-20373, DTE's Voluntary Green Pricing (VGP) proceedings, MPSC matters U-20713 and U-20851, and DTE's Prepay proceeding, MPSC matter U-21087.

Q: What is the purpose of your testimony?

A: My testimony is focused on highlighting issues pertinent to low-income and Black, Indigenous, and People of Color (BIPOC) communities, especially those in the Detroit metro area. I will examine the connections between distribution system investments, rate structure, and various proposed programs including low-income assistance and distributed generation as they pertain to the outcomes of affordability, reliability, health, and equity.

Q: What is the core outcome your testimony is aimed at achieving?

A: My testimony is oriented around addressing racial and economic class disparities in the energy system and the achievement of Race-Class Equity (RCE). In the context of a rate case, Race-Class Equity demands distribution of the costs and benefits of the energy system in a manner that addresses historic harm and moves towards a future where costs and benefits are shared equally across lines of race and class background.

Q: What considerations need to be present in energy decisions to achieve Race-Class Equity?

A: Race-Class Equity requires consideration of locational and demographic trends in reliability, affordability, health, ownership, and authority within decision-making processes. It also connects issues of how race and economic equity impact benefits for the rate base in its entirety.

Q: Why is it important for the MPSC and other stakeholders to use Race-Class Equity as a basis for their decisions about the energy system?

A: In Michigan and the United States as whole, race and class are closely correlated. Household wealth is higher for white households than for BIPOC households. Economic inequality as a whole has increased to historic levels and continues to increase. As economic inequality rises, the gap between households on the basis of race increases as well. See, e.g., Ex. DAO-32, Kimberly Amadeo, *Racial Wealth Gap in the United States: Is There A Way to Close It and Fill the Divide?* THE BALANCE (Jan. 20, 2022), https://www.thebalance.com/racial-wealth-gap-in-united-states-4169678. Racial disparities in income compound the wealth gap. *See* Ex. DAO-33, Paula Gardner, *Study: Wage Gap Widens Between Black, White Workers, Especially in Michigan*, BRIDGE MICH. (Aug. 12, 2020), https://www.bridgemi.com/business-watch/study-wage-gap-widens-between-black-white-workers-especially-michigan. As a result, it is not possible to understand fully racial inequity without understanding economic inequity. At the same time, it is not possible to comprehend economic inequality fully without understanding how racialized inequity exacerbates economic inequality. It is on the basis of this close correlation that I assert that any element of DTE's proposal that impacts low-income households is also, implicitly, a racial justice issue.

Q: What does DTE purport to be doing to address racial and class disparities in the energy system?

A: DTE is conducting an internal process it is referring to as Environmental, Social, and Governance (ESG) initiatives, purportedly to integrate these concerns into its business practices. See A-23, Schedule M1, DTE 2021 Distribution Grid Plan, at 34. As I discuss in the Business Purpose section, DTE also has extensive public messaging about racial equity. As I discuss in the infrastructure section of my testimony, DTE even makes commitments to a locational analysis of equity using the MI EJ Screen tool.

Q: What do you think about what DTE is doing to address racial and class disparities in the energy system?

A: These efforts suggest strongly the DTE's leadership understands that racial and economic disparities in the energy system are problematic and that DTE has a responsibility to address them, at least to some extent. However, what DTE has done little of—at least for now—is act upon its commitments.

Because DTE leadership is aware of racial and economic disparities in the energy system and the potential for mobilization around these issues to affect its long-term control of the energy system and profits off of it, DTE has made substantial investments to shape the public debate. DTE Energy has allocated substantial amounts of money to funding Michigan Energy Promise, an association of organizations designed to promote the benefits of utility-owned solar over distributed generation for low-income BIPOC communities. See Ex. DAO-34, David Anderson, et al., ENERGY & POL'Y INST., STRINGS ATTACHED: HOW UTILITIES USE CHARITABLE GIVING TO INFLUENCE POLITICS AND INCREASE INVESTOR PROFITS, 36–39 (Dec. 2019), https://www.energyandpolicy.org/wp-content/uploads/2019/12/Strings-Attached-how-utilities-use-charitable-giving-to-influence-politics-and-increase-investor-profits.pdf. Many of the organizations that are part of this association are non-profits or churches that depend upon contributions from

DTE in one form or another to provide life-saving services to their communities. But I consider the specific advocacy entities like Michigan Energy Promise to be "front groups" for DTE, because the Company funds and manages them to promote DTE's interests while maintaining the appearance of a genuine coalition. *See* Ex. DAO-35 Matt Kasper, *Utility Front Group 'Michigan Energy Promise' Emerges to Rally DTE Energy Foundation Recipients to Target Solar Industry*, ENERGY & POL'Y INST. (Mar. 3, 2019), https://www.energyandpolicy.org/michigan-energy-promise-dte-energy-front-group/.

One must assess DTE's positive direct messaging about racial and economic justice in light of its support for groups which actively promote solutions that are counter to—or at least undermine—racial and economic justice.

Q: Has DTE presented the impacts of its proposals in this case in terms of the racial and economic disparities in the energy system?

A: No. In response to discovery questions submitted by Soulardarity and We Want Green Too, DTE's witnesses confirmed that DTE did not conduct any analysis of the disparate impacts in terms of race or class on any element of its proposals, including but not limited to the impact of increased residential rates. *See* Ex. DAO-36, DTE's First Partial Response to DAAO's First Discovery Request, DAAODE-1.3; Ex. DAO-37, DTE's First Partial Response to DAAO's First Discovery Request, DAAODE-1.7; Ex. DAO-38, DTE's First Partial Response to DAAO's Third Discovery Request, DAAODE-3.2. Combined with the actions identified above, this should be understood as DTE rejecting considerations of Race-Class Equity, as, when push comes to shove, DTE prioritizes profit maximization in its rate proposal and operations over Race-Class Equity.

Q: How does DTE's political spending and activity relate to Race-Class Equity concerns?

A: In DTE Energy's publicly posted policy, DTE Energy states that it "supports public policies that promore its commitment to sustainable, reliable, affordable and safe energy." Ex. DAO-39, DTE ENERGY, DTE ENERGY POLICY OP10 CORPORATE POLITICAL PARTICIPATION (Mar. 18, 2021), https://newlook.dteenergy.com/wps/wcm/connect/75db71de-143d-4770-a8e3-e0ad373aad36/PoliticalParticipationPolicies.pdf?MOD=AJPERES. DTE Energy then explains that its "decisions on corporate and Political Action Committee (PAC) contributions, and support for trade and business associations, recognizes these policy positions and a wide range of other criteria, including policies that help our local communities prosper and flourish while promoting opportunity for all in an open and just society." *Id.*

However, DTE's political contribution choices are not consistent with this policy in regards to Race-Class Equity.

As the Defend Black Voters Coalition has shown, DTE is making campaign contributions to politicians working to pass legislation that would have the effect of suppressing the vote for many Michigan residents, including substantially Black communities and other communities of color. *See* Ex. DAO-40, Defend Black Voters Coalition, *Michigan Companies Can't Say That Black Lives Matter and Then Support an Attack on Black Voters*, CMTY. CHANGE ACTION (Last Accessed May 14, 2022), https://communitychangeaction.org/dbv/; Ex. DAO-41, AM. C.L. UNION, FACT SHEET ON VOTER ID LAWS (AUG. 2021), https://www.aclu.org/sites/default/files/field_document/aclu_voter_id_fact_sheet_-_final_1.pdf. These laws generally disenfranchise low-income people, and because of the correlation of race and class, the disenfranchisement occurs more often of BIPOC voters. DTE's political funding dovetails neatly with DTE's disinvestment in BIPOC communities, making it harder for those most affected by DTE to respond.

DTE also makes it its business to influence local government. For example, DTE contributed at least $50,000 to a campaign opposing Proposal P in Detroit, which would have made several fundamental changes to the Detroit city charter. *See*, e.g., Dana Afana, DETROIT FREE PRESS, *Who's Funding Efforts For and Against Detroit's Proposed Charter Revision? Here's What We Know* (Aug. 2, 2021), https://www.freep.com/story/news/local/michigan/detroit/2021/08/02/who-funding-proposal-p-ads-heres-what-we-know/5400017001/. Regardless of the content that DTE is promoting, DTE's form of direct political intervention in the governance of Michigan's largest majority Black city invites skepticism about how much DTE's actions are in the interest of BIPOC ratepayers.

DTE also uses funds to fight policy advancing clean energy at the state level. It is presently engaged in efforts to fight bills removing the cap on distributed solar, and it has opposed every Renewable Energy Standard legislative proposal in recent history.

Considering what appears to be a complete lack of formal consideration of racial and economic equity in DTE's business decisions regarding ratepayers and the regressive policy positions the Company has backed, arguments for rate increases that hinge on customers benefiting from DTE's continued financial health and largesse ring extremely hollow.

Q: Why does it matter if DTE's leadership is aware of racial and economic disparities in the energy systems but fails to address them?

A: Awareness of racial and economic disparities in the energy system but a failure to address them sufficiently indicates that DTE's leadership is consciously choosing to put profit maximization over people. DTE's record is abysmal when viewed from the perspective of Race-Class Equity. If the Company's profitability depended on achieving outcomes that are approximately equal across race and class lines, then DTE would be failing. And, within this case, DTE's witnesses have constructed their testimony in an attempt to head off this possibility.

DTE's testimony must be read with the understanding that, even in areas where Michigan law requires it to consider equity, the Company's witnesses have minimized these concerns. In other words, the situation is not one in which DTE is acting as a reasonable steward, perhaps acting in error because it is missing some information. Rather, DTE has the information it needs to address Race-Class Equity and is choosing to argue against the relevance of racial and economic disparities in the energy system in its decision-making.

Q: Does DTE's failure to address racial and economic disparities in the energy system in any way absolve the Company of responsibility for the impacts it has caused?

A: No. It reflects poorly on DTE to be claiming commitment to racial and economic equity outwardly while failing to consider it in business decisions, and even more so if that failure is an intentional, strategic decision to maximize profits instead. But the impact and DTE's accountability to address it exists regardless of how intentional the Company's disregard is.

Q: Are there any other concepts you will use to explain your positions and structure your testimony?

A: Yes. I will use the term Profit Maximization Principle (PMP) to describe what I understand to be the guiding value behind all elements of DTE's filing: the generally accepted responsibility of all shareholder-owned companies to maximize long-term profits for shareholders. I will use the term Social Interest Principle (SIP) to describe a contrary guiding value: maximization of collective social benefit through assessment of the full life cycle costs and benefits of energy decisions and distribution of those costs and benefits in line with Race-Class Equity. I will use the phrase Community-Owned Assets (COA) to characterize infrastructure for the generation, distribution, and management of energy that is majority-controlled by the users of that infrastructure and the labor force that created and maintains it.

Q: Why are these principles relevant for a rate case—or frankly, any case—before the Michigan Public Service Commission?

A: These principles are relevant because they speak to whether DTE is acting in manner and making proposals that are "reasonable and prudent" and "just and reasonable," without "any undue preference or advantage" or "maintain[ing] any unreasonable difference" among customers paying the same rate. For too long, public utility regulators have authorized public utilities to pursue profit maximization under the guise of “reasonable and prudent” when, in fact, the utilities’ actions are anything but.

Q: Do you have specific proposals about how DTE could meaningfully address the varying objectives it claims?

A: Yes. As just one example, Soulardarity has previously developed and proposed models for a low-income community solar program that would merge the affordability, reliability, community engagement, distribution investment, and public health concerns which DTE’s employees have claimed, in testimony and public media, to have. We Want Green, Too Witness Brian Donovan will discuss this proposal in detail in his Direct Testimony, and I will explain below in the Clean Energy Access section of my testimony the motivations for and benefits of this proposal. As another example, I will also discuss alternatives to the residential batteries pilot organized around the Social Interest Principle rather than the Profit Maximization Principle and alternative strategies for infrastructure investment that would improve Race-Class Equity.

I should note, however, that the burden should not be on Social Interest Principle advocates to develop a full suite of proposals by which DTE can address Race-Class Equity. DTE has access to information and financial resources that are orders of magnitude greater than ours. That is why it is especially important for the Commission to require DTE to address Race-Class Equity and to prioritize the Social Interest Principle over the Profit Maximization Principle as the utility develops its strategy, makes specific proposals, and runs its operations.

Q: How will you focus your testimony from this point onward, and why have you structured it that way?

A: I will focus on specific elements of DTE's testimony that reflect its reliance on the Profit Maximization Principle to develop proposals and drive decisions but where the Social Interest Principle identifies clear and concrete alternatives which improve Race-Class Equity.

I begin by addressing DTE's claimed business objective. Although DTE claims to have some pro-social goals, its actions and incentives demonstrate that its true objective is, simply, maximizing shareholder profit. Although DTE has made statements suggesting other goals in its public messaging, a broader view of its political activity shows that these statements are designed to forestall change and to maximize rates in order to maximize returns to shareholders. DTE's proposals in this rate case further demonstrate its real purpose.

I then discuss four focal points where DTE's profit-driven proposals are particularly harmful: Residential Rate Increase and Return on Equity, Clean Energy Access, Residential Battery Access, and Infrastructure Investment. In each of these areas, I will outline how DTE's proposals are rooted in the Profit Maximization Principle, show how they harm Race-Class Equity, describe alternatives based on the Social Interest Principle, and outline specific requests for relief relevant to the issues at stake in this case that aim to achieve those goals.

Q: Are you sponsoring any exhibits?

A: Yes, I am sponsoring the following exhibits.

DAO-32. Kimberly Amadeo, *Racial Wealth Gap in the United States: Is There A Way to Close It and Fill the Divide?* THE BALANCE (Jan. 20, 2022), https://www.thebalance.com/racial-wealth-gap-in-united-states-4169678

DAO-33. Paula Gardner, *Study: Wage Gap Widens Between Black, White Workers, Especially in Michigan*, BRIDGE MICH. (Aug. 12, 2020), https://www.bridgemi.com/business-watch/study-wage-gap-widens-between-black-white-workers-especially-michigan

DAO-34. David Anderson, et al., ENERGY & POL'Y INST., STRINGS ATTACHED: HOW UTILITIES USE CHARITABLE GIVING TO INFLUENCE POLITICS AND INCREASE INVESTOR PROFITS, 36–39 (Dec. 2019), https://www.energyandpolicy.org/wp-content/uploads/2019/12/Strings-Attached-how-utilities-use-charitable-giving-to-influence-politics-and-increase-investor-profits.pdf

DAO-35. Matt Kasper, *Utility Front Group 'Michigan Energy Promise' Emerges to Rally DTE Energy Foundation Recipients to Target Solar Industry*, ENERGY & POL'Y INST. (Mar. 3, 2019), https://www.energyandpolicy.org/michigan-energy-promise-dte-energy-front-group/

DAO-36. DTE's First Partial Response to DAAO's First Discovery Request, DAAODE-1.3

DAO-37. DTE's First Partial Response to DAAO's First Discovery Request, DAAODE-1.7

DAO-38. DTE's First Partial Response to DAAO's Third Discovery Request, DAAODE-3.2

DAO-39. DTE ENERGY, DTE ENERGY POLICY OP10 CORPORATE POLITICAL PARTICIPATION (Mar. 18, 2021), https://newlook.dteenergy.com/wps/wcm/connect/75db71de-143d-4770-a8e3-e0ad373aad36/PoliticalParticipationPolicies.pdf?MOD=AJPERES

DAO-40. Defend Black Voters Coalition, *Michigan Companies Can't Say That Black Lives Matter and Then Support an Attack on Black Voters*, CMTY. CHANGE ACTION (Last Accessed May 14, 2022), https://communitychangeaction.org/dbv/

DAO-41. AM. C.L. UNION, FACT SHEET ON VOTER ID LAWS (AUG. 2021), https://www.aclu.org/sites/default/files/field_document/aclu_voter_id_fact_sheet_-_final_1.pdf

DAO-42. DTE Energy, *DTE Energy Foundation Awards More Than $1 Million in Grants Focused on Enhancing Equity and Opportunity*, GLOBENEWSWIRE (Feb. 1, 2022), https://www.globenewswire.com/en/news-release/2022/02/01/2376884/0/en/DTE-Energy-Foundation-awards-more-than-1-million-in-grants-focused-on-enhancing-equity-and-opportunity.html

DAO-43. DTE Energy, FACEBOOK (May 30, 2020), https://www.facebook.com/dteenergy/posts/10158214845081465

DAO-44. Donald James, *How Nine Detroit-Based Top Execs and Respective Companies are Addressing Racial Injustice One Year Later After George*

Floyd's Murder, MICHIGAN CHRONICLE (Sept. 15, 2021), https://michiganchronicle.com/2021/09/15/how-nine-detroit-based-top-execs-and-respective-companies-are-addressing-racial-injustice-one-year-later-after-george-floyds-murder/

DAO-45. *Diversity and Inclusion*, DTE ENERGY (Last Accessed Apr. 29, 2022), https://careers.dteenergy.com/content/Diversity-and-Inclusion/?locale=en_US

DAO-46. DTE ENERGY CO., *Form 10-K for the Fiscal Year Ended December 31, 2021*, 27 (Feb. 10, 2022) (excerpt)

DAO-47. DTE ENERGY CO., *Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934*, 4 (Mar. 17, 2022) (excerpt)

DAO-48. FACTSET: CALLSTREET, DTE ENERGY CO. Q3 2020 EARNINGS CALL 27 (Oct. 27, 2020), https://s24.q4cdn.com/970999156/files/doc_financials/2020/q3/Q3.20-Factset-FINAL-Transcript.pdf

DAO-49. Jean Su & Christopher Kuveke, CTR. FOR BIOLOGICAL DIVERSITY & BAILOUT WATCH, POWERLESS IN THE PANDEMIC: AFTER BAILOUTS, ELECTRIC UTILITIES CHOSE PROFITS OVER PEOPLE, 6 (Sept. 2021)

DAO-50. REGULATED ENERGY DIVISION, COMPARISON OF AVERAGE RATES (IN CENTS PER KWH) FOR MPSC-REGULATED ELECTRIC UTILITIES IN MICHIGAN, 1–26

DAO-51. Letter from U.S. House of Representative's Committee on Energy and Commerce to Jerry Norcia, President & Chief Executive Officer, DTE Energy (Mar. 21, 2022)

DAO-52. Eleanore Catolico & Nina Ifnaczak, *Detroit Energy Activists Push to Hold Utilities Accountable During Power Outages*, ENERGY NEWS NETWORK (May 3, 2022), https://energynews.us/2022/05/03/detroit-energy-activists-push-to-hold-utilities-accountable-during-power-outages/

DAO-53. Christopher T. M. Clack et al., VIBRANT CLEAN ENERGY, LLC, ELECTRIFICATION AND DECARBONIZATION PATHWAYS FOR MICHIGAN, 7 (Feb. 11, 2022), https://votesolar.org/wp-content/uploads/2022/02/VCE-VoteSolar-MI.pdf

DAO-54. *National Community Solar Partnership*, U.S. DEPT. OF ENERGY (Last Accessed May 15, 2022), https://www.energy.gov/communitysolar/community-solar

DAO-55. *Community-Owned Solar*, PEOPLE'S SOLAR ENERGY FUND, (Last Accessed May 15, 2022), https://www.psef.network/

DAO-56. DTE's Response to DAAO's Fourth Discovery Request, DAAODE-4.3a & Attachment

DAO-57. DTE's Response to DAAO's Fourth Discovery Request DAAODE-4.2ai, DAAODE-4.2d

DAO-58. SOULARDARITY, SOULARDARITY STATEMENT ON THE DTE SETTLEMENT AGREEMENT (Apr. 16, 2021), https://d3n8a8pro7vhmx.cloudfront.net/soulardarity/pages/1302/attachments/original/1618592199/4_16_21_Statement_on_DTE_Settlement.pdf?1618592199

DAO-59. 5 LAKES ENERGY, UTILITY REGULATORY MEASURES TO IMPROVE ELECTRIC RELIABILITY IN MICHIGAN 9 (Mar. 2020), https://d3n8a8pro7vhmx.cloudfront.net/cubofmichigan/pages/105/attachments/original/1593548892/CUB_of_MI_Report_Utility_Regulatory_Measures_to_Improve_Electric_Reliability_in_Michigan_Final_3.30.2020_%281%29.pdf?1593548892

DAO-60. David P. Brown, *Socioeconomic and Demographic Disparities in Residential Battery Storage Adoption: Evidence from California*, 164 Energy Pol'y (2022)

DAO-61. DTE's Response to DAAO's Third Discovery Request, DAAODE-3.19bii

DAO-62. *Self-Generation Incentive Program (SGIP)*, CALIFORNIA PUBLIC UTILITIES COMMISSION (Last Accessed May 18, 2022), https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/demand-side-management/self-generation-incentive-program

DAO-63. Liberty Utilities Petition to Approve Battery Storage Pilot Program, Docket No. DE 17-189 Settlement Agreement, New Hampshire Public Utilities Commission (2018)

DAO-64. *Get An Instant Rebate On Your Home Battery*, PORTLAND GENERAL ELECTRIC (Last Accessed May 15, 2022), https://portlandgeneral.com/pge-smart-battery-pilot-residential-rebate

DAO-65. Letter from Green Mountain Power Re: GMP – Tesla Powerwall Innovative Pilot to Susan Hudson, Vermont Public Service Board (Dec. 2, 2015), http://www.greenmountainpower.com/wp-content/uploads/2017/01/Hudson-12.02.2015-Tesla-Pilot-Filing.pdf

DAO-66. *EJScreen: Environmental Justice Screening and Mapping Tool*, U.S. ENVIRONMENTAL PROTECTION AGENCY, (Last Accessed May 15, 2022), https://www.epa.gov/ejscreen

DAO-67. Carina Gronlund et al., *Energy Equity: Health Impact Assessment of DTE's Integrated Resource Plan*, 16 – 21 (2021), http://mleead.umich.edu/files/SLIDES_20210309_HealthImpactAssessmentsAsAToolForEnergyAndPublicPlanning.pdf

DAO-68. *Research: Health Impact Assessment,* OUR POWER MICHIGAN (Last Accessed May 15, 2022), https://ourpowermi.org/research/health-impact-assessment/

DAO-69. DTE's Response to DAAO's Fourth Discovery Request, DAAODE-4.1a

DAO-70. DTE's Response to DAAO's Fourth Discovery Request, DDAODE-4.1a-01

DAO-71. DTE's Response to DAAO's Third Discovery Request DAAODE-3.18a

DAO-72. DTE's First Partial Response to DAAO's First Discovery Request, DAAODE-1.10ai

DAO-73. DTE's First Partial Response to MNSC's Fourth Discovery Request, MNSCDE-4.7d

DAO-74. Union of Concerned Scientists and Soulardarity, How to Achieve Energy Sovereignty in Highland Park, https://www.ucsusa.org/sites/default/files/2021-10/How-to-Achieve-Energy-Sovereignty-Highland-Park-fact-sheet.pdf

DAO-75. City of Highland Park, Resolution to Approve the DTE Cortland Substation Project (Sept. 19, 2016)

DAO-76. DTE's Second and Final Partial Response and the Supplemental Response to question DAAODE-1.1a

DAO-77. DTE's Response to DAAO's Third Discovery Request DAAODE-3.5a.

DAO-78. DTE's First Partial Response to DAAO's First Discovery Request DAAODE-1.1b

DAO-79. DTE's First Partial Discovery Response to DAAO's First Discovery Request DAAODE-1.9bii.

DAO-80. DTE's Response to DAAO's Third Discovery Request DAAODE-3.9c, DAAODE-3.9d

DAO-81. DTE's Response to DAAO's Third Discovery Request DAAODE-3.7di1

DAO-82. City of Highland Park, Minutes of the Virtual Regular Meeting of the Highland Park City Council, 2-3 (Feb. 16, 2021), https://highlandparkmi.gov/getattachment/b926fffb-f548-496d-8390-84ce72c5b5b8/210216.aspx

DAO-83. DTE, DTE ENERGY BUSINESS UPDATE (Mar. 23, 2022)

DAO-84. *Initiation of Coverage: North American Regulated Utilities*, UBS SECURITIES LLC, 18-21 (Feb. 1, 2018)

DAO-85. FISHER, SHEEHAN & COLTON, THE HOME ENERGY AFFORDABILITY GAP 2021: MICHIGAN, 1 (Apr. 2022)

DAO-86. Rate Recovery, Reporting, and Accounting Treatment of Industry Association Dues and Certain Civic, Political, and Related Expenses, 86 Fed. Reg. 72958 (Dec. 23, 2021).

DAO-87. Center for Biological Diversity, Petition for Rulemaking to Amend the Uniform System of Accounts' Treatment of Industry Association Dues, 8, 11 (Mar. 17, 2021), https://www.biologicaldiversity.org/programs/energy-justice/pdfs/FERC_Petition_Trade_Group_Dues_031721.pdf

DAO-88. Comments of Michigan Attorney General Dana Nessel and the Citizens Utility Board of Michigan in Response to FERC Notice of Inquiry, Docket No. RM22-5-000, 4 (Feb. 22, 2022)

DAO-89. DTE Electric Company's Electric Reliability Standards Report (2016 – 2021)

II. DTE's Business Objective and its Effects on DTE's Decision-making in Rate Cases

Q: How does DTE Electric describe its business objective in this proceeding?

A: DTE Witness Crozier begins her testimony by presenting the Company's business objective as including several goals related to the welfare of customers. Specifically, she states that "DTE Electric's overall business objective is to provide safe, reliable, clean, and cost-effective electric service to its customers and deliver reasonable and appropriate compensatory returns to DTE Energy shareholders while maintaining its financial health." Crozier Direct Testimony at 5. DTE justifies its requests in the rate case based on the Company's ability to support this claimed objective. Crozier Direct Testimony at 6.

Q: Is DTE's claimed business objective in this case consistent with other public commitments the Company has made?

A: No. DTE has construed its business purpose narrowly in this proceeding. The Company's goals in this proceeding are not consistent with other major public statements and actions that the Company has taken, including ones relevant to this proceeding. A few examples are illustrative.

In February 2022, DTE Energy announced that the DTE Energy Foundation had "awarded more than $1 million in grants to eight Michigan-based organizations focused on encouraging equity" for those organizations "to develop programs, seed current projects and create partnerships that support social justice and racial equity efforts." Ex. DAO-42, DTE Energy, *DTE Energy Foundation Awards More Than $1 Million in Grants Focused on Enhancing Equity and Opportunity*, GLOBENEWSWIRE (Feb. 1, 2022), https://www.globenewswire.com/en/news-release/2022/02/01/2376884/0/en/DTE-

Energy-Foundation-awards-more-than-1-million-in-grants-focused-on-enhancing-equity-and-opportunity.html. In the release, DTE directly connects itself with the activities of the DTE Energy Foundation, stating:

> In 2021, the DTE Energy Foundation provided more than $18.9 million in grant support where the company has a business presence with a focus on driving positive, meaningful change on three key areas: jobs, equity and the environment. As one of Michigan's leading corporate citizens, DTE aspires not only to be the best in the world, but the best for the world, serving as a force for growth and prosperity in the communities across Michigan.

Id. While in other contexts DTE is careful to demarcate clearly the boundaries between its regulated utility businesses, under-regulated subsidiaries, and its Foundation, the public messaging related to these grants reveals a clear strategy to connect the brands of the organizations. The problem, though, is that while the regulated business benefits from the positive halo of the Foundation's investments in jobs, equity and the environment, in this rate case the regulated business does not acknowledge the importance of "social justice and racial equity" and in fact proposes activities that run counter to making progress on them.

Then there are the direct statements of DTE Energy's executive leadership. Following the murder of George Floyd, DTE Energy CEO Jerry Norcia released the following statement on Facebook:

> At DTE, I stand united with our more than 10,000 employees in rejecting all forms of discrimination and violence in our workplace and in our communities.
>
> We condemn the inhumanity that caused the death of George Floyd in

> Minneapolis and what we have witnessed recently in New York, Georgia and other states.
>
> While living through a pandemic that has already affected so many in Michigan, we have learned that COVID-19 is a frightening, invisible force. Racism is another terrible, invisible force that becomes obvious when we see our people and communities in pain.
>
> We can all help by reaching out, listening and offering support, caring and understanding each other.

Ex. DAO-43, DTE Energy, FACEBOOK (May 30, 2020), https://www.facebook.com/dteenergy/posts/10158214845081465. In a 2021 interview in the Michigan Chronicle, Norcia stated that "[a]t DTE, we are focused on connecting our diversity, equity and inclusion efforts to every part of our business strategy." See Ex. DAO-44, Donald James, *How Nine Detroit-Based Top Execs and Respective Companies are Addressing Racial Injustice One Year Later After George Floyd's Murder*, MICHIGAN CHRONICLE (Sept. 15, 2021), https://michiganchronicle.com/2021/09/15/how-nine-detroit-based-top-execs-and-respective-companies-are-addressing-racial-injustice-one-year-later-after-george-floyds-murder/; *see also* Ex. DAO-45, *Diversity and Inclusion*, DTE ENERGY (Last Accessed Apr. 29, 2022), https://careers.dteenergy.com/content/Diversity-and-Inclusion/?locale=en_US.

However, in this rate case, based on DTE's statement of its business purpose and other discovery responses, it would appear that DTE generally does not consider addressing racial and economic inequity as part of the Company's business activities. *See* Ex. DAO-36, DTE's First Partial Response to DAAO's First Discovery Request, DAAODE-1.3; Ex. DAO-37, DTE's First Partial Response to DAAO's First Discovery Request, DAAODE-1.7; Ex. DAO-38, DTE's First Partial Response to DAAO's Third Discovery Request, DAAODE-3.2. The statement of business purpose in this case and discovery responses stating that DTE did not consider disparate impacts along lines of race and class in numerous areas of their proposal show the hollowness of the Company's prior statements. In other words, if the Company believed those words, then the Company would be doing more to address racial and economic disparities in the energy system in this rate case, including not proposing activities that actively exacerbate those disparities.

In addition, DTE touts its ESG goals and mentions corporate initiatives to achieve these goals before the Commission. For instance, DTE's Distribution Grid Plan states that the Company will conduct a locational reliability analysis using the MI EJ Screen Tool to guide the Company's plan. *See* A-23, Schedule M1, DTE 2021 Distribution Grid Plan, at 34. But to address locational unreliability from an Environmental Justice (EJ) perspective requires understanding the longstanding and continuing race and class disparities in distribution of the benefits and burdens of our electric system and a willingness to rectify them. DTE's stated business purpose neither refers to equity in general nor indicates a willingness to grapple with race and class inequalities in the energy system more specifically, raising serious doubts about whether DTE will change its activities in any way based on the results of the forthcoming EJ analysis.

Q: Are DTE's claimed business objectives, both within and beyond this case, credible?

A: No. DTE's actions, incentives, and statements in this rate case all indicate that its business objective is maximization of long-term profit for shareholders. I believe that, in furtherance of these objectives, DTE aims to achieve only the minimally-required levels of reliability, does not prioritize affordability and public health, and seeks to perpetuate its monopoly. DTE pursues “safe, reliable, clean, and cost-effective electric service” only to the extent that regulation and popular or political pressure would otherwise limit its pursuit of maximum profits. And DTE seeks to limit the degree to which regulation and popular or political pressure can force it to prioritize the public interest over its own profits. The mismatch highlighted above between DTE’s outsized public claims, more narrowly defined business purpose, and activities that run directly counter to its stated support for jobs, equity, and the environment makes me question DTE’s seriousness about pursuing any objective other than profit.

Q: What evidence supports your claim that DTE Electric’s business objective is maximization of long-term profit for shareholders?

A: First, to state the obvious, DTE Electric is a subsidiary of DTE Energy, a publicly traded and investor-owned corporation. While there have been recent debates about and attempts to broaden the set of interests that corporations serve, my understanding is that the background legal rule remains that the primary duty of an investor-owned corporation is maximization of profits for its shareholders. *See,* e.g., *Dodge v. Ford Motor Co.,* 204 Mich. 459, 507 (1919) (“A business corporation is organized and carried on primarily for the profit of the stockholders. The powers of the directors are to be employed for that end.”). DTE’s investor communications are refreshingly direct on this point: “DTE Energy's strategy is to achieve long-term earnings growth with a strong balance sheet and an attractive dividend." Ex. DAO-46, DTE ENERGY CO., *Form 10-K for the Fiscal Year Ended December 31, 2021*, 27 (Feb. 10, 2022) (excerpt).

Second, DTE's compensation structure directly demonstrates the subordination of DTE's public-interest utility obligations to profit. DTE structures its incentives for decision-makers to depend predominantly on DTE's financial metrics. It should thus come as no surprise when these decision-makers propose plans that primarily seek to prioritize DTE shareholder profit over "safe, reliable, clean, and cost-effective electric service."

DTE is explicit about the financial emphasis with respect to its top five executives. As DTE explains in its latest proxy report to shareholders:

> Our executive compensation programs are designed to be competitive with our peers, have a meaningful performance component linked to the achievement of short-term and long-term goals that align with our shareholders' long-term interests and encourage executives to have an ownership interest in the Company. Our President and CEO's total compensation shows strong pay-for-performance alignment with growth in long-term shareholder value creation.

Ex. DAO-47, DTE ENERGY CO., *Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934*, 4 (Mar. 17, 2022) (excerpt).

The actual payments made to DTE executives bare out DTE's description of its incentive compensation programs. For example, in 2021 Trevor F. Lauer, the President and Chief Operating Officer of DTE Electric received $1.35 million in stock (directly or indirectly based on DTE's financial performance) as compared to $0.52 million in non-equity incentive compensation (itself 40% based on DTE financial performance). *See id.* at 42, 47, 53. Similarly in ratio terms and structure, Jerry Norcia, President and Chief

Executive Officer of DTE Energy, received $6.52 million in stock compensation and $2.03 million in non-equity incentive compensation. *See id.*

DTE's request for recovery of executive compensation in this rate case shows a similar incentive structure for DTE executives just below the top in which financial metrics dominate over those reflecting direct benefits to customers. DTE executives receive incentive compensation based on a combination of the Annual Incentive Plan, which roughly balances DTE's financial success with various direct measures of the utility's activities and the Long-Term Incentive Plan, which depends entirely on DTE's financial metrics. *See* Cooper Direct Testimony at 46. More than two-thirds of DTE executive incentive compensation comes from the Long-Term Incentive Plan. *See* Cooper Direct Testimony at 45, 54. The Annual Incentive Plan weights DTE's financial measures at 40% of the total, with various customer service, employee safety, and reliability metrics making up the other 60%. *See* Cooper Direct Testimony at 46; A-21, Schedules K-2, K-3, K-4. (Note that financial metrics are only 20% of the total for Nuclear Generation employees.) By contrast, the Long-Term Incentive Plan provides a combination of stock and "Performance Shares." Cooper Direct Testimony at 51. The Performance Shares depend on just two metrics, both financial: "total return to DTE Energy shareholders" and "DTE Electric Actual Return on Equity." Cooper Direct Testimony at 52. (The structure is somewhat different for the Nuclear Generation unit.) Since the value of the stock grants also depends on returns to shareholders, the entirety of the Long-Term Incentive Plan depends on maximizing shareholder value. So, as with DTE's top five executives, financial metrics vastly predominate for DTE's other executives.

Third, and last but not least, many of DTE's proposals within this rate case demonstrate that it seeks to maximize its profit by limiting accountability and customer independence. As other portions of my testimony highlight, DTE has not hesitated to choose profits over quality of electric service or affordability when these goals conflict.

Q: Do DTE's responses to COVID-19, as reported in the Direct Testimonies of Witnesses Crozier and Johnson, provide additional support for your view of DTE's business purpose?

A: Yes. DTE frames its response to COVID-19 around care for customers. *See* Crozier Direct Testimony at 9 ("safeguard its customers"); *id.* at 9–10 (discussing DTE's "customer service" programs). But the Commission should not give DTE any special credit for its response to COVID-19. The COVID-19 pandemic just provided another opportunity for DTE to profit.

The COVID-19 crisis did not cause any financial hardship for DTE. In a Question and Answer session during its 3rd quarter earnings call of 2020, DTE CEO Jerry Norcia stated that DTE has "had a really strong year in Electric company this year and some portion of that has been driven by incremental sales due to COVID and the pandemic as it relates to our residential markets." Ex. DAO-48, FACTSET: CALLSTREET, DTE ENERGY CO. Q3 2020 EARNINGS CALL 27 (Oct. 27, 2020), https://s24.q4cdn.com/970999156/files/doc_financials/2020/q3/Q3.20-Factset-FINAL-Transcript.pdf. DTE benefited from increased residential usage and large sums of public money allocated towards utility assistance through the CARES Act. In docket U-20921, DTE proposed allocating of $30 million of excess profit derived from the residential rate base. In that docket, several entities including the Highland Park COVID-19 Just Recovery Task Force submitted comments calling for direct refunds to the residential rate class. *See* U-20921, Comments from the Highland Park Just Recovery Task Force (Nov. 23, 2020); U-20921, Comments of the Michigan Environmental Council, Natural Resources Defense Council, and Sierra Club (Dec. 9, 2020). DTE Energy also received more than $250 million dollars in tax benefits from the CARES Act. *See* Ex. DAO-49, Jean Su & Christopher Kuveke, CTR. FOR BIOLOGICAL DIVERSITY & BAILOUT WATCH, POWERLESS IN THE PANDEMIC: AFTER BAILOUTS, ELECTRIC UTILITIES CHOSE PROFITS OVER PEOPLE, 6 (Sept. 2021).

Despite these financial benefits during the depths of the COVID pandemic, DTE performed an astounding number of shutoffs, including repeated shutoffs and reconnections, outpacing every other Michigan utility. *See id.* at 3. All the while, DTE continued to charge the highest residential rates among all lower-Michigan investor-owned utilities in most months. *See* Ex. DAO-50, REGULATED ENERGY DIVISION, COMPARISON OF AVERAGE RATES (IN CENTS PER KWH) FOR MPSC-REGULATED ELECTRIC UTILITIES IN MICHIGAN, 1–26.

That many of DTE's shutoffs often last only 48 hours—DTE's habitual defense of its practices—does not make DTE's high shutoff numbers more justifiable. *See, e.g.*, DAO-XX, Sarah Alvarez, PROPUBLICA, *Lights Out: Profitable Utility Company Shut Off Electricity to Homes Hundreds of Thousands of Times* (Mar. 18, 2022), https://www.propublica.org/article/lights-out-profitable-utility-company-shut-off-electricity-to-homes-hundreds-of-thousands-of-times ("The utility said that in most cases, customers have service restored within 48 hours.") Paired with DTE's prior statements that shutoff notices are correlated with greater collections effectiveness, the relatively short shut-off times should not be seen as a defense. *See, e.g.*, *id.* ("DTE's Lamphear said in an email that it has 'an obligation to all customers' to manage unpaid bills in a cost-effective way, so that lost revenue doesn't result in higher costs for all.") Instead, DTE's shutoff practices should be understood as utilizing the threat of real harm to households—which occurs even in a 48-hour shutoff when food, work days, and medical equipment are lost or impaired—to drive collections. As Soulardarity has pointed out in prior testimony, the internal organization by the company of its shutoff and reconnection operations and low-income programs under the same Revenue Management and Protection division indicates the primary function of these programs within DTE's organizational goals.

DTE's actions during COVID-19 are completely consistent with the Profit Maximization Principle. The extent to which DTE's residential customers received relief and protection was not derived from any generosity on DTE's part, and the evidence in the Company's extreme rate of shutoffs, now being investigated by the U.S. House of Representative's Committee on Energy and Commerce, indicates its adherence to the Profit Maximization Principle over addressing the needs of its customers. *See* Ex. DAO-51, Letter from U.S. House of Representative's Committee on Energy and Commerce to Jerry Norcia, President & Chief Executive Officer, DTE Energy (Mar. 21, 2022).

Q: Why is it important for the Commission and other stakeholders to consider the problems with DTE's statement of its business objective in this case?

A: DTE has placed these arguments on the record to assert certain motivations for its efforts and proposals in this rate case. DTE claims that all the technical arguments and justifications that follow are based on and in furtherance of these goals and values.

DTE has prioritized—and, all things equal, will continue to prioritize—shareholder earnings and will put the Profit Maximization Principle over the Social Interest Principle in governance and operational decisions. This is not a reflection of the moral quality of any particular person at DTE. It is simply a matter of structural and historical fact.

As a result, it is incumbent on the Commission and other parties to protect the welfare of ratepayers. If DTE's claim to put ratepayers first is taken as a given, it could lead the Commission and intervenors not to scrutinize and challenge DTE's assertions as much as they should. This danger is particularly significant when dealing with the broad-scope issues presented by this rate case. The Commission only gets to make a decision on the one case that DTE submits. It does not get to see the other ninety-nine potential cases that never saw the light of day because they did not maximize DTE's profits. So in evaluating the prudence of DTE's proposal, and the reliability of the testimony supporting it, the Commission must be mindful of DTE's true goals.

Finally, understanding DTE's true business purpose highlights the importance of the Commission's role. DTE's objectives are often directly opposed to those of the public, and rate cases are one of the few mechanisms available to rein in DTE and align its actions with the public interest. DTE has used, and will continue to attempt to use, Commission decisions as political cover. *See, e.g.*, Ex. DAO-52, Eleanore Catolico & Nina Ifnaczak, *Detroit Energy Activists Push to Hold Utilities Accountable During Power Outages*, ENERGY NEWS NETWORK (May 3, 2022), https://energynews.us/2022/05/03/detroit-energy-activists-push-to-hold-utilities-accountable-during-power-outages/ (quoting DTE response to proposed outage credit legislation, with higher compensation and utility penalties, in which DTE states that the legislation is "unnecessary" because the MPSC "has already conducted a thorough review").

Q: What action do you recommend to the Commission regarding DTE's business purpose?

A: The Commission should require DTE to describe its business purpose in a manner consistent with its legal obligation to its shareholders. If DTE wishes to describe its business purpose as different from "primarily for the profit of shareholders," it should be required to provide evidence of shareholder action specifically enabling DTE to place other priorities above profit maximization.

Q: Why should the Commission require DTE to describe its business purpose as "primarily for the profit of shareholders," or something similar?

A: As I explained above, this is the truth. The Commission regularly requires the Company to provide accurate reports on its business operations. Given the influence of objectives on planning, I believe this is equally important.

III. Clean Energy Access

Q: Please summarize your position on DTE's proposals related to clean energy access.

A: DTE proposes outflow rate changes and, through the proposed D1.12 rate, system access fees, *see* Foley Direct Testimony at 50, that would cumulatively limit the financial viability of rooftop and community solar. These changes risk pushing solar out of reach for many low-income households and communities, deepening existing disparities, and entrenching the failed central generation model. With the possible exception of the line-loss credit, the Commission should reject DTE's proposals related to Rider 18. Instead, DTE and the Commission should adopt the recommendations of Soulardarity and We Want Green, Too Witness Donovan. In particular, as outlined and supported in further detail by Witness Donovan, the Commission should direct DTE to return with a detailed proposal for a low-income community solar program that provides equitable access to solar energy, protects customers from potential fraud, and values solar energy correctly.

Q: How does DTE attempt to maximize its profits through its clean energy proposals?

A: DTE's proposals would decrease the payback of solar investments for individuals, establish precedent that improperly understates the value of solar to all ratepayers, and punish solar users disproportionately for choosing clean energy. DTE's proposals protect its long-term profitability by eliminating competition in the supply of energy and continuing to incentivize capital-intensive, utility-owned energy production and distribution.

Q: How do DTE's clean energy proposals frustrate efforts to address racial and economic disparities in the energy system?

A: The stripping away of the already limited and undervalued financial benefits of Distributed Generation (DG) will undermine the economic benefits of DG and make rooftop solar almost, if not entirely, inaccessible to low-income households. While some people in DTE's service territory may still invest in solar for environmental and power reliability reasons, the overall outcome of moving forward with DTE's requests would be to limit solar adoption to upper income communities, leaving low-to-moderate income communities with very limited means to pursue alternatives to DTE's underperformance. And due to the close correlation of race and class, this means that adopting DTE's proposal will restrict solar access along racial lines. As detailed in Witness Donovan's Direct Testimony, low-income households already struggle with access to the benefits of rooftop solar due to lack of financial capital, among other reasons.

Q: How does the failure of DTE's clean energy proposals with respect to race and class equity impact ratepayers universally?

A: By making solar energy a premium product available only to the highest income customers in its territory, DTE's proposals seriously constrain solar adoption. In doing so, DTE prevents the entire territory from realizing the net cost savings possible through high rates of DG adoption, as evidenced by the modeling of Vibrant Clean Energy. *See* Ex. DAO-53, Christopher T. M. Clack et al., VIBRANT CLEAN ENERGY, LLC,

ELECTRIFICATION AND DECARBONIZATION PATHWAYS FOR MICHIGAN, 7 (Feb. 11, 2022), https://votesolar.org/wp-content/uploads/2022/02/VCE-VoteSolar-MI.pdf.

Q: What is the relationship between the failings of DTE's clean energy proposals and the shortcomings of the Company's infrastructure investment strategy?

A: Taken together, these proposals demonstrate an investment strategy oriented around low levels of distributed generation and community ownership. The Profit Maximization Principle leads to these strategies and outcomes.

Instead, consistent with the Social Impact Principle, DTE should provide a platform for distributed energy production and focus its investment strategy on creating conditions for the build-up of Community-Owned Assets of many kinds. Doing so would prioritize grid modernization, incentivize locally-owned generation in many forms, and lower infrastructure costs for customers over the long term.

Q: How would DTE need to change its proposals to reflect the Social Interest Principle?

A: DTE would need to reconstruct its proposal for outflow rates and system access fees to maximize DG adoption, reduce its own long-term generation investment plans, and reward solar users for their contributions to affordability for the entire rate base, as well as incentivize energy savings to reduce overall demand. Concretely, this would mean increasing outflow compensation, creating a low-income community solar program as previously proposed by Soulardarity, removing fixed fees, and developing infrastructure plans supportive of DG adoption.

Q: What is the philosophy underlying the proposal for a Low-Income Community Solar (LICS) Program as outlined in the Direct Testimony of Soulardarity and We Want Green, Too Witness Donovan?

A: The LICS Program is based in the Social Interest Principle. It aims to address Race-Class Equity gaps in solar access while promoting universal benefits to all energy users in DTE's service territory.

Q: How does the Low-Income Community Solar Program improve Race-Class Equity while promoting universal benefits to all energy users?

A: Low-income households face many unfair barriers to rooftop solar access, which I have explained extensively in my prior testimony and comment in multiple DTE cases across the past five years. *See, e.g.*, U-18418 (IRP Planning), Soulardarity Comments Regarding Stakeholder Engagement in the Integrated Resource Planning Process, at 1 (Oct. 20, 2017); U-18232 (DTE Renewable Energy Plan Case), Koeppel Direct Testimony, 2 TR 219, 222 (Jul. 18, 2018); U-20561 (2019 DTE Rate Case), Koeppel Revised Direct Testimony, 6 TR 1427–29, 1431–32 (Nov. 26, 2019); U-20713 & U-20851 (DTE VGP Case), Koeppel Direct Testimony, 4 TR 480–83 (Dec. 23, 2020); U-20147 (Distribution Grid Plan) Soulardarity Comments on DTE's 2021 Distribution Grid Plan Draft Report, at 1 (Aug. 30, 2021).

The creation of a low-income specific community solar program directly aims to address the equity gap in solar access. By tying outflow rates for the Low-Income Community Solar program to the Distributed Generation program, the LICS program ensures parity between low-income participants in this program and higher-income households able to pursue rooftop solar more easily and creates a shared incentive across race and class lines to work together for fair treatment of solar users. Direct oversight of project approval by low-income communities, subject matter experts, regulators, and utility stakeholders will ensure that projects prioritize Community-Owned Assets and demonstrate clear low-income benefits.

Q: Does the program design address concerns that third party solar developers may be just as financially extractive in their orientation to the Profit Maximization Principle as DTE and have even less Commission oversight?

A: Yes. The program should be explicit about prioritizing the development of Community-Owned Assets and have strong oversight systems by organizations representing and governed by low-income communities who demonstrate alignment with achieving Race-Class Equity and working from a value set aligned with the Social Interest Principle.

Many organizations and other sources of technical support and project assistance now exist to help communities develop solar on their own terms while navigating the difficult process of securing financing. These organizations can partner with communities, regulatory agencies, and utilities to help communities achieve their energy goals. These organizations and sources of support include the National Community Solar Partnership, which "works closely with the U.S. Department of Energy's Office of Economic Impact and Diversity to align efforts on creating equitable access to community solar," *see* Ex. DAO-54, *National Community Solar Partnership*, U.S. DEPT. OF ENERGY (Last Accessed May 15, 2022), https://www.energy.gov/communitysolar/community-solar, and the Peoples' Solar Energy Fund, "a cooperative of community-based solar developers working in BIPOC and Low Income Communities [which] provides peer technical assistance, loans for community equity, project pre-development funding, project term debt, and project equity for member projects." *See* Ex. DAO-55, *Community-Owned Solar*, PEOPLE'S SOLAR ENERGY FUND, (Last Accessed May 15, 2022), https://www.psef.network/. While community-owned solar might once have been an unachievable ideal, these organizations are helping to make it a reality in low-income, BIPOC communities.

Thus, both the Oversight Board envisioned by the Low Income Community Solar Program and communities attempting to develop solar would have plenty of assistance regarding project development, contractor selection, project approval metrics, and processes that would maximize community benefits through community ownership.

Q: Why should DTE not be allowed to recover the IT capital costs associated with the low-income solar pilot?

A: DTE has requested $1.3 million initially in IT capital to support a program that is only projected to build around $3 million of new generation. *See* Pizzuti Direct at 22; Partial Settlement Agreement for Case No. U-20713 and Full Settlement Agreement for Case No. U-20851, at clause 10.4.4. Total expenditures to support the program may be as much as $2.3 million. *See* Ex. DAO-56, DTE's Response to DAAO's Fourth Discovery Request, DAAODE-4.3a & Attachment (business case for IT expenditure on the low-income solar pilot). And, despite DTE's description of the project as "enabling anyone, whether a DTE customer or not, the option to contribute into a low-income renewables fund," *see* Pizzuti Direct Testimony at 22, the amount DTE would spend on this line item includes only the work related to participants in the pilot, and excludes any addition spending needed to enable donations. *See* Ex. DAO-57, DTE's Response to DAAO's Fourth Discovery Request DAAODE-4.2ai, DAAODE-4.2d.

I am concerned because this request appears to me to be a way for DTE to generate profit in a roundabout manner. The settlement agreement in U-20717 and U-20851 stated that DTE would not make a profit on its investment of up to $900,000 in the projects. While recovery of IT costs does not contradict the letter of the settlement agreement, it does contradict the spirit of that agreement. DTE's request to recover for the IT investment—a greater amount than its contributions to the effort—appears to be an attempt to ensure that this project, in the end result, still contributes to long-term shareholder profits. Considering DTE's unwillingness to pursue a program that allows for iteration and growth (rather than the pilot to which it agreed), and DTE's unwillingness to include community ownership elements, the value of these IT investments to ratepayers as a whole and the specific subsets of ratepayers envisioned to benefit from this program are highly suspect. To my knowledge, DTE did not share these proposed IT costs with the Low-Income Solar Council members or discuss them with staff prior to this rate case application, which raises questions about its commitment to that process. The limitations of the program and deficiencies in design that contributed to Soulardarity's decision not to sign on to the settlement agreement are reinforced by DTE's apparent need for an amount of IT capital that is, at minimum, nearly one-and-a-half times the total potential generation capital investment. *See* Ex. DAO-58, SOULARDARITY, SOULARDARITY STATEMENT ON THE DTE SETTLEMENT AGREEMENT (Apr. 16, 2021), https://d3n8a8pro7vhmx.cloudfront.net/soulardarity/pages/1302/attachments/original/16

18592199/4_16_21_Statement_on_DTE_Settlement.pdf?1618592199. As stated previously, Soulardarity remains hopeful that despite these deficiencies, the pilot will serve as a helpful starting point for further community solar program development. But as it currently stands, this level of IT investment seems unsupported and excessive, certainly in relationship to the amount of capital that DTE is contributing to these three installations.

Q: What action should the Commission take in this case regarding DTE's proposals related to clean energy access?

A: The Commission should reject DTE's proposed outflow rate changes and system access fees for Rider 18. Additionally, the Commission should direct DTE to return with a detailed proposal for a low-income community solar program that addresses equitable solar access, customer protection, and the proper value of solar to the rate base. The Commission should also direct DTE to take the further steps to support distributed generation and clean energy access that witness Donovan identifies. The Commission should also scrutinize particularly closely DTE's request for recovery of the IT investments for the low-income solar pilot.

IV. Residential Battery Access

Q: How are DTE's proposals related to residential battery access designed around the Profit Maximization Principle?

A: DTE's residential batteries pilot includes solely utility ownership of batteries, does not include any compensation for outflow to the participants, and prioritizes learning how much customers are willing to pay for additional reliability. These components subsidize

DTE's effort to dominate the residential battery market, to frame reliability as a premium service rather than a baseline expectation, to capture all of the value from residential batteries for the Company, and to guarantee earnings on the Company's capital investment, which together insulate DTE from competition, allow DTE to set prices, and supports the Company's long-term profitability.

Without intervention by DTE, expansion of locally owned batteries could threaten DTE's control of the grid. As DTE explains, residential batteries are a growing market, driven by "declining battery prices and distributed solar ('PV') advancements." Burns Direct Testimony at 86. DTE's proposal strikes me as an attempt to get ahead of those market forces that empower customers, with design elements more focused on DTE's shareholder interest than proper program design or benefit to customers. DTE's design of the program is deeply flawed as a means to stimulate usage of battery storage and create equitable access. While these design elements appear to be flaws, when seen from the perspective of shareholder interest DTE's program design choices are entirely logical.

Q: How does the residential batteries pilot improperly shift responsibility for reliability onto the customer and fail to justify the monthly fee?

A: DTE describes one of the key learning goals of the pilot as assessment of customers' "willingness to pay for backup power" and says that the pilot "will help determine appropriate pricing strategies for resiliency as a service." Burns Direct Testimony at 88.

Of course, the value of resiliency for individual customers is directly linked to DTE's failure to provide an adequate level of reliability and resiliency more generally. As many comparative studies demonstrate, DTE is far behind the national standard in provision of reliable service. *See, e.g.*, Ex. DAO-59, 5 LAKES ENERGY, UTILITY REGULATORY MEASURES TO IMPROVE ELECTRIC RELIABILITY IN MICHIGAN 9 (Mar. 2020), https://d3n8a8pro7vhmx.cloudfront.net/cubofmichigan/pages/105/attachments/original/1593548892/CUB_of_MI_Report_Utility_Regulatory_Measures_to_Improve_Electric_Reliability_in_Michigan_Final_3.30.2020_%281%29.pdf?1593548892. And DTE is already aware of the huge costs that these reliability problems impose on its customers; indeed, DTE justifies its capital investments in infrastructure based on the U.S. Department of Energy's Interruption Cost Estimation (ICE) Calculator. *See* Pfeuffer Direct Testimony at 59. Notably, DTE indicates that the ICE Calculator is generally a conservative estimate of costs, and that it particularly does not fully incorporate the costs associated with reliability problems. *See* Pfeuffer Direct Testimony at 62.

To the extent DTE really intends to make meaningful improvements in reliability over the next few years, any pricing data DTE derives from this pilot will rapidly become meaningless because willingness-to-pay for reliability will change. So, while I hope the reliability of DTE's service will improve, the pilot is only sensible on the terms DTE uses to justify it if the Company does not make real progress on improving reliability and resilience more generally.

More fundamentally, "willingness to pay" is a fundamentally inequitable metric for provision of reliable electric service. As Witness Lowe explains in more detail in her Direct Testimony on behalf of Soulardarity and We Want Green, Too, reliable electric power, particularly in the modern world, is a necessity. Moreover, customers are already paying for power that is supposed to be reliable. If DTE's pilot proceeds, it will no doubt determine the obvious: wealthier customers are able—and willing—to pay more. Already, poorer customers, often Black and brown, are significantly less likely to have backup power—despite generally facing more significant reliability issues.

In light of these facts, DTE's framing of the residential battery pilot program attempts to turn reliability from a fundamental service for which all customers pay to a premium product available only to those who can afford it. The residential batteries pilot is consistent with a philosophy that promotes profit maximization and seeks to lift responsibilities from the Company.

Q: How does the residential batteries pilot fail to consider the benefits of customer ownership?

A: DTE only proposes utility ownership, and it poorly defends its choice to do so. DTE's statement that "DTE needs to first understand how to interact with and control the batteries," *id.*, is reminiscent of arguments made in the VGP filing about not including community ownership options in a low-income solar pilot. The claim that customer ownership is complex and might be hard to do—despite a large roster of programs in other utility territories with a wide array of designs—speaks to more a lack of will than of ability. Indeed, allowing customer ownership would substantially reduce the cost of the pilot by tapping additional sources of capital and would help the pilot to reach the scale necessary for testing with fewer Company-owned batteries.

DTE's justification of utility ownership based on a need to determine appropriate pricing for residential batteries is also flawed. DTE states that "the Company does not yet understand the appropriate incentive structure that should be offered to these customers," *see* Burns Direct Testimony at 91. As noted above, DTE has clear evidence of the huge costs that its unreliable service imposes on its customers, so there is no need for this market research: customers clearly have good reason to invest in batteries. Moreover, willingness-to-pay is a completely inappropriate concept for an ultimate residential battery program, so the data DTE gathers will be worthless. In particular, because residential batteries (like solar) are available from a variety of commercial entities, to the extent a residential battery program includes utility-owned residential batteries, pricing for utility-owned batteries should be determined based on a combination of equity considerations, the value provided by the batteries to the grid, and the cost of procuring, installing, and maintaining batteries.

As Soulardarity argued in DTE's VGP proceedings and in public statements on the settlement agreement, a pilot that does not include multiple ownership options is incapable of learning anything about the value of those different options. *See* U-20713 and U-20851, Soulardarity Initial Brief, at 15–17; Ex. DAO-58, SOULARDARITY, SOULARDARITY STATEMENT ON THE DTE SETTLEMENT AGREEMENT (Apr. 16, 2021), https://d3n8a8pro7vhmx.cloudfront.net/soulardarity/pages/1302/attachments/original/1618592199/4_16_21_Statement_on_DTE_Settlement.pdf?1618592199. Moreover, because early adopters of new technologies influence the adoption patterns of others, design of the pilot can have long-term effects on the distribution and ownership structure for residential batteries. *See* Ex. DAO-60, David P. Brown, *Socioeconomic and Demographic Disparities in Residential Battery Storage Adoption: Evidence from California*, 164 Energy Pol'y, 12 (2022).

DTE's design means that customers will have no equity in the batteries, will have no control over how the batteries will be used, and will continue to be in a position of dependency on DTE. Although DTE suggests that it might permit customer ownership eventually, DTE has made no commitment to begin offering a "bring-your-own-device" battery program at any point in the future, and DTE's design of the pilot biases any future decision on "the best design for a potential larger program." *See* Burns Direct Testimony at 91.

Q: How does the financial design of this program aim to maximize shareholder profit?

A: DTE requests a total of $4.2 million of capital costs for the bridge and test periods, for $9.8 million capital in total over the life of the pilot. *See* A-12, Schedule B5.10; A-12, Schedule B5.10.1, at 3. $3.094 Million of the $3.144 Million of capital costs in the test year are derived from the Battery Hardware and Installation, or just over 98% of the test period total capital costs. O&M costs are estimated at $0.2 Million for the projected test year.

DTE, of course, seeks recovery on all of this, with return on invested capital. A customer-owned battery program would have much lower capital costs. In light of these numbers and my assessment of DTE's business purpose, it is easy to understand why DTE did not propose a customer-owned option for the battery pilot— there is simply very little shareholder profit to be had in a program with no physical capital ownership by the utility. DTE's pilot proposal, as written, presents a viable pathway to new revenue streams for DTE.

In shifting responsibility for reliability and resilience from the Company to individual customers, DTE further protects itself from accountability for performance affecting shareholder returns. Between monthly fees and DTE seeking full recovery for what is essentially market research, DTE works to establish precedent that resiliency should be thought of as an add-on service, rather than a requirement at the core of its social contract with the public.

Q: How do DTE's proposals related to residential battery access harm Race-Class Equity?

A: The proposal for a residential batteries pilot frames resiliency as a premium service, rendering it inaccessible to low-income customers already struggling with affordability issues. These low-income customers are also likely to be more highly impacted by reliability problems due to higher likelihood of medical issues, economic insecurity, and other vulnerabilities. Due to the close correlation of race and class described in the introduction of my testimony, this means that access will also be restricted along racial lines. This proposal creates a pay-to-play model in which ratepayers with higher disposable incomes will be able to pay extra for reliability while low-income and BIPOC communities are left with increasingly unreliable service and infrastructure. That "fifty percent of the pilot subscriptions are free to participants," *see* Ex. DAO-61, DTE's Response to DAAO's Third Discovery Request, DAAODE-3.19bii, is irrelevant given DTE's plan for free pilot access is to be followed by a pay-to-participate program.

Q: How does the Direct Testimony of Eban Morales on behalf of Soulardarity and We Want Green, Too inform your view of DTE's proposal?

A: Witness Morales' Direct Testimony about his direct experiences with DTE as a disabled, low-income resident of Highland Park on an extremely unreliable circuit reinforces my analysis of the deficiencies of this proposal. For a future program to be accessible to low-income customers most in need of reliable power, such as Witness Morales, the program model needs to be fundamentally designed with those customers, who have no ability to pay extra for improved reliability to which they are already entitled, in mind.

Q: How do the Race-Class Equity issues with DTE's proposals related to residential battery access impact ratepayers universally?

A: As with clean energy access, DTE's proposal to make storage a premium product restricts adoption to a serious degree. In doing so, DTE prevents the entire territory from realizing the net cost savings possible through high rates of combined DG/DS (Distributed Generation/Distributed Storage) adoption. *See* Ex. DAO-53, Christopher T. M. Clack et al., VIBRANT CLEAN ENERGY, LLC, ELECTRIFICATION AND DECARBONIZATION PATHWAYS FOR MICHIGAN, 7 (Feb. 11, 2022), https://votesolar.org/wp-content/uploads/2022/02/VCE-VoteSolar-MI.pdf ("[D]istribution co-optimization uses the distributed solar along with the distributed storage to defer distribution system upgrades and save costs.")

Q: What would need to be different about these proposals related to residential battery access to reflect the Social Interest Principle?

A: DTE would need to remove the willingness-to-pay based fee structure, add an outflow rate to compensate participants for the value they provide to the grid, add locationally specific credits where participants experience higher rates of unreliability, include equity credits for households with vulnerabilities such as reliance on breathing machines, and include Bring-Your-Own-Device and Pay-As-You-Save options to allow for, and incentivize, customer ownership.

Q. But DTE is just proposing a pilot, not a program. Why is it important to have the Social Interest Principle and Race-Class Equity incorporated into the pilot, rather than waiting for adjustments to be made when DTE proposes a program?

A. It is important to include the Social Interest Principle and Race-Class Equity into the pilot because pilots provide information and influence what programs the Commission ultimately approves. *See generally* U-20645, Order, Feb. 4, 2021 (Commission order on pilot proposals). If DTE does not attempt to address Race-Class Equity or follow the Social Interest Principle in the pilot, then it will say that it does not have the information that it needs to do so when it proposes rolling out a program based on the utility-focused, shareholder-equity-enhancing pilot.

Q: Are there other utility program models to draw from here which provide lessons on how to design a residential battery program with due regard to Race-Class Equity?

A: Yes.

- In California, the Self-Generation Incentive Program (SGIP) offers a rebate structure for battery installations that uses explicit metrics around reliability and resiliency, offering a higher level of rebate for customers with multiple public safety-related shutoffs or in certain tiers of High Fire Threat Districts. See Ex. DAO-62, *Self-Generation Incentive Program (SGIP)*, CALIFORNIA PUBLIC UTILITIES COMMISSION (Last Accessed May 18, 2022), https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/demand-side-management/self-generation-incentive-program.

- In New Hampshire, the Liberty Utilities Battery Pilot included consideration of storage as a form of Non-Wires Alternative, explicitly naming the potential for storage to reduce the need for distribution investments and committing to provide a cogent analysis of grid needs in the next Liberty Utilities integrated resource plan proceeding. Ex. DAO-63, Liberty Utilities Petition to Approve Battery Storage Pilot Program, Docket No. DE 17-189 Settlement Agreement, New Hampshire Public Utilities Commission, 17 (2018).
- In Oregon, Portland General Electric offers direct rebates to participants in its test bed area and offers an additional monthly credit of $20 to customers with storage who are primarily charging their batteries with on-site solar. The program helps to resolve any issues with battery uniformity by specifically identifying qualifying battery systems. *See* Ex. DAO-64, *Get An Instant Rebate On Your Home Battery*, PORTLAND GENERAL ELECTRIC (Last Accessed May 15, 2022), https://portlandgeneral.com/pge-smart-battery-pilot-residential-rebate.
- In Vermont, Green Mountain Power (GMP) created a storage pilot with direct sale options, including a model in which GMP gives the customer a monthly bill credit of $31.76 for shared access to the battery. It is also notable that GMP includes in its list of goals the intent to "[d]emonstrate GMP can successfully control Powerwalls and reduce energy, capacity, and transmission costs." *See* Ex. DAO-65, Letter from Green Mountain Power Re: GMP – Tesla Powerwall Innovative Pilot to Susan Hudson, Vermont Public Service Board (Dec. 2, 2015),

http://www.greenmountainpower.com/wp-content/uploads/2017/01/Hudson-12.02.2015-Tesla-Pilot-Filing.pdf.

These programs demonstrate that there are existing models of equity and reliability-based participation incentives, Bring-Your-Own-Device models with compensation for customers allowing utility access to batteries, intentional integration with distributed solar, and consideration of batteries as a Non-Wires Alternative (NWA). As previously noted, DTE's proposal studiously ignores these elements of existing programs in favor of a proposal that reads as ratepayer-funded market research.

Q: Are those other utility program models fully adequate from a Race-Class Equity perspective?

A: No, these other programs are not currently fully adequate. As learnings from California's battery adoption program indicate, there were gaps in access even with some equity components included. Ex. DAO-60, David P. Brown, *Socioeconomic and Demographic Disparities in Residential Battery Storage Adoption: Evidence from California*, 164 Energy Pol'y, 2 (2022). In California zip codes with adoption of the SGIP-funded batteries, the bottom 50th percentile of the median income distribution accounted for only 15% of SGIP-funded battery storage investment, and regression analysis showed a statistically significant relationship between household income and battery storage adoption rate. *Id.* The study results should not strike anyone experienced in home energy upgrades as surprising. Lower income households are more likely to be renters, face higher barriers to financing, and face more serious home maintenance issues.

Rather than being discouraging, however, this analysis further demonstrates that to be effective DTE's pilot must have explicit learning goals around achieving Race-Class Equity from the very beginning. Overcoming equity barriers in the adoption of new technology is challenging even when it is an explicit goal. There is no reason to expect a good result when it is not even considered.

Q: What action should the Commission take in this case regarding DTE's proposals related to residential battery access?

A: The Commission should reject DTE's proposal and direct DTE to come back with a residential batteries program proposal with Social Interest Principle and Race-Class Equity goals, including at minimum removal of the willingness-to-pay based fee structure, addition of an outflow rate or monthly credit, locationally specific reliability credits, equity credits for households with special vulnerabilities, and inclusion of Bring-Your-Own-Device and Pay-As-You-Save options to allow for, and incentivize, customer ownership.

V. Infrastructure Investment

Q: Please summarize your position regarding DTE's proposed infrastructure investments.

A: DTE's distribution plan continues the long pattern of facially race-neutral investment policies with racially discriminatory effects. Existing distribution infrastructure in low-income communities throughout DTE's territory is both inadequate and worse than other parts of its service area. With a seismic transition to a distributed generation looming, DTE's stop-gap approach to infrastructure investment positions low-income communities for decades of inferior and inadequate service. It also denies the predominantly Black and brown residents of these communities the opportunities to access clean power and build wealth that predominantly white suburban residents take for granted. All ratepayers deserve access to the grid of the future.

DTE's infrastructure plan results in unjust and unreasonable outcomes for Highland Park and other low-income communities like it throughout the Detroit metro area and other parts of Michigan. The MPSC can and should require DTE to do better, starting with this rate case.

Q: What specific components of DTE's proposed infrastructure investments does your testimony focus on?

A: I focus my attention on the long-term effects of DTE's proposed investments in patching up outdated 4.8 kV circuits within Detroit (the "4.8 kV Hardening" program). The 4.8 kV Hardening program will delay conversion of these circuits to 13.2 kV, leaving the predominantly low-income communities in Detroit, Highland Park, Hamtramck, and suburban and rural Michigan with sub-par infrastructure for multiple decades. Delay reinforces the current gap in service quality over the long term. Delay also amplifies existing wealth inequalities by limiting opportunities to deploy emerging technologies such as electric distributed generation, distributed storage, and electric vehicles that would bring benefits to individual owners and their communities at large.

I also present a pathway to 100% clean energy in Highland Park. This plan is a concrete blueprint for the future of the grid. But the limits imposed by a 4.8 kV distribution infrastructure would prevent achievement of much of this vision during the limited window where Michiganders will determine ownership and deployment of the next generation of generating assets.

Q: How are DTE's proposals related to infrastructure investment designed around the Profit Maximization Principle?

A: DTE's proposals continue the traditional development pattern: large utility-owned power generation paired with expensive transmission infrastructure. For example, DTE seeks cost recovery for the Blue Water Energy Center and evaluates delay of the Belle River retirement. *See* Crozier Direct Testimony at 7; Burgdorf Direct Testimony at 21. This central energy generation model creates the need for long-term, reliable, capital investments.

By contrast, modernization of local distribution systems opens up customer and community-owned solar and storage options. DTE's limited investments in grid modernization keep customers dependent on further profit-generating DTE investments, including utility-scale solar. Faster distributed generation roll-out would render some of DTE's central generation investments unnecessary. *See, e.g.*, Burgdorf Direct Testimony at 21 (justifying delayed Belle River retirement based on "siting . . . risks affecting deployment of new renewable resources").

Q: How do DTE's proposals related to distribution infrastructure investment harm Race-Class Equity?

A: DTE's proposals leave the predominantly low-income communities in Detroit, Highland Park, Hamtramck, and suburban and rural Michigan with sub-par infrastructure for a period that could last multiple decades, reinforcing a current gap in service quality and limiting access to the benefits of emerging technology.

In its Distribution Plan, DTE committed to providing locational reliability data by circuit, which it said would be analyzed with an overlay of Michigan Environmental Justice (MI EJ) Screen in the fall of 2021 to inform its proposals in this rate case. *See* A-23, Schedule M1, DTE 2021 Distribution Grid Plan, at 35. DTE has failed to provide this analysis. Although the draft version of MI EJ Screen was not released until March 2022, there was nothing preventing DTE from releasing its locational data and completing a preliminary analysis utilizing an existing screening tool, such as the EPA's EJScreen Tool. See Ex. DAO-66, *EJScreen: Environmental Justice Screening and Mapping Tool*, U.S. ENVIRONMENTAL PROTECTION AGENCY, (Last Accessed May 15, 2022), https://www.epa.gov/ejscreen.

This inequality in access to clean energy development is particularly striking given that these same low-income and BIPOC communities have long borne disproportionate health impacts from DTE's existing generating facilities. *See* Ex. DAO-67, Carina Gronlund et al., *Energy Equity: Health Impact Assessment of DTE's Integrated Resource Plan*, 16 – 21 (2021), http://mleead.umich.edu/files/SLIDES_20210309_HealthImpactAssessmentsAsAToolForEnergyAndPublicPlanning.pdf; Ex. DAO-68, *Research: Health Impact Assessment,* OUR POWER MICHIGAN (Last Accessed May 15, 2022), https://ourpowermi.org/research/health-impact-assessment/.

Q: How does the service on DTE's 4.8 kV circuits compare to its 13.2 kV circuits?

A: First, DTE's rudimentary hosting capacity map indicates clear differences in hosting capacity between 4.8 kV circuits and 13.2 kV circuits. *See* Ex. DAO-69, DTE's Response to DAAO's Fourth Discovery Request, DAAODE-4.1a (referencing https://dte.maps.arcgis.com/apps/webappviewer/index.html?id=64e9f4e0f82c42e7b7ed847273ec2764). A relatively simplistic analysis of the underlying data shows a substantially higher average and median hosting capacity on 13.2 kV circuits than 4.8 kV circuits. Substantially circuit-by-circuit analysis is required to understand fully the true equity gap, but this basic analysis suffices to understand the order of magnitude of difference that exists between these circuits.

Table 1: Hosting Capacity By Circuit Voltage

	Average Hosting Capacity	**Median Hosting Capacity**
All 4.8 kV	138 kW	150 kW
All 13.2 kV	989 kW	975 kW

Sources: Ex. DAO-69, DTE's Response to DAAO's Fourth Discovery Request, DAAODE-4.1a; Ex. DAO-70, DTE's Response to DAAO's Fourth Discovery Request, DDAODE-4.1a-01 Hosting Capacity Map Data.xlsx.

Second, the average age of distribution assets on 4.8 kV circuits is substantially higher than total average and average age of 13.2kV system assets. *See* Ex. DAO-71, DTE's Response to DAAO's Third Discovery Request DAAODE-3.18a; Pfeuffer Direct

Testimony at 15, Table 5. Many of those assets in the 4.8 kV circuits are also substantially beyond their industry life expectancy, as outlined in Table 2 below.

Table 2: Asset Age by Circuit Voltage (in years)

Asset	**DTE Electric Average Age**	**Avg. Age on 13.2kV System**	**Avg. Age on 4.8kV System**	**Industry Life Expectancy**
Substation Power Transformers	43	32	53	40-45
Network Banks	64 for structures, 46 for trans-formers	1	40	20-30 for transformers
Switchgear	37	35	46	40
Poles and Pole Top Hardware	46	43	49	40-50
System Cable	45	25	64	20-40

Source: Ex. DAO-71, DTE's Response to DAAO's Third Discovery Request, DAAODE-3.18a.

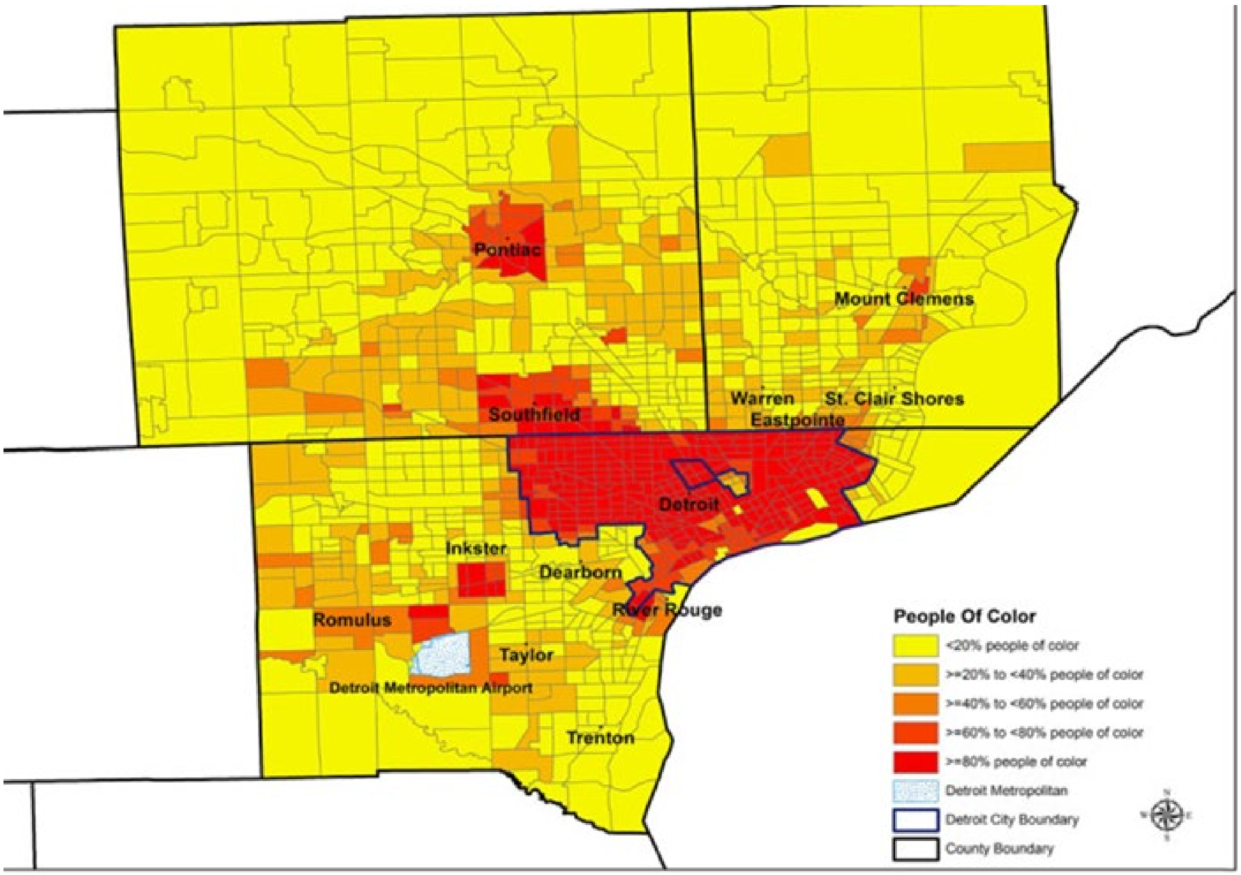
Notably, the average age of System Cable on the 4.8 kV system is far older than both the average age on the 13.2 kV system and the Industry Life Expectancy. DTE's 4.8 kV Hardening program only systematically replaces pole-related infrastructure, not system cable or the other components of the 4.8 kV system that are past their life expectancy. *See* Pfeuffer Direct Testimony at 68.

Third, and partly as a result of the age of the components on the 4.8 kV circuits, service on 4.8 kV circuits is far less reliable than 13.2 kV circuits. DTE has estimated that 4.8 kV have significantly worse reliability than 13.2 kV circuits, including more incidents per customer and 70% longer average service restoration times. U-20162, Ex. A-23, Schedule M5, at 152–53.

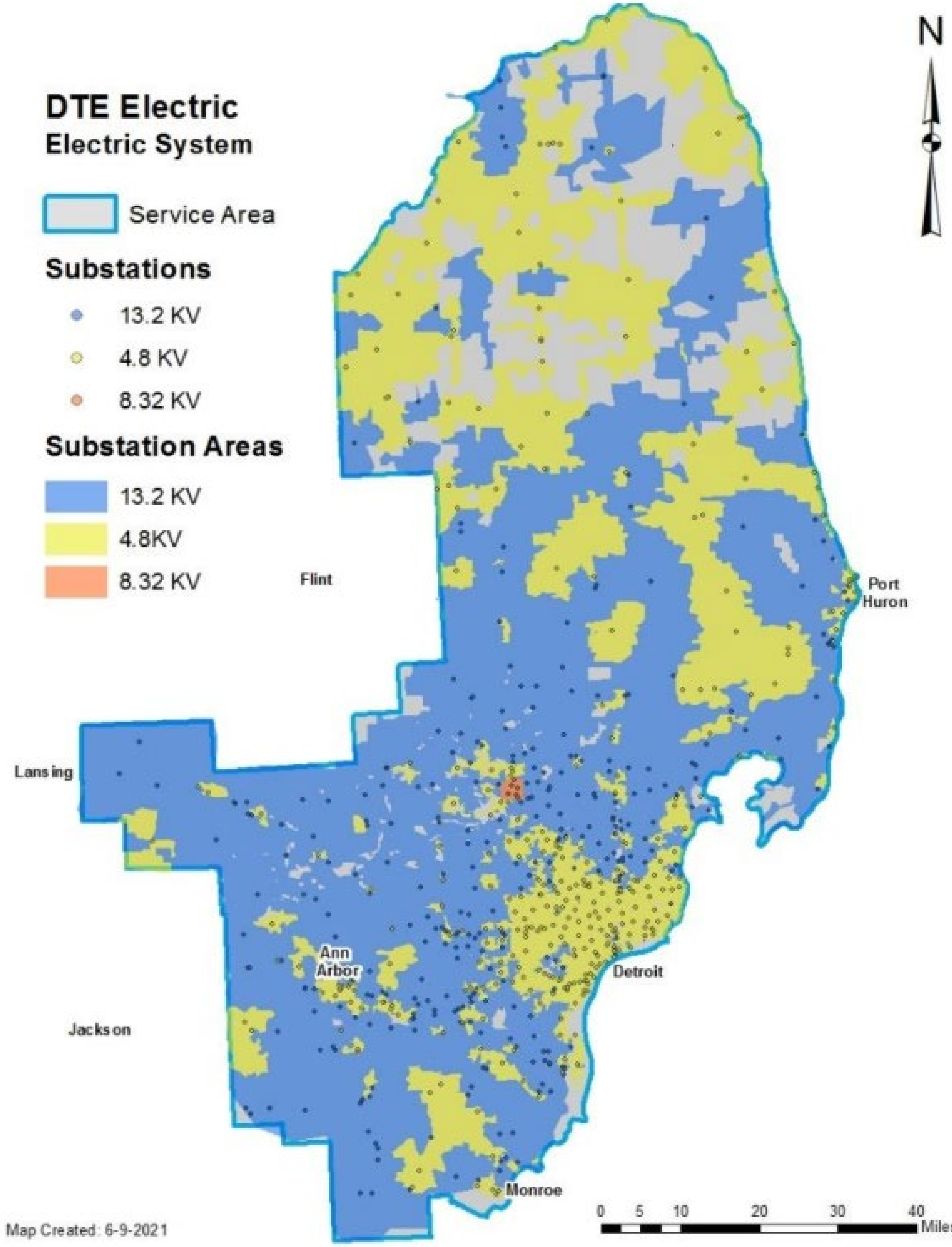
Q: How do the populations with 4.8 kV circuits compare to the populations with 13.2 kV circuits on race and class lines?

A: The Detroit Area predominantly served by the 4.8kV infrastructure has some of the highest concentration of people of color and low-income people, in DTE's service territory. While the 4.8kV system also serves some higher income communities, it is still correct to say that the customers of the 4.8kV system are disproportionately people of color and lower income than those served by the 13.2kV. Visual comparison of Figure 1 (showing racial distribution within DTE's territory around Detroit) and Figure 2 (showing hosting capacity) illustrates the racial dynamic. And while the Thumb area is not displayed in Figure 1, it is notable that the Thumb, like Detroit, is one of the more impoverished areas of the state. As Figure 2 shows, both areas are largely on the substandard 4.8 kV infrastructure.

Figure 1: Proportion People of Color Residents by Zip Code



1 **Figure 2: DTE Substation Voltages**



2

3 Source: Ex. A-23, Schedule M1, DTE 2021 Distribution Grid Plan, at 117.

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Q: Will the 4.8 kV Hardening program result in service as reliable as DTE's 13.2 kV circuits?

A: No. Even if DTE has properly estimated the benefits of the program relative to conversion, DTE has admitted that 4.8 kV Hardening provides only 80% of the reliability benefits that conversion to 13.2 kV would provide. *See* DTE U-20162 Reply Brief; U-20162 Bruzzano Direct, 4 TR 730. 80% is not equal service. Equal service is what the law requires and what customers are entitled to.

Moreover, low-income communities should have lower burdens and higher benefits of the energy system. Placing the burden of longer and more frequent outages on low-income communities by perpetuating the 4.8 kV system is especially unjust because low-income people have less opportunity to mitigate the harm. Moreover, as distributed generation and distributed storage permeates, 13.2 kV circuits will be even more important for reliability, resilience and equal access to the benefits of the clean energy transition. Hardening of the 4.8kV system provides no solution to this growing inequity.

Moreover, even the short-term reliability benefits of 4.8 kV Hardening appear to reflect the value of basic maintenance, long-deferred throughout Detroit, not any special commitment of resources. DTE lists eight components of its 4.8 kV Hardening program. *See* Pfeuffer Direct Testimony at 68. Of these, the only specified physical capital investments are (1) replacement and reinforcement of utility poles "as needed" and (2) replacement of wooden crossarms with fiberglass crossarms. DTE performs the same improvements when responding to storms and other service interruptions. *See* Pfeuffer Direct Testimony at 25–26, 28. And it also performs these same improvements as part of its regular distribution infrastructure maintenance program, the "Pole and Pole Top Maintenance and Modernization" program.

By contrast, as DTE explains at length, 13.2 kV conversion involves a number of identifiable investments with clear linkages to reliability that cannot be achieved through proper maintenance alone. *See* Pfeuffer Direct Testimony at 106.

With this context, the substantial reliability improvements that DTE claims would result from the 4.8 kV Hardening program, *see* Pfeuffer Direct Testimony at 73–74; *see* also Ex. DAO-72, DTE's First Partial Response to DAAO's First Discovery Request, DAAODE-1.10ai, are less impressive. Other utilities inspect pole top equipment on a four or five-year cycle, rather than DTE's ten to twelve-year cycle. *See* Pfeuffer Direct Testimony at 80. It is unsurprising that conducting basic maintenance on long-ignored circuits improves reliability the year after as compared to circuits that have generally not received maintenance for many years.

In addition, DTE's Control Group for measurement of year-on-year improvements excludes circuits that received tree-trim. Pfeuffer Direct Testimony at 72. "[T]ree trimming is part of the scope of work for 4.8 kV Hardening." Pfeuffer Testimony Direct at 68. Consequently, it is possible that the majority of the benefit from the 4.8 kV Hardening program has been from the tree-trimming component and not "hardening" activities.

Q: How does DTE's proposed hardening plan for the 4.8kV system in Detroit, Highland Park, Hamtramck, and surrounding areas contribute to racial inequality for solar access?

A: 4.8 kV Hardening allows the Company to claim it is addressing service quality issues while wastefully delaying upgrade to 13.2 kV for decades. This plan leaves the greater portion of the largest majority black city in DTE Energy's service territory with more limited hosting capacity than areas served by the 13.2kV system.

At least as currently conceived, DTE's 4.8 kV Hardening program implies major and unacceptable delay in conversion of the 4.8 kV infrastructure to 13.2 kV. DTE states that, for ten years after an area is hardened, it is highly unlikely for it to convert the area to 13.2 kV. *See* Ex. DAO-73, DTE's First Partial Response to MNSC's Fourth Discovery Request, MNSCDE-4.7d; Pfeuffer Direct Testimony at 109. DTE's hardening map, *see* U-20836 MNSCDE-4.5a-01 4.8 kV Hardening Work Map, indicates that DTE plans to harden the majority of Detroit by 2026. DTE states that "it is the Company's long-term goal to convert the 4.8kV system to 13.2kV system to allow new load to be added, to improve power quality and reliability, and to replace some of the oldest infrastructure on the system." Pfeuffer Direct Testimony at 72. However, DTE also states: "[T]he [4.8kV Hardening] program is expected to last 10 years, 2018 through 2027, and address over 2,200 overhead line miles, including approximately 85% of the City of Detroit. The remaining infrastructure will be addressed primarily through conversions to 13.2kV over time." Pfeuffer Direct Testimony at 74–75. Altogether, this implies that some areas which are hardened will not be prioritized for 13.2 kV conversion until 2037, or later, while areas that are not hardened may receive conversion sooner. 85% of Detroit, Highland Park, Hamtramck, and the surrounding area will be stuck with 4.8kV infrastructure that is measurably less reliable, safe, and open to DG adoption than the rest of the service territory. Moreover, the communities living in these areas will do so while paying and having paid for 13.2kV infrastructure in other areas that DTE deems not "cost effective" for most of Detroit. *See* Pfeuffer Direct Testimony at 68.

Notably, the few areas within Detroit that DTE does plan to convert to 13.2 kV are the gentrified or gentrifying areas that have seen recent economic growth. Pfeuffer Direct Testimony at 105. These are areas that are already doing well: areas "vital to tourism and recreation in the region, with an abundance of shopping, sports venues, and parks." Pfeuffer Direct Testimony at 104. These areas are also marked by an increasingly young, white, professional population that will economically benefit from better electric infrastructure. The disparate racial impact of DTE's capacity-based prioritization of 4.8 kV Conversion, *see* Ex. A-23, Schedule M1, DTE Distribution Grid Plan, at 318, is on keen display here.

Facing extortionate energy costs relative to income, frequent service interruptions, and shutoffs for non-payment, it is no mystery why many low-income and BIPOC communities have not reached capacity constraints. Given the many other benefits of conversion, load capacity is the wrong primary frame of reference for prioritization of 4.8 kV conversion projects. And, at any rate, it is no excuse for pursuit of stop-gap solutions instead of swift conversion.

Q: How do the Race-Class Equity issues with DTE's proposals related to distribution infrastructure investment impact all ratepayers?

A: DTE's proposal fails to modernize and upgrade infrastructure in Black and brown neighborhoods with Distributed Generation and Community-Owned Assets in mind. In doing so, DTE prevents the entire territory from realizing the net cost savings possible through high rates of DG adoption. *See* Ex. DAO-53, Christopher T. M. Clack et al., VIBRANT CLEAN ENERGY, LLC, ELECTRIFICATION AND DECARBONIZATION PATHWAYS FOR MICHIGAN, 7 (Feb. 11, 2022), https://votesolar.org/wp-content/uploads/2022/02/VCE-VoteSolar-MI.pdf.

Q: Why are DTE's arguments about the percentage of strategic capital spent on Detroit-area infrastructure irrelevant?

A: DTE claims that spending 29% of its strategic capital on the City of Detroit adequately addresses Detroit's aging infrastructure. Pfeuffer Direct Testimony at 75. But DTE's share of spending is irrelevant: what matters are outcomes. All Detroit area residents in all neighborhoods are entitled to service of quality equal to that of other residential ratepayers.

As I explained above, the 4.8 kV infrastructure in Detroit and surrounding areas is much worse than DTE's 13.2 kV infrastructure in both reliability and opportunity for new uses. DTE's investments will leave substantial differences in reliability. Moreover, DTE's 4.8 kV hardening investments keep Detroit stuck in the past and guarantees further reliability problems as the technology develops. A commitment to infrastructure investment without a parallel commitment to infrastructure-related outcomes is empty.

In addition, as I explained above, the 4.8 kV Hardening program is, in key respects, simply a relabeling of normal maintenance that DTE has fallen behind on throughout the Detroit metro area. The 4.8 kV Hardening is the majority of DTE's "strategic capital" investment in Detroit. Pfeuffer Direct Testimony at 76. But every time DTE builds out a new 13.2 kV circuit or expands the capacity of a 13.2 kV circuit in response to new load, spending that DTE classifies as "Base Capital," it deepens the inequality with existing 4.8 kV infrastructure.

Finally, no amount of strategic capital commitment is meaningful if DTE can simply shift the spending to other categories on its own accord. In 2020, DTE underspent on Infrastructure Redesign by nearly half. *See* Pfeuffer Testimony Direct at 20. Although DTE explains this as a response to storm conditions and COVID-19, these circumstances simply emphasize the importance of an outcome-driven approach. There will always be something that comes up.

Q: Are there additional concerns with DTE's strategic capital argument specifically related to Race-Class Equity?

A: Yes. Pfeuffer seems to present the data on strategic capital investments to create a picture of overt concern or special treatment for low-income and BIPOC communities. However, DTE has not made addressing racial and economic disparities in the energy system a part of its conversion prioritization or overall strategic planning model. *See* Ex. A-23, Schedule M1, DTE 2021 Distribution Grid Plan, at 318. Until DTE delivers the locational reliability map it has previously committed to in its Distribution Grid Plan, DTE's strategic capital arguments only further dissociate DTE's spending patterns from performance. Because of historic underinvestment and current inequities, a determination of what capital investments are reasonable and prudent must be based on the outcomes for those communities and the rate base as a whole, not on the actual dollars invested in each community in this case alone.

Q: What are Highland Park residents doing to apply the Social Impact Principle to their electricity infrastructure?

A: Having consistently received some of the least reliable service of all DTE ratepayers, far worse than the national average, paying energy rates above national averages, and bearing the externalized health costs of a dirty energy system, Highland Park residents are exploring all available options to get truly affordable, reliable, and community-benefitting energy service. This has included a collaborative analysis ("Let Communities Choose") between Soulardarity and the Union of Concerned Scientists to outline a feasible pathway to 100% Clean Energy in Highland Park and establishment of a clean micro-grid. *See* James Gignac et al., UNION OF CONCERNED SCIENTISTS AND SOULARDARITY, LET COMMUNITIES CHOOSE: CLEAN ENERGY SOVEREIGNTY IN HIGHLAND PARK, MICHIGAN 3 (2021), https://ucsusa.org/sites/default/files/2021-10/Let-Communities-Choose.pdf.

Q: What is the value to DTE, Highland Parkers and other low-income BIPOC communities, and the entire ratepayer base for shifting thinking about infrastructure investments to support Community-Owned Assets?

A: By thinking about infrastructure investment in terms of platform development for a wide array of producers and providers, with specific thought to ownership directly by energy users, DTE can maximize outcomes for energy consumers and focus its efforts on providing quality, equitable service. The overall data about DTE's reliability, affordability, and customer service indicates DTE currently struggles to deliver on these needs. If DTE approached infrastructure as a platform rather than another way for DTE to extract rents from customers, then low-income communities—and by extension BIPOC communities—would have opportunities to build wealth and stakeholdership in the energy system through rooftop and community solar and battery ownership, and their municipal institutions would have opportunities to spur economic development and local workforce development. The entire rate base would benefit, as outlined by modeling from Vibrant Clean Energy and Vote Solar, through the achievement of overall cost reductions from the more rapid deployment of clean energy and storage made possible by an infrastructure investment plan and associated rate structures and programs aimed at building the platform for a dynamic, multi-directional, energy system.

Q: What are the relevant insights of the Let Communities Choose study to DTE's infrastructure proposals?

A: The study demonstrates that 100% clean energy is technically feasible, based primarily on solar energy generation both at the rooftop and on a community scale to achieve this. Meeting the vision outlined in Let Communities Choose will require upwards of 40 MW of rooftop, community-scale, and small distributed solar installations. See Ex. DAO-74, UNION OF CONCERNED SCIENTISTS AND SOULARDARITY, HOW TO ACHIEVE ENERGY SOVEREIGNTY IN HIGHLAND PARK, https://www.ucsusa.org/sites/default/files/2021-

10/How-to-Achieve-Energy-Sovereignty-Highland-Park-fact-sheet.pdf (analysis assumes 44 MW of solar in Highland Park).

However, DTE's infrastructural capacity as outlined in its hosting map is incapable of meeting this need. DTE's current hosting capacity map shows circuits in Highland Park with hosting capacities around 150 kW, with about 15 circuits wholly or partially serving the city.[1] Even if the entirety of this hosting capacity is usable by Highland Park, total hosting capacity would only be 2.2 MW.[2] It is hard to get a detailed number based upon DTE's limited map, but this calculation serves to establish an order of magnitude of difference between current hosting capacity and community goals, and that difference would exist even if this projection were quintupled. There is no reason to believe that hardening will increase hosting capacity.

While 100% clean local energy is an ambitious goal which will require several other policy changes, DTE's current hosting capacity of approximately 1.5 MW and the projected lack of a timeline for conversion suggests that Highland Park would not even be able to approach 5% of its 40 MW goal for decades.

Q: As outlined in the Let Communities Choose Report, "Soulardarity's vision is for Highland Park to be powered 100 percent by local, resilient, and affordable clean

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[1] Specifically, the following circuits appear to serve Highland Park collectively: 1149625, 1916625, 1839625, 1996216, 1350258, 1026625, 1060258, 1950258, 1150258, 19406821, 19560511, 1160258, 1050258, 1260258, and 1560258. However, many of these circuits appear to serve both Highland Park and other areas, so the entirety of their hosting capacity would not be available to serve Highland Park.

[2] Calculation is based on data underlying DTE's hosting capacity map. *See* Ex. DAO-69, DTE's Response to DAAO's Fourth Discovery Request, DAAODE-4.1a.

energy resources that are owned by people in the community." Why do Highland Parkers desire 100% local clean energy?

A: Highland Parkers have a wide range of vulnerabilities associated with unreliable power, including greater health issues, a more senior population, and economic strain. As identified in the Health Impact Assessment of DTE's Service Territory performed by the Michigan Environmental Justice Coalition and University of Michigan researchers, each of Highland Park's census tracts fall into the fourth or fifth quintile of "'cumulative vulnerability,' a measure of economic and age-related vulnerability of the population living in each census tract to the adverse health effects of exposure to pollutants." *See* DAO-68, *Research: Health Impact Assessment,* OUR POWER MICHIGAN (Last Accessed May 15, 2022), https://ourpowermi.org/research/health-impact-assessment/. These same tracts have some of the highest levels of energy burden, pollution exposure, and associated health costs. While DTE has yet to provide locational reliability data which would allow us to have a data-backed analysis, the anecdotal experiences of Highland Parkers and DTE's own admission of the age and ineffectiveness of the 4.8 kV infrastructure indicate that we are receiving substantially worse reliability performance as well.

While Highland Parkers have been highly active in advocating to the Commission, to DTE directly, and to the legislature to address these concerns through outage compensation—but to unsatisfactory results to date—seeking 100% locally controlled clean energy is a response to feeling repeatedly ignored, mis-led, or gaslit by the profit-maximizing businesses providing sub-par service. The conclusion of many Highland Parkers has been that if we want high-quality, low-cost, clean electric service, then we will need to do it ourselves.

Q: What experiences have you had with contradictory communication from DTE to your local community about the Company's infrastructure plans?

A: In 2016, many Highland Parkers got involved in advocacy with our city government regarding the Cortland Consolidation Project, in which DTE sought to shut down three substations surrounding Highland Park and run a new set of distribution lines to the Cortland Substation inside of Highland Park, in exchange for a one-time consideration of $150,000 for "Michigan Streetlights." *See* Ex. DAO-75, CITY OF HIGHLAND PARK, RESOLUTION TO APPROVE THE DTE CORTLAND SUBSTATION PROJECT (Sept. 19, 2016), at 1 ("[A]s an incentive to the City of Highland Park, DTE has offered $150,000.00 for street lighting in Michigan, the acceptance of which will be decided by the City."). This money was never provided to the city but directly used to finance upgrades to LEDs for Highland Park's remaining lighting infrastructure—all owned by DTE. I was directly involved in the work to push back on this project, and I recall that DTE claimed the substation consolidation would be an important step towards upgrading Highland Park's infrastructure to improve reliability.

Yet, to this day, DTE is still telling community members who join engagement meetings with DTE of the Company's *plans* to upgrade the infrastructure. Since the completion of the Cortland Consolidation Project, Highland Park has seen no causal improvements in reliability. Highland Park is among the areas slated for 4.8 kV Hardening. *See* U-20836 MNSCDE-4.5a-01 4.8kV Hardening Work Map. Thus, DTE's current plan implies that Highland Park's upgrade to the 13.2kV system may take decades to complete. This gives me, as a Highland Park resident, the impression that DTE is speaking out of one side of its mouth to communities, utilizing the language of upgrades and reliability improvement to secure local government approval for cost-saving infrastructure projects, while formally submitting plans to the Commission that put no timelines on achieving those upgrades and improvements.

Q: In achieving 100% local clean energy in Highland Park, do you see a role for DTE?

A: If DTE is willing to consider equity meaningfully in its infrastructure planning, as it has publicly committed to do in its Distribution Plan, then yes, there could be a role for DTE. Despite setbacks and limited impacts, I remain hopeful that the company-owned community solar project DTE establishes in Highland Park as a result of settlement in the Voluntary Green Pricing Case is a step in the right direction.

That said, DTE needs to understand and integrate into its business decisions the limitations on the benefits of that company-owned community solar project, the problem with failing to deliver on its promises for data that would allow for equity issues to be assessed property while asking for rate hikes that would further exacerbate energy poverty, and its continuation of practices of spending substantial sums on advocacy for utility ownership as the sole viable model of energy production.

Q: What would need to be different about the Company's proposals related to distribution infrastructure investment to reflect the Social Interest Principle?

A: DTE would need to create a plan that closes the performance gap between ratepayers, makes long-needed permanent improvements rather than costly short-term capital expenses, incentivizes DG and Community Owned Assets, and awards outage credits that are not recoverable in rates to ratepayers who receive demonstrably lower service.

Q: How should outage credits be structured to achieve equity?

A: To the extent that service inequities continue to exist in any plan, outage credits should be provided that account for the economic impact to ratepayers of those service gaps. DTE acknowledges the impact of outages by utilizing data from the U.S. Department of Energy ICE Calculator to argue that their proposed investments will generate a $9.8 to 13.2 billion economic benefit to customers. Pfeuffer Direct Testimony at 59. This implies that the *lack* of reliability is imposing a current economic cost on customers. DTE is comfortable using the value of reliability to justify its capital investments, but it does not take responsibility for the impact of its current failure to provide it.

To be fully accountable and to incentivize actually delivering power reliably, DTE must propose at least a substantial automatic outage credit that address the actual economic impact on customers. Moreover, the Commission should not allow DTE to recover the costs of these credits—doing so just socializes the costs of outage when in reality DTE shareholders need to be paying for the Company's poor service. As much as it is unfair for some customers to receive worse service than others, it is also unfair for the entire rate base to be billed for DTE's failure to provide equitable reliable service. There is nothing limiting DTE's ability to go beyond the baseline rules proposed by the MPSC in the recent administrative rulemaking docket and provide credits that reflect the true costs borne by customers from outages.

Q: What action should the Commission take in this case regarding DTE's proposals related to distribution infrastructure investment?

A: Reject DTE's 4.8kV Hardening Plan as written and require DTE to return with (1) a plan that has an accelerated timeline for converting all of the 4.8 kV to 13.2 kV, (2) an analysis that demonstrated equity in terms of access to emerging technology and service quality, and (3) appropriate, substantial compensatory mechanisms to address gaps in service quality.

VI. Residential Rates and Return On Equity

Q: Please summarize your position on Residential Rates and Return on Equity.

A: After years of providing inadequate service, charging unaffordable rates, and booking record profits, DTE proposes an 8.6% increase in residential rates under the D.1. schedule. On the one hand, electricity rates are already a crushing burden on a wide spectrum of low- and middle-income families, disproportionately Black and brown. On the other hand, service needs to improve, and the grid needs to be prepared for the future. That will take money. Something has to give.

Among all of the different entities that could pay for necessary upgrades to service and infrastructure, DTE is in the best financial position to bear that burden because the problems are ones of DTE's own making. While the Commission could and should approve certain aspects of DTE's requests to address service and reliability failings, the Commission should not approve an increase in rates, because then it would be requiring customers to pay for DTE's past and present failures. From a purely mathematical perspective, if the Commission finds that all of the components of DTE's plan are reasonable and prudent but does not increase the rates, the resulting Return on Equity (ROE) for DTE would be 6.9% instead of the Company's requested 10.25%.

While I recognize that it would be a significant shift for the Commission to approve incremental spending but not incremental increases in rates, I believe it is fully justified by the situation DTE has created. Management that imposes soaring energy burdens is not, and should not be considered, efficient and effective. Similarly, management that creates persistently inadequate service is not efficient and effective.

So, although I understand that the rate case process is largely designed for review of the reasonableness and prudence of individual utility decisions, it is also the best opportunity to hold DTE accountable for its demonstrably poor macro-level decisions, which they have largely failed to justify to the Commission. Such a process appropriately and reasonably constrains the company and channels its efforts when the Profit Maximization Principle would otherwise run amok. It is time for the Commission, on behalf of average Michiganders, to put its foot down.

Q: In what ways is DTE's service unacceptable right now?

A: As I explained in the section Infrastructure Investment in this direct testimony, DTE's reliability is significantly worse than that of other utilities. In addition, DTE's reliability is particularly bad in low-income communities with the least resources to respond to these issues.

Moreover, DTE has failed to comply with the Commission's standards for adequate service in every recent year except 2019. *See* Ex. DAO-89, DTE Electric Company's Electric Reliability Standards Report (2016 – 2021). I appreciate the MPSC's recent efforts to strengthen these standards. However, if DTE does not abide by the standards, then they are effectively worthless.

Q: In what ways is electricity unacceptably unaffordable within DTE's territory?

A: As demonstrated by the Energy Burden Survey introduced by Witness Lowe on behalf of Soulardarity and We Want Green, Too, DTE customers pay extortionate amounts for electricity relative to their income. This often creates extreme hardship when paired with other unique circumstances, as shown in the testimony of Soulardarity and We Want Green, Too Witnesses Eban Morales and Stephanie Johnson. The combined effects of disability, social and economic stressors, and unhelpful-to-hostile customer service for low-income customers reinforce that customers are paying extremely high prices for unacceptably poor service.

More generally, maps generated through the Health Impact Assessment of the DTE Energy Service area by the Michigan Environmental Justice Coalition and University of Michigan show clear spatial trends in energy affordability in the Detroit Metropolitan Area. *See* Ex. DAO-68, *Research: Health Impact Assessment,* OUR POWER MICHIGAN (Last Accessed May 15, 2022), https://ourpowermi.org/research/health-impact-assessment/. As shown in the maps provided, there is a clear correlation of race, energy burden, and health harms—including those derived from lack of air conditioning. It is additionally worth noting that those same areas with high energy cost burden, high proportions of people of color, and high health cost also tend towards lower electricity consumption. As Soulardarity argued in DTE's IRP, which failed to establish holistic long-term energy planning due to deficiencies in DTE's initial filing, there are racialized health and economic impacts driven by DTE's failure to provide affordable power in their service territory.

Third, DTE's level of arrears and accounts being sent into collections are excessive and its practices relating to them are alarming. While it appears that new arrears sent to collections agencies were reduced in 2020 and 2021, see Ex. DAO-76, DTE's Second and Final Partial Response and the Supplemental Response to question DAAODE-1.1a, this is substantially due to funding from the CARES act and concerted efforts by State of Michigan bodies and community organizations to support people to apply for relief. The excessive rate of shutoffs and reconnections engaged in by DTE the moment the moratorium was lifted indicates a likely return to the status quo of excessive collections. It is also troubling that DTE sold over $282 Million of debt in 2017, associated with 292,906 residential customer accounts and 12,853 commercial accounts. As described in the testimony of Stephanie Johnson, it appears that current DTE customers are still being pursued by debt collectors for those debts. I assume that Ms. Johnson's debt was included in this sale, as Jefferson Capital, the agency pursuing her, is not included in the list of collectors DTE utilizes. *See* Ex. DAO-77, DTE's Response to DAAO's Third Discovery Request DAAODE-3.5a. Given that the debt was sold for only $4.8 million, less than 2% of the arrears, DTE must have known that selling the debt would expose its customers and former customers to massive distress, for little financial benefit. See Ex. DAO-78, DTE's First Partial Response to DAAO's First Discovery Request DAAODE-1.1b.

DTE claims that collections are essential for customers to seek assistance, but it has no means of tracking whether this occurs or not. DTE Witness Johnson claims in response to discovery that "[w]hen customers enter into the collection process that is often what prompts them to seek assistance. Without this process it is possible customers would not be connected with the various forms of assistance that are available and they would continue incurring additional charges that they are unable to pay." *See* Ex. DAO-79, DTE's First Partial Discovery Response to DAAO's First Discovery Request DAAODE-1.9bii. Yet DTE is not actually aware of what proportion of customers that enter low-income assistance programs do so after entering the collection process. *See* Ex. DAO-80, DTE's Response to DAAO's Third Discovery Request DAAODE-3.9c, DAAODE-3.9d. Moreover, once customers enter the collections process, DTE will only help with issues related to identity fraud. Ex. DAO-81, DTE's Response to DAAO's Third Discovery Request DAAODE-3.7di1.

These facts and the direct testimony of witnesses Morales and Johnson collectively demonstrate that low-income ratepayers are burdened by extremely high costs, pursued by debt collectors to pay unaffordable bills, and disregarded by the company responsible.

Q: How does the Profit Maximization Principle affect DTE's proposals to increase residential rates and Return on Equity?

A: The Profit Maximization Principle is expressed directly in DTE's rate and Return on Equity proposals. The Profit Maximization Principle leads DTE to propose an annual transfer of hundreds of millions of dollars from Michigan families to DTE's shareholders. DTE maximizes its profits by expanding its rates as much as possible while minimizing performance requirements.

Q: Do you see any problems with DTE's argument that its financial health is important for customers and communities?

A: Yes. While Witness Crozier argues that DTE's financial health and stability are good for customers due to the relationship between the Company's profitability and its ability to access low-cost capital, Crozier Direct at 8, such claims are not dispositive for the Commission's decision on ROE, regardless of whether they are true or not.

First, whatever ROE DTE Electric should be allowed the "opportunity to earn" in the abstract, *see* Villadsen Direct Testimony at 2, DTE has, in fact, not earned it. Considering ROE merely in terms of the Company's financial health divorces profitability from performance. DTE's approach is one of entitlement: under this theory, the Commission must award the Company a certain rate of return to satisfy the Company's investors, regardless of the Company's actual performance. Such an approach, however, abdicates the Commission's responsibility to ensure DTE is delivering affordable, reliable, clean, and equitable service.

Second, DTE's argument regarding benefit to customers is either circular or under-supported. Paying a higher ROE to generate lower costs on debt is worthwhile for customers only if it results in lower net payments by customers. DTE does not quantify the effect of a change in ROE on debt financing cost or demonstrate that DTE would in fact be financially imperiled by a lower rate of return. Similarly, on DTE's theory, a low ROE presents a problem for customers with respect to the Company's equity financing only if the low ROE actually results in an inability for the Company to access additional equity financing. DTE's testimony elides the crucial distinction between what investors "expect" and what investors "require." *See* Villadsen Direct Testimony at 5. All of the methods of market benchmarking that DTE puts forward speak merely to "the rate of return investors can expect to earn in capital markets on alternative investments of equivalent risk." Villadsen Direct Testimony at 9. DTE Energy's stock price may fall if DTE Electric cannot provide the returns that investors have expected. This is only natural, as the stock price reflects investor expectations. But that is quite different from an actual inability to raise additional equity.

Third, DTE's argument that its financial health contributes to positive economic impacts on the communities it serves, *see* Crozier Direct Testimony at 9, is not specific to DTE, is under-supported, and helps to generate a self-fulfilling prophecy. DTE lists various benefits that it provides to communities, but those benefits are simply the result of the provision of utility service. DTE's argument in this area could be boiled down to "the provision of energy services generates economic activity," and the benefits can only be attributed to DTE insofar as DTE is the monopoly power provider in that area. To put a finer point on it, DTE has not provided a comparative assessment of the jobs, economic development, tax revenue, or available to communities through greater development of Community-Owned Assets for the generation, transmission, and distribution of energy, and there is no good reasoning presented that DTE is uniquely capable of delivering those benefits. In fact, as Soulardarity argued in the previous rate case, DTE's prioritization of investing in infrastructure on the basis of population and economic development is more likely creating a vicious cycle of divestment in already underdeveloped communities. DTE's position as one of the largest property tax payers in Highland Park, for example, is mostly due to Highland Park's lack of tax revenue due to underdevelopment and depopulation. So long as Highland Park remains underdeveloped, DTE refuses to make serious infrastructure investments, contributing to continued underdevelopment. As a result, DTE will continue to be able to claim a position of great importance to the community, and leverage power over local decision-makers as a result, while doing little to improve it. This is not an abstract claim: a DTE representative was appointed in 2021 to Highland Park's Compensation Commission, which sets salaries for the Mayor and other officials, on the basis of being one of the five largest business taxpayers in the City. *See* Ex. DAO-82, City of Highland Park, Minutes of the Virtual Regular Meeting of the Highland Park City Council, 2-3 (Feb. 16, 2021), https://highlandparkmi.gov/getattachment/b926fffb-f548-496d-8390-84ce72c5b5b8/210216.aspx.

DTE is not, as far as I know, actively seeking to undermine economic development. But DTE's claim that it is *contributing* to economic development is under-supported, and DTE benefits in the form of local political influence from continued underdevelopment. As a result, and absent DTE presenting any compelling evidence to support their position, I think it is critical for the Commission to formally reject these arguments as a basis for connecting DTE's financial health to community well-being.

I understand the Commission has some responsibility to consider the financial health of the utility. But rejecting my arguments on the grounds that DTE's financial health would be imperiled would be tantamount to throwing up our hands in defeat, accepting the unacceptable. DTE must not be allowed to make broad, unsupported claims connecting financial health to community and customer welfare without providing a complete logic and evidentiary base for those claims, which it has failed to do in this case.

Q: How has DTE frustrated efforts to engage in longer-term planning?

A: In the 2019 DTE IRP Proceeding (Case No. U-20471), the Commission ultimately approved an amended IRP that included no supply-side resources, due mainly to the "fundamental deficiencies" in DTE's initial plan, and pushed consideration of those issues into other dockets. *See* U-20471 (DTE IRP Case), Order at 13–14 (Feb. 20, 2020). The Commission agreed with Soulardarity's position that the IRP "is intended to be an all-inclusive proposition that allows for holistic planning, and is not meant to be addressed piecemeal in other proceedings." U-20471 (DTE IRP Case), Order at 21 (Apr. 15, 2020). Although DTE's initial plan was deeply deficient, the Commission noted that the statute offered the Commission limited options. In failing to provide a robust plan, DTE effectively wasted a terrific amount of time and resources on the part of intervenors, the Commission, and the broader public. As a result, it is necessary to address the deficiencies in long-term planning on DTE's part in other venues.

In the Distribution Grid Plan proceedings, as the Attorney General has argued, DTE did not presented identifiable metrics for success on improving reliability and only presented a performance-based rate mechanism at the highest level of generality. See U-20147, Comments of the Attorney General, at 7 (Oct. 1, 2021). Moreover, DTE appears to conceive of performance-based rates purely as a potential reward, failing to recognize that its current performance merits penalties. And, as Soulardarity argued in those proceedings, to the limited extent DTE does address quantifiable progress metrics, it does not sufficiently address impacts on affordability, particularly for low-income and BIPOC communities. See U-20147, Comments of Soulardarity and the Abrams Environmental Law Clinic, at 3–4 (Aug. 30, 2021).

Finally, as noted above, DTE has repeatedly failed to meet the Commission's established electric service standards. I believe that these or similar standards should explicitly include affordability and Race-Class Equity considerations. But DTE's flouting of established Commission guidance is an independent and sufficient reason to refuse to raise rates.

Q: How should DTE's political activity affect the Commission's ruling on the rate case?

A: I understand that the Commission does not have authority over DTE's political spending. However, DTE's arguments about how its financial health benefits customers are fundamentally rooted in the idea that if shareholders are not able to realize a high return, DTE will have difficulty accessing capital, and therefore the return must be increased. *See* Crozier Direct Testimony at 8. DTE's active financial participation in the realm of policy at the local, state, and federal levels indicates that some amount of the money purportedly needed for shareholder return is not calculated to actually go to shareholders, but to support financially the advocacy by other organizations of policies DTE sees as friendly to its business interests. The Commission should thus view DTE's arguments regarding rate of return with skepticism and utilize knowledge of the rate of DTE's spending of these increased shareholder revenues on political investments to understand what the true need for profit might be.

Q: Is DTE's requested return on equity commensurate with the risks DTE faces?

A: I expect that witnesses from other parties will have more detailed evidence to present on this issue, but at a high level it is worth considering how DTE portrays its risks to investors. DTE crows to its shareholders that Michigan is a "Tier 1" regulatory jurisdiction based on UBS's rankings. See Ex. DAO-83, DTE, DTE ENERGY BUSINESS UPDATE, 6 (Mar. 23, 2022). UBS designs these rankings based on a variety of regulatory factors that relate to a utility's ability to realize a higher rate or amount of return. *See* Ex. DAO-84, *Initiation of Coverage: North American Regulated Utilities*, UBS SECURITIES LLC, 18-21 (Feb. 1, 2018). In other words, a higher ranking would correlate to greater reliability of regulatory decisions that are in the Company's financial interest. Given DTE's ability to consistently receive confirmation or approval of expenses in contested rate cases or rapid ex parte approval of special rate requests even with parties from all rate classes requesting contested proceedings, DTE's approach asks for risk compensation while not actually presenting any meaningful risks to the Company. *See, e.g.,* U-21163, Order (Dec. 22, 2021).

Q: What is the relationship between changes in residential rates and shareholder returns in DTE's proposal?

A: DTE proposes a revenue increase of $388.2 Million, with $232.9 Million derived from an 8.8% increase in revenue from the residential rate base. *See* Ex. A-11, Schedule A1; Ex. A-16, Schedule F2.

Without any rate increase but approving the spending that DTE claims is reasonable and prudent in this case, DTE's ROE would be 6.9%. *See* Ex. A-11, Schedule A2. This is in contrast to DTE's requested ROE of 10.25%, which is itself an increase over the ROE of 9.9% the Commission approved in the last rate case. Villadsen Direct Testimony at 5.

Q: How do DTE's proposals to increase Residential Rates and Return on Equity harm Race-Class Equity?

A: For all of the reasons explained above, these proposals continue the regressive practice of shouldering households with the greatest proportion of rate burden, especially low-income BIPOC households.

In addition, because white persons are more likely to own businesses than BIPOC persons, the smaller increases in rates on commercial and industrial customers benefits white persons more than black persons. Race and class are both factors in business ownership and ownership of equities. See Lisa J. Dettling et al., FEDERAL RESERVE, *Recent Trends in Wealth-Holding by Race and Ethnicity: Evidence from the Survey of Consumer Finances* (Sept. 27, 2017), https://www.federalreserve.gov/econres/notes/feds-notes/recent-trends-in-wealth-holding-by-race-and-ethnicity-evidence-from-the-survey-of-consumer-finances-20170927.htm ("The highest business ownership rates are among white and other families (around 13 to 15 percent), with black and Hispanic families about half as likely to own a business. Ownership of equities—which may be held directly or indirectly through a retirement account—also varies substantially across groups, with more than 60 percent of white families owning equities, compared with around 30 percent of black and Hispanic families."). This means that the proposed substantial hike in residential rates, compared to the relatively modest increase in commercial and industrial, driven by capital ownership and increased ROE will heighten economic and racial inequality.

Q: How do the Race-Class Equity concerns about DTE's proposals relate to the impact ratepayers overall?

A: DTE's proposed rate increases harm all residential ratepayers. While higher income households, who pay a much smaller proportion of their income on energy, may not notice as much of a difference, they are still experiencing a loss of household wealth as a result of these changes. Meanwhile, low-income households with the least ability to pay and capacity to self-advocate will see the highest home energy burden, which was 18% to 34% for Michigan households below the poverty level in 2021. See Ex. DAO-85, FISHER, SHEEHAN & COLTON, THE HOME ENERGY AFFORDABILITY GAP 2021: MICHIGAN, 1 (Apr. 2022).

Q: What would need to be different about DTE's residential rate design and return on equity proposal to reflect the Social Interest Principle?

A: DTE should implement Affordability-Based Profitability (ABP). If DTE pursued ABP, it would present a rate structure proposal that directly addresses the issue of affordability, and it would tie performance-based rewards for the Company and its leadership to achieving meaningful targets related to affordability, equity, and service quality. Such a model is the only way to overcome the Profit Maximization Principle and to create conditions of governance and operational decisions that meaningfully advance towards addressing the energy affordability crisis.

As previously mentioned, the annual wealth transfer from the residential rate base to DTE's shareholders is driven by both the rate of profit and the rate of capital investment, upon which DTE earns a profit. A key outcome of implementing the Affordability-Based

Profitability approach may be DTE rethinking its role as a utility. DTE would have less incentive to concentrate on central generation that builds up capital investment. As a result, DTE would begin acting as a platform and facilitator for increasing amounts of Community Owned Assets (COAs) that build long term equity and wealth for energy users.

Q: What action should the Commission take in this case regarding DTE's proposals to increase residential rates and return on equity?

A: The Commission should reject DTE's residential rate increase in its entirety on the basis of its failure to consider equitable treatment of ratepayers, reject DTE's request to increase its Return On Equity on the basis of its dissociation from performance, further reduce DTE's Return on Equity to the amount required to eliminate fully the need for a residential rate increase, and require DTE to come back with a proposal for its ROE that is clearly tied to achievement of affordability and equity metrics.

VIII. Other

Q: Do you have any other requests for relief?

A: Yes. I believe that the Commission should not allow DTE to recover for any and all corporate memberships not specifically required by law for energy system operations.

Q: Why?

A: Some are associations that openly advocate in policy and regulatory spheres for their industry's interests, others simply lack a clear description of benefit to ratepayers. For example, in this very docket, the Edison Electric Institute (EEI) submits comments supporting DTE's requests for cost recovery. *See* Comments Submitted by Edison Electric Institute (Feb. 7, 2022). DTE contributed over $1.5 Million to EEI in 2020 and 2021, with 13% attributed to lobbying. *See* Ex. DAO-78, DTE's First Partial Response to DAAO's First Discovery Request DAAODE-1.1b. These are not neutral entities with commitments to the welfare of Michigan's ratepayers. They are entities with agendas and the resources to advance them, the benefits of which to ratepayers are dubious at best.

As evidence of the seriousness of this concern, there is an open Federal Energy Regulatory Commission (FERC) docket raising questions about what trade dues should be regarded as recoverable. *See* Ex. DAO-86, Rate Recovery, Reporting, and Accounting Treatment of Industry Association Dues and Certain Civic, Political, and Related Expenses, 86 Fed. Reg. 72958 (Dec. 23, 2021). EEI's practices in particular are highlighted by the initial petition from Center for Biological Diversity (CBD), as noted below in the FERC inquiry:

> The CBD Petition, in an example it argues is emblematic of practices among other industry associations, asserts that during the period when the EEI budget was subject to audits by the National Association of Regulatory Utility Commissioners (NARUC), "EEI was spending up to 50% of its income on advocacy and lobbying efforts." The Solar Energy Industries Association contends that in at least one instance, an investor owned utility's EEI invoice noted only 7% of its membership dues related to influencing legislation. The investor-owned utility therefore recorded 93% of its EEI dues to Account 930.2.

See id. at 72961.

Account 930.2 is identified in the Uniform System of Accounts (USofA) as the area for recording payments to industry associations that are presumptively recoverable. CBD's petition to FERC specifically asks for a modification to USofA to require that all industry association dues should be recorded in account 426, which is presumptively unrecoverable, placing the burden on utilities to more prove the value to ratepayers if they aim to recover those costs. *See* Ex. DAO-87, Center for Biological Diversity, Petition for Rulemaking to Amend the Uniform System of Accounts' Treatment of Industry Association Dues, 8, 11 (Mar. 17, 2021), https://www.biologicaldiversity.org/programs/energy-justice/pdfs/FERC_Petition_Trade_Group_Dues_031721.pdf.

While such a change would create a clearer guideline for regulators in many states, there is nothing preventing the Commission in this case from ruling against the recovery of these expenses. There is little to no supporting evidence of their benefit to ratepayers. The Michigan Attorney General's Office and the Citizens' Utility Board (CUB) of Michigan submitted joint comments supporting the petition at FERC, citing extensive concern regarding the political activities of associations that DTE has requested rate recovery for, which included lobbying against designation of coal ash as hazardous waste, lobbying against stringent safety standards for nuclear plans, and lobbying for utility-scale solar over rooftop solar. CUB and the Attorney General state the key issue from a rate recovery perspective clearly: "Whether or not these political stances are well-reasoned and/or defensible is not the point. Regardless of the political issues in question, none of the examples listed above solely pertains to the supply of regulated utility service, and so should not be the financial responsibility of ratepayers." See Ex. DAO-88, Comments of Michigan Attorney General Dana Nessel and the Citizens Utility Board of Michigan in Response to FERC Notice of Inquiry, Docket No. RM22-5-000, 4 (Feb. 22, 2022).

Beyond this fact, it is notable that DTE does not request recovery for membership in any entities advocating for clean energy, electrification, or community ownership, perhaps because DTE is not a member of such organizations, though such organizations certainly do exist. This further demonstrates that DTE's membership requests are, in effect, bias to support the status quo, or at best, a very slow rate of transition to a clean energy system. Absent clear evidence to the contrary, the Commission should consider DTE's corporate memberships to be unrecoverable.

Q: Does this conclude your testimony?

A: Yes.

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US & WORLD ECONOMIES ▶ US ECONOMY

Racial Wealth Gap in the United States

Is There a Way to Close It and Fill the Divide?

BY KIMBERLY AMADEO | Updated January 20, 2022
REVIEWED BY SOMER G. ANDERSON
FACT CHECKED BY ARIANA CHÁVEZ

The racial wealth gap in the United States is the disparity in median wealth between the different races. This gap is most pronounced between White households and racial minorities. Whites have more wealth than Black, Latino, and Native-American households.

What Is the Racial Wealth Gap?

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2017, a sampling of 1,377 White and Black Americans from the top and bottom of the national income distribution revealed that they overestimated progress toward Black–White economic equality by over 25% of the current reality.[1] In fact, a 2018 research report revealed that the median Black household has less than 11 percent the wealth of the median White household.[2]

The Racial Wealth Gap in Numbers

In 2016, the median net worth of non-Hispanic White households was $143,600. The median net worth of Black households was $12,920.[3] Native American wealth has not even been measured since 2000. At that time, their median household net worth was just $5,700.[4]

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In seeming contrast, Asian American households have more wealth than White households. But that apparent success story hides a wealth gap within the minority. The richest Asian Americans held 168 times more wealth than the poorest Asian Americans. It's a greater disparity than among White households, where the richest 10% owned 121.3 times more than the poorest 10%.[5]

The Racial Wealth Gap Is Worsening

Between 1983 and 2013, White households saw their wealth increased *by* 14%. But during the same period, Black household wealth declined 75%. Median Hispanic household wealth declined 50%.[6]

One reason for the discrepancy is the number of extremely poor Black families. The Economic Policy Institute reported that 25% of Black households have zero or negative net worth. Only 10% of White families are that poor.[7] Since so many Black families own nothing or are in debt, it drags down average wealth for the entire group. Put another way, Black families have $5.04 in net worth for every $100 held by White families.[8]

Historic Roots of the Racial Wealth Gap

Until the 13th Amendment in 1865, slavery legally prevented Blacks from building wealth. Until the Civil Rights Act of 1964, Jim Crow laws continued segregation in the south. They detailed what jobs Blacks could take and how much they could be paid. They restricted where Blacks lived and traveled. Public parks, transportation, and restaurants were segregated. Even some towns were off limits to Blacks.

Social Security's Contribution to the Racial Wealth Gap

In 1935, the Social Security Act excluded farm workers and domestic workers from accruing benefits. At that time, most Blacks still lived in the U.S. south, where they were more likely to be farm workers and domestic workers. As a result, two-thirds of Blacks never received Social Security's wealth-building opportunities.[9]

The Civil Rights Movement and the Racial Wealth Gap

The mobilization for World War II and the civil rights movement sought to reverse this legal discrimination. It had mixed results.

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assisted veterans with housing, education, and jobs. Between 1944 and 1971, it spent $95 billion on benefits.[10] But it was left to the states to administer. As a result, Black veterans in the South were often denied access.

> **Important:** In 1954, the Brown v. Board of Education Supreme Court ruling determined that school segregation was unconstitutional. But schools followed local neighborhood boundaries and neighborhoods were segregated.

In 1964, the Civil Rights Act ended Jim Crow laws. In 1965, the Voting Rights Act protected Blacks' right to vote. In 1968, the Fair Housing Act ended legal discrimination in renting and selling homes.

The Legacy of Jim Crow

The legacy of the Jim Crow laws created a structural inequality that's been difficult to erase. Despite these laws, discrimination against Blacks owning wealth has continued. Welfare programs, such as the Transitional Assistance for Needy Families and the Supplemental Nutrition Assistance Program, forbid beneficiaries from accumulating wealth. In some states, beneficiaries can't save more than $1,000 or own cars worth more than $4,650.[11] [12]

Wealth Building Initiatives Worsen the Gap

Federal government policies actively promote wealth building. Each year, the federal government offers around $347.8 billion in tax cuts designed to build wealth, according to the Corporation for Enterprise Development. At least 39.2% of the cuts promote homeownership, while 41% subsidizes savings and investment.[13] A 2015 study reported that reducing the racial homeownership gap would narrow the racial wealth gap by 31%. [14]

The cuts help the wealthy more than the poor. The wealthiest 5% of Americans are in the best financial position to take advantage of these tax cuts. As a result, 53 percent of the $347.8 billion goes to them. The bottom 60% (those making $50,000 or less) only receive 4% of these tax cuts. The bottom 20% of taxpayers (those who earn $19,000 or less) get 0.04%.[15]

Perversely the wealth gap has also created an achievement gap between groups. That gap, in turn, has cost the U.S. economy billions in lost GDP.

Education is a powerful factor in improving economic mobility. Education increases the income that generates greater economic growth. Over a lifetime, Americans with college degrees earn 84% more than those with only high school degrees.[16] A 2009 McKinsey study found that the average score of Black and Hispanic students on standardized tests was two to three years behind that of White students of the same age.

This racial wealth gap exists even among Blacks who are highly educated and come from two-parent homes. Black families with graduate or professional degrees have $200,000 less in wealth than similarly-educated Whites.[7] These Black or Latino college graduates don't even have as much wealth as White high school dropouts. Similarly, two-parent Black households have less wealth than single-parent White households.[17]

In fact, the McKinsey study cited above found that the achievement gap has cost the U.S. economy more than all recessions up to the date of publication. If there had been no achievement gap in the years between 1998 and 2008, U.S. gross domestic product would have been $525 billion higher in 2008. Similarly, if low income students had the same educational achievement as their wealthier peers over that same period, they would have added $670 billion in GDP.[18]

How to Close the Racial Wealth Gap

One way to close the gap is to increase economic mobility. Despite the promise of the American dream, the United States has lower levels of economic mobility than other developed countries.

Changing Taxation

Progressive taxation will help close the inequality in U.S. income. Poor families spend a larger share of their income on the cost of living. They need all the money they earn to afford basics like shelter, food, and transportation. A tax cut will allow them to afford a decent standard of living. It will also allow them to start saving and increase their wealth.

Improving Educational Access

shows that the greatest single correlation of high income is the education level of one's parents.[19] Equity would allow minority children to be more competitive with those who live in higher-income school districts. It would give them stronger skills in the job market and for managing their finances. Investing in human capital is a better solution than increasing welfare benefits or providing a universal basic income.

One way to do this would be to establish Child Savings Accounts limited to education or homeownership. The accounts could grow tax-free and not penalize welfare recipients. In 2016, the Annie E. Casey Foundation found that a CSA program begun in 1979 would have completely closed the gap between Whites and Latinos. The gap between Whites and Blacks would have shrunk by 82%.[20]

A University of Michigan study found an inexpensive and effective method to improve access. Researchers sent application packets to hundreds of high-performing, low-income high school students in Michigan. The packets invited them to apply to the University and promised scholarships to pay for all costs. More than two-thirds applied to the university compared to 26% in a control group that didn't receive the packets.[21]

Boosting Minimum Income

Increasing income at the low end of the scale will give those workers an opportunity to save and build wealth. Between 1979 and 2017, there are certain groups who have seen their average household incomes increase (after transfers and taxes), although income inequality continues to exist. Household income rose 111% for the top fifth; 49% for the next 60%; and 86% for the bottom fifth.[22] If public policy equalized income between Blacks and Whites, Black wealth would grow $11,488 per household, shrinking the wealth gap by 11%. Similarly, median Latino wealth would grow $8,765, shrinking the wealth gap by 9%.[23]

One way to do this is to raise the minimum wage. Studies show that cities that have done so reduced poverty and reliance on welfare.[24]

Selling Bonds for Babies

Professor William Darity, from the Samuel DuBois Cook Center on Social Equity at Duke University, suggests a baby bonds program. It would pay for a trust fund for the 4 million new children born in America each year. It would cost $100 billion or 2% of the federal budget. Children from poor families would receive more, while those from wealthy families available.[25]

The program would generate more revenue for the government through higher income taxes. They would generate more revenue for local communities through higher property taxes.

Improving Government to Close the Gap

Ultimately, to reduce the racial wealth gap, Americans may need to re-think how the nation currently directs the largess of government spending and tax policy. To give just one recent example of policy that makes inequality worse, the Tax Policy Center showed that Trump's 2017 Tax Cut and Jobs Act would give families earning $25,000 or less annually a $40 tax cut.[26] The act would give those earning $3.4 million annually a $937,700 tax break.[27] It is actually a regressive tax that will widen the racial wealth gap.

ARTICLE SOURCES

Black couple taping up moving boxes

FIRST-TIME HOMEBUYERS
Addressing the Racial Homeownership Gap in America

Smiling businessman in discussion at workstation - stock photo

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A parent plays with children in front of their home.

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Real estate agent examining house with couple discussing in background

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Business Watch

Study: Wage gap widens between Black, white workers, especially in Michigan

August 12, 2020

Paula Gardner (Email)

Business Watch

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Ricky Jefferson has watched the erosion of the Black middle class in the Ypsilanti area over decades.

Today, as a Washtenaw County commissioner, he's part of the mission to restore economic parity to the part of the county that didn't thrive during the recovery from the Great Recession. Higher poverty rates, higher unemployment and lower educational attainment set the area apart from the growth around Ann Arbor. So does its concentration of Black residents.

Then, as coronavirus overtook parts of Michigan in the spring, Ypsilanti and Ypsilanti Township residents were disproportionately infected and killed by the virus.

“Every day, I wake up and I have to be hopeful,” Jefferson said. Yet the toll weighs on him. He sees people “working two and three jobs just to make ends meet.

“The income gap is high here,” he said. “To try to combat that … has been difficult.”

A new study from Michigan State University economists shows that since the late 1970s and early 1980s, earnings of Black workers have fallen relative to the earnings of white workers in much of the United States.

Michigan leads all states in the decline in earnings for Black workers, driven in part by the collapse of middle-class manufacturing jobs, says Charles Ballard, an MSU economics professor and study author.

“Forty years ago, Black workers earned more in Michigan than in any other state,” Ballard said.

“Since then, in much of the country, Black workers’ earnings at least kept up with inflation, but white workers’ earnings grew faster.”

His research found Black men in Michigan earned about 20 percent less in recent years than 40 years ago when adjusted for inflation. Black women used to earn 15 percent more than white counterparts in Michigan; now they earn 15 percent less.

Black men, for instance, earned an average of $52,051 in 2017 values from 1976 to 1981. That fell 19.6 percent to $41,871 per year from 2012 to 2017.

White men also saw wages shrink, but by far less: down 2.8 percent to $55,372 from $56,979 over the same period.

In the 1970s, Black workers of both genders made more money on average in Michigan than any other state. Today, the state ranks ninth in earnings for Black women and 10th for Black men.

“Diversity has been a delusion for Black people in terms of economic progress,” said Kenneth Harris, president and CEO of the National Business League, which promotes Black business and economic development.

“The research suggests that if Michigan doesn’t start to address the economic disparity gap among Black people, they will not be competitive with the rest of the country, as the U.S. becomes majority Black and brown in the next 20 to 30 years.”

Ballard said he and co-author, MSU economics professor John Goddeeris, started their research two years ago, following a decade of watching the national trend toward rising income inequality. They found states in the Deep South bucked the trend, which made them wonder about the role of race. Eventually, they assembled 42 years of data from all regions of the country to look at regional and racial differences.

Manufacturing plays a role in the findings, Ballard said, notably in the late 1970s, when Black workers in Michigan were “paid more than Black workers anywhere else,” he said. “Michigan was a real success story.”

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Yet the change in more recent years is not a main driver for the change in rates of pay for Black and white workers, Ballard said. “The shrinkage of manufacturing [jobs] hurt whites in Michigan, too.”

A key to understanding the difference in pay comes from what replaced manufacturing jobs: “higher-skilled, higher-tech jobs, where the payoff is having more education,” Ballard said.

In 2019, 40.1 percent of non-Hispanic whites aged 25 and older had a bachelor’s degree or higher, up from 33.2 percent in 2010, according to the U.S. Census Bureau.

In comparison, the percentage of Black residents 25 and older with a bachelor's degree or higher rose to 26.1 percent from 19.8 percent. The same report showed that high school was the highest level of education for 25.6 percent of whites and 29.6 percent of Blacks.

"Black workers never quite caught up to white workers as far as educational attainment," Ballard said. "The payoff to education has skyrocketed."

Another factor showing in the data, Ballard said, is that Black workers are more likely to be in low-paying jobs such as food service or hourly health care positions. "There's a lot of occupational segregation," Ballard said.

Beyond those reasons, Ballard said, a portion of the gap can't be explained. Some may be because of a lack of data, such as measuring union participation. "Almost certainly a part of it is current labor market discrimination," he said.

Solutions, Ballard said, gain some urgency as the nation increases its focus on racial disparity and debate about whether the coronavirus pandemic will accentuate the earnings divide.

He suggests restoring federal Pandemic Unemployment Assistance funding to bolster the lowest-wage earners who lost jobs and likely do not have savings to fall back on. Until late July, PUA added $600 per week to Michigan unemployment benefits.

Education policy also plays a role, he said, with the threat of students in lower-income school districts falling behind during the learning shifts prompted by COVID-19. Affluent students, meanwhile, are more likely to stay on track, thanks to private tutors and enrichment programs.

Those are among issues at the forefront for Detroit Future City, said Ashley Clark, director for the nonprofit planning agency's Center for Equity, Engagement and Research. She said educational attainment and workforce opportunities are important in Michigan's largest city, where population shifts among the middle class left concentrated poverty in Detroit.

"We need to create opportunities for people to become middle class and create opportunities for people in the middle class to want to live here," Clark said.

COVID-19, she added, "showed disproportionate impact on communities of color." That stretches from social determinants of health, like poverty and housing instability, to employment disparities that Ballard described.

“We have to acknowledge that the previous ‘normal’ was vastly inequitable and that the crisis has left many people more vulnerable,” Clark said.

The impact of racial wage gaps on a community is high, said Harris, the leader of the National Business League.

“It means that Blacks continue to be marginalized, isolated and excluded from the economic mainstream of society, further maintaining and underdeveloped and poverty-stricken status in America, removing the possibility of generational wealth and economic opportunities.”

Back in Washtenaw County, that’s a concern for Jefferson, too.

A retiree from General Motors before he moved into local politics, Jefferson saw what good-paying manufacturing jobs meant to the Ypsilanti area: Workers of all races were able to buy homes, contribute to the tax base and count on a quality education from local schools.

“Without those earners, with their fair wages, our school district suffers,” Jefferson said, noting how two Ypsilanti-area districts had to consolidate while students continue to move to nearby affluent districts. “That impacts what resources are available to our children and what opportunities they find.”

The ripple effects show the complexity: child care, health care, housing affordability all rise as issues in a low-income community, he said. Then business startups may struggle for financing, further limiting economic progress.

The economy amid COVID-19 “has shown me that it’s getting worse and diversity gaps are widening,” Jefferson said. He thinks the wave of protests over the summer will help by mobilizing younger adults to drive change, which he hopes results in policy changes.

“On the horizon,” Jefferson said, “there’s a zeal from younger generations to no longer tolerate these disparities.”

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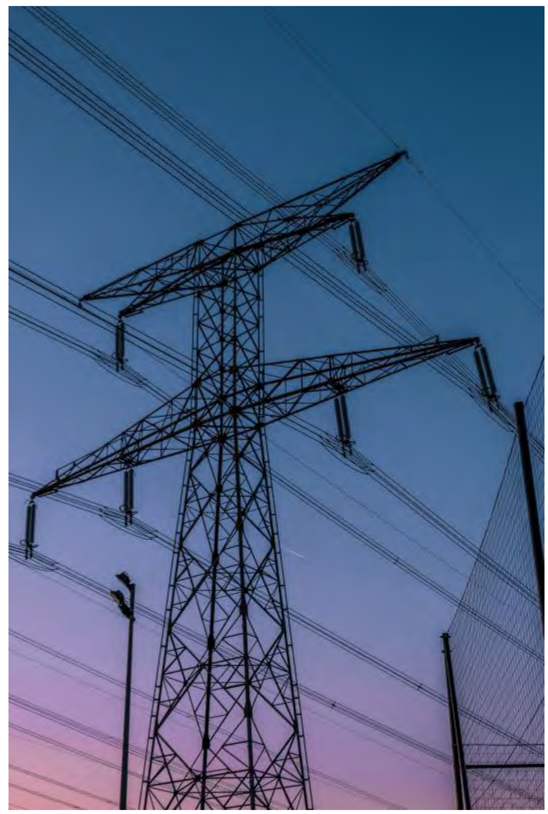
STRINGS ATTACHED

How utilities use charitable giving to influence politics and increase investor profits



December 2019 - Energy and Policy Institute

Strings Attached

How utilities use charitable giving to influence politics and increase investor profits

December 2019

The Energy and Policy Institute is a watchdog organization working to expose attacks on renewable energy and counter misinformation by fossil fuel and utility interests. It does not receive funding from for-profit corporations or trade associations.

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I. Introduction

In the fall of 2017, a parade of paid actors, pretending to be concerned residents, lined up to offer public comments to the New Orleans City Council in support of a new gas-burning power plant that Entergy wanted to build there.

But the paid actors weren't the only people testifying on behalf of Entergy or its gas plant proposal. A host of others, including directors of dozens of locally respected non-profits, also testified on behalf of the company and its gas plant proposal.

Howard Rodgers of the New Orleans Council on Aging said that "gas is an energy that we use that does not have any kind of additional effects." Burning natural gas, a fossil fuel, contributes to climate change, leading to more extreme weather and storm surges that have inundated New Orleans. Last year, Rodgers posed for a photo while receiving a $300,000 novelty check from Charles Rice, the Entergy CEO, to administer the utility's "Power to Care" program.

At least nine of the organizations which testified at the New Orleans City Council's hearing on the gas plant on Entergy's behalf that day had received charitable donations from the Entergy Charitable Foundation.

They were a part of the charitable giving operation that Entergy, like virtually all regulated electric and gas utilities, uses to buy support for its proposals from civic groups and charitable operations.

In a first-of-its-kind analysis, the Energy and Policy Institute has examined the philanthropic contributions of 10 leading investor-owned electric utilities in the U.S. We found that all of these major utilities use their charitable giving to manipulate politics, policies and regulation in ways designed to increase shareholder profits, often at the expense of low-income communities whose communities are more likely to bear the brunt of climate impacts and suffer higher levels of air pollution.

From 2013 to 2017, EPI estimates that the 10 utilities that we assessed – **Ameren, American Electric Power, Arizona Public Service, Dominion Energy, DTE Energy, Duke Energy, Entergy, FirstEnergy, NextEra Energy, and Southern Company** – gave approximately $1 billion to charitable organizations. (Figure 1)

Figure 1

Utility	**Total Charitable Giving 2013 - 2017**
Ameren	$35,276,349.00
American Electric Power	$116,102,421
Arizona Public Service	$38,919,576.00
Dominion Energy	$105,972,472.00
DTE Energy	$78,420,180.00
Duke Energy	$306,482,338.00
Entergy	$69,514,279.00
FirstEnergy	$28,312,221.00
NextEra Energy	$44,020,196.00
Southern Company	$209,214,246.45
Total	**$1,032,234,278**

That number, for just 10 companies, is 13 times greater than the $78 million that the entire utility sector – including political action committees and individual employees – contributed to federal elections in the 2014, 2016, and 2018 cycle, according to the Center for Responsive Politics' database.[1]

Figure 2

Utility sector federal campaign contributions	**Amount**
2017-2018	$24,725,200
2015-2016	$31,215,236
2013-2014	$21,963,304
Total	**$77,903,740**

EPI documented dozens of cases where the charitable organizations who received contributions from the utility companies took political action on the companies' behalf, just as the recipients of Entergy's donations testified with the company's regulators on behalf of its gas plant. The recipients of the gifts often failed to disclose their financial dependence on the utilities when taking those political actions.

In addition to the direct ties between utilities' charitable giving and political actions taken by grantees, the utilities' giving helps the companies' general public relations efforts. Utilities' communications teams routinely send out press releases boasting of their latest grants.

1 https://www.opensecrets.org/industries/totals.php?cycle=2020&ind=E08

Clearly, not all of that utilities' charitable spending is directly political. Utilities' charitable arms often collect some of their revenue from utility employees, the vast majority of whom are likely acting in good faith to support community-based organizations.

The data and case studies in this report prove, however, that much of the utilities' charitable activity is geared explicitly to influence politics. While we have not found a rigorous study of the effect of utility charitable giving on political outcomes, some existing academic literature of corporate charitable giving aligns with our findings, showing that corporations use charitable giving to extract political action from their grantees.

One academic study cross-referenced the charitable giving of Fortune 500 companies against public comments submitted to federal agencies on proposed regulations. The study found that:

1) "shortly after a firm donates to a non-profit, the grantee is more likely to comment on rules for which the firm has also provided a comment";
2) "When a firm comments on a rule, the comments by non-profits that recently received grants from the firm's foundation are systematically closer in content similarity to the firm's own comments than to those submitted by other non-profits commenting on that rule."
3) "When a firm comments on a new rule, the discussion of the final rule is more similar to the firm's comments when the firm's recent grantees also comment on that rule."

In other words, recipients of corporate philanthropy are more likely to help the companies that give them money try to get favorable regulation, and it usually has an impact. The University of Chicago's Marianne Bertrand authored the study along with Matilde Bombardini, Raymond Fisman, Bradley Hackinen and Francesco Trebbi.[2]

In another study, Bertrand, Bombardini, Fisman and Trebbi examined the relationship between Fortune 500 companies' charitable giving and influential members of Congress. They found that the companies' charitable foundations granted more money to organizations located in a congressional district if the district's representative is seated on committees that are most important to the companies.

"Our analysis suggests that firms deploy their charitable foundations as a form of tax-exempt influence seeking," the study authors wrote. "Based on a straightforward model of political influence, our estimates imply that 7.1 percent of total U.S. corporate charitable giving is politically motivated, an amount that is economically significant: it is 280 percent larger than annual PAC contributions and about 40 percent of total federal lobbying expenditures."

It's impossible to know, using EPI's analysis, how that study's findings translate to the utility sector. But if even if a small portion of the $1 billion that only these 10 utilities gave to charity was politically motivated - a proposition which seems likely based on the case studies documented here - then utilities' influence-seeking via charity would be at least as large, if not much larger than, their other forms of political spending such as traditional campaign contributions.

One of the obvious "tells" that much of the utilities' charitable spending is driven not by altruism or even general public relations, but by political influence seeking, is how often the utilities' current or former executives and lobbyists are intimately involved in decisions about how to disburse the charitable funds.

2 https://www.nber.org/papers/w25329

Directors of regulatory or external affairs often hold executive or board positions on the utilities' separate 501(c)(3) charitable organizations. Katharine Bond, the Executive Director of the Dominion Energy Charitable Foundation, is also Senior Policy Director for Dominion Energy and a registered lobbyist for the company. Kim Despeaux, the President of the Entergy Foundation, previously served as the Senior Vice President for Federal Policy, Regulatory & Governmental Affairs for Entergy.

Applicants for grants from the American Electric Power Foundation are instructed to contact representatives of their local AEP operating companies, most of whom work for the utility on external affairs.

EPI also found many cases where utilities' executives and lobbyists hold board positions on a host of civil society organizations, many of which end up supporting the utilities' position on political matters.

II. Scope of this report

EPI assessed charitable giving by 10 of the top electric utilities in the country to give a sample of how utilities use philanthropy to manipulate politics. The practice is not limited to these 10 companies, nor to electric utilities in general. Other electric utilities not studied in this report have been documented engaging in politically motivated charitable giving. Regulated gas utilities also employ similar methods. As reported in the Los Angeles Times, SoCalGas donated $36.5 million from 2015 to 2018 to "charities, business groups and other organizations, including some with close ties to cities that have passed" pro-gas, anti-electrification resolutions. Future EPI research may assess how other electric or gas utilities not covered in this report employ charitable giving to influence politics.

This is the first report to compile examples of utilities' use of their charities to influence politics, and much of the information contained here has not yet been reported publicly. EPI also drew upon published accounts, usually the work of local reporters, whose work we cited or linked.

III. Key Findings: Four ways utilities use charitable giving to influence politics

EPI found four broad avenues through which utilities used their charitable giving to influence politics.

1. Grantees weigh in on political matters in support of utilities

In the most direct method of influence seeking, the utilities gave money to grantees who then offered support, usually via testimony or public comment, to the utilities' position on regulatory or legislative matters.

When Arizona Public Service (APS) was pursuing a controversial rate increase in 2016, it submitted a letter to its regulators at the Arizona Corporation Commission, signed by civil society organizations and chambers of commerce, in support of the utility. The letter stated: “We, the undersigned, respectfully request that the Arizona Corporation Commission thoughtfully consider the proposals for change made by the utilities you regulate.” 15 of the organizations whose representatives signed the letter had received contributions from APS. From 2013-2018, APS contributions to those organizations totaled $1,685,842.

In 2014, Representatives of the United Way of Central Ohio (UWCO) and the YWCA Columbus lauded American Electric Power (AEP) as an “excellent corporate citizen” and a “community leader” during a public hearing before regulators about AEP Ohio’s Electric Security Plan. AEP was seeking approval for proposals that included consumer bailouts for coal-fired power plants. At the time, Nicholas Akins, the CEO of AEP, was involved in leading fundraising campaigns for both organizations.

2. Utilities give to organizations connected with or favored by important policymakers

EPI also documented a number of cases where utilities have offered philanthropic support to organizations affiliated with policymakers, occasionally even when the policymakers draw separate salaries from the organizations in question.

Sen. Robert Meza, an Arizona legislator, was one of the few Democrats who opposed a renewable energy portfolio standard ballot initiative in 2018. An EPI investigation showed that Meza had received thousands of dollars in personal income for jobs he’d done for multiple organizations that receive charitable funding from APS. Meza told EPI that the relationships created “no conflict of interest.”

In 2018, Virginia Delegate Lamont Bagby (D-Henrico), a legislator with no history of sponsoring energy legislation, co-sponsored a controversial Dominion-backed rate bill while holding a second job as the Director of Operations for a charity which received hundreds of thousands of dollars in donations from Dominion’s foundation and its CEO Tom Farrell. Bagby (D-Henrico) is Director of Operations for the Peter Paul Development Center, which runs programs for disadvantaged children and community members on the east side of Richmond. Bagby also chairs the Virginia Legislative Black Caucus. In 2016, Farrell made a $100,000 gift to the center, with Dominion’s foundation also donating $25,000, as reported by the Richmond-Times Dispatch.

An analysis by the State Corporation Commission concluded that the bill Bagby co-patroned “allows the utilities to keep future excess earnings (i.e. customer overpayments) and, rather than return them to customers, use them for capital projects chosen by the utility.” The legislature passed the bill into law in 2018.

Another lawmaker, Del. Matthew James (D-Portsmouth), was CEO of the Peninsula Council for Workforce Development, a regular recipient of Dominion giving.

3. Utilities use philanthropy to suppress resistance and dissent

Finally, utilities use philanthropy to suppress the likelihood of civil society organizations who otherwise might have an incentive to weigh in politically against the utilities' interest. Documenting the absence of resistance to utilities' political agenda is inherently more difficult than documenting the presence of support, but cases do exist.

In 2016, Rev. E. Theopolis Caviness, the pastor of The Greater Abyssinia Baptist Church in Cleveland, was the lead signer of a letter the Cleveland Clergy Council sent to Governor John Kasich supporting FirstEnergy's Electric Security Plan. The Ohio Consumers' Counsel called that plan a "bailout" for FirstEnergy, and estimated that it would cost consumers $3.9 billion over eight years. Environmental groups also opposed the plan, which offered subsidies to coal and nuclear plants.

Caviness acknowledged in that same letter that he and other churches in his coalition previously "had various concerns regarding FirstEnergy's Electric Security Plan. In fact, several of our members marched in protest at FirstEnergy's Annual Shareholders Meeting."

What changed? Caviness said in the letter that the coalition of ministers decided to support the utility's plan after they were swayed toward the merits of the plan in a meeting with FirstEnergy's CEO Chuck Jones.

"FirstEnergy's CEO Chuck Jones graciously invited our leadership to the company's Akron headquarters and laid out all the specifics of its proposal, including generous support for low income customers, a strong commitment to environmental justice, and protection for thousands of Ohio jobs," the letter said.

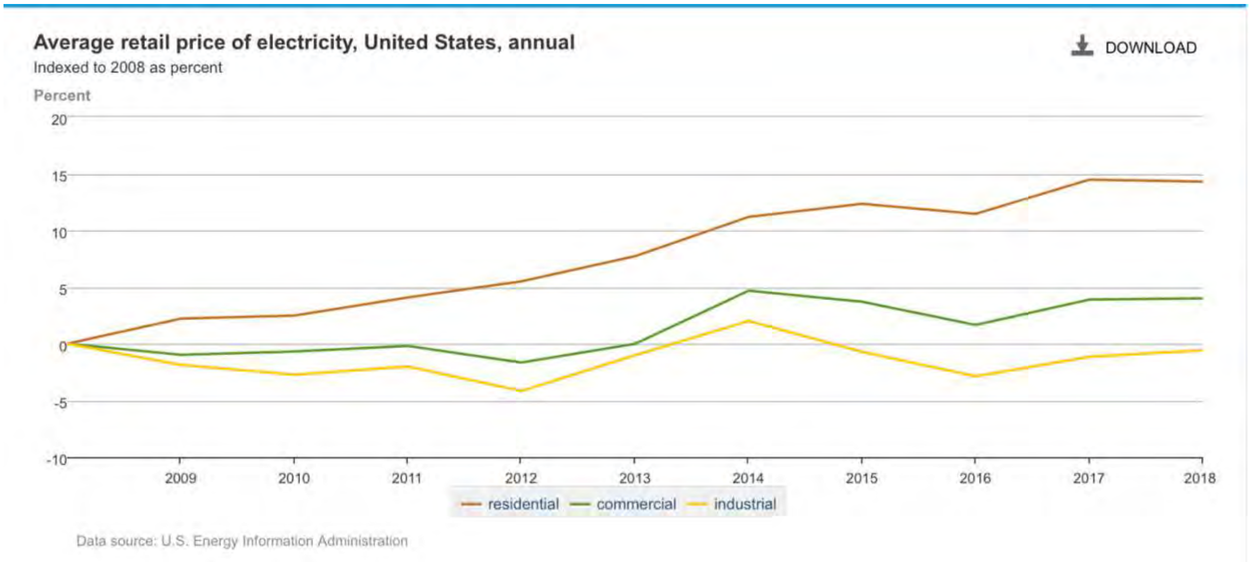
Beyond just the meeting with Jones, there may have been another factor: Caviness's Greater Abyssinia Baptist Church received $100,000 each year from the FirstEnergy Foundation in 2016 and 2017.

In this case, FirstEnergy's charitable giving is connected with not only the silencing of a potentially politically damaging opponent, but also the recruitment of a new ally.

The impacts of the quiescence of civil society organizations in relation to utilities' policy goals may be significant. One indicator may be the allocation of utilities' rate increases between customer classes. Like utilities themselves, commercial and industrial customers of electricity tend to have sophisticated lobbyists and significant political power with which they represent their interests in front of public utility commissions and other state policymaking bodies. Residential customers do not have similar institutional political power, instead relying on state consumer advocates who are often inadequately resourced to go up against utility lawyers and lobbyists.

Civil society groups, many of which represent residential families' economic interests as part of their mission, could counterbalance the political power of both the electric utilities and large customer segments in policymaking and rate-setting. But utility charitable giving suppresses the likelihood of civil society organizations' opposition.

The disparity can be seen in electricity price trends over the past decade. Since 2008, electricity rates for residential customers have gone up by 14.3%, while commercial customers' rates have gone up by 4.0%, and rates for industrial customers, who tend to have the greatest political power, have decreased by 0.6%.



4. Utilities use charities to extort support from low-income communities and communities of color

One theme across EPI's analysis is that utilities frequently use charitable giving to gain support from organizations that represent low-income communities and communities of color.

Michigan utility DTE Energy provides multiple examples of the practice.

DTE submitted a rate increase proposal in 2018 that included a proposal to change its compensation program for rooftop solar customers. DTE's proposal would have not only significantly reduced the rate at which a customer would be compensated for the electricity their solar panels send back to the grid, but also would have added a fee on customers who install rooftop solar.

Michigan Public Service Commissioner Sally Talberg said the thousands of comments urging the PSC to reject DTE's proposed fee and reduced rate for solar compensation were "unprecedented" during her time at the agency.

In response, the utility mobilized non-profit organizations to create the perception of public support for the anti-rooftop solar proposals, particularly from organizations representing communities of color.

Midwest Energy News reported that a group called Michigan Energy Promise emerged in January 2019 to back DTE Energy's position on net metering and other issues before the PSC.

On February 26, Bishop W.L. Starghill, Jr, a member of the new group and the Michigan Democratic Black Caucus, authored an opinion piece in Bridge Magazine attacking the solar industry using various utility industry talking points.

The allies listed on Michigan Energy Promise's website were mostly churches, chambers of commerce, and nonprofits that advocate for communities of color. Many of the groups had either received thousands of dollars from the DTE Energy Foundation over the past five years, list the utility as a corporate sponsor on organization websites, or include a utility employee as a member of the board.

Later in 2019, dozens of people gathered in a community room at the Wayne County Community College downtown campus for over four hours. Nearly everyone in the room was there to voice their displeasure with their electric utility company, DTE Energy, and its recently filed Integrated Resource Plan, which was weighted toward fracked gas and away from renewable energy.

Of the 50 individuals who provided public comments, only nine voiced support for DTE Energy. Almost every DTE supporter was in some way connected to the company, including five speakers who represented charities or churches that collectively had received at least $578,500 from the DTE Energy Foundation since 2013. Most of those charitable organizations represented communities of color.

Particularly in recent years, diverse voices that represent communities of color have fought back against utility manipulation or co-option of this type. In Michigan, Jeremy Orr, the state chairperson of environmental and climate justice for the Michigan State Conference of the NAACP, rejected DTE's argument that rooftop solar power harmed low-income customers. "Clean energy isn't just an environmental issue: It's a civil rights issue," Orr wrote in an op-ed. "Instead of keeping power in the hands of billion-dollar utilities, we envision a future where everyone can participate in and benefit from the clean energy economy — and the potential is huge."

Indeed, while utilities have tried to influence some state chapters of the NAACP with donations, the national NAACP has argued aggressively against utility co-option. The NAACP released a report in early 2019, "Fossil Fueled Foolery" which denounced attempts by utilities and other fossil fuel companies to "pacify or co-opt community leaders and organizations and misrepresent the interests and opinions of communities."

"Over the years, the companies will regularly support local groups financially, have officials attend meetings and sometimes gain seniority in the membership of local groups, and even invite representatives of influential groups to serve on their boards of directors. All this relationship building results in a false sense of common cause and affinity. This is the approach most commonly used with NAACP units," the NAACP wrote. The organization added that "energy companies that use fossil fuels are always harmful to consumers, as their business model is rooted in keeping their customers dependent on them, limiting consumer choice, preserving their monopoly, and maximizing profit at the expense of the sustainability of our environment and the health and well-being of our families and communities."

Utilities' efforts to co-opt or manipulate communities of color are particularly egregious given many of the companies' track record of pushing for regressive rate structures that hurt low-income customers the worst, and of environmental injustice, including the siting of polluting power plants and waste facilities in poor communities and communities of color.

Many of the civil-society and non-profit organizations described in this report as receiving money from utilities do crucial work in fields such as affordable housing, community development, racial justice, civil rights, or healthcare. Community organizations tend to operate on small budgets and are not in a position to antagonize potential large donors. They also often have limited experience with energy issues. If a utility's charitable arm calls and asks them to sign onto a letter or testify at a hearing about the utility's positive role in the community, they may not have much of a choice but to say yes.

The utilities manipulating community groups, however, have no such excuses for their actions. These companies spend millions of dollars, earned from captive customers, to prosecute their political arguments, and have the resources to employ fleets of lobbyists and lawyers to represent them at public utility commissions and state legislatures.

IV. Lack of utility transparency

Utilities generally have two ways of routing money to charitable organizations:

1. All large utilities have separate charitable foundations, organized under Section 501(c)(3) of the tax code. These foundations themselves generally accept gifts from the utility corporate entities, which are tax deductible. They then pass the money onto grantee organizations. The utility 501(c)(3) organizations disclose their grants annually in reporting to the Internal Revenue Service.

2. Utilities also donate money directly from their corporate coffers to grantee organizations. Unlike grants that are passed through utility 501(c)(3) foundations, utilities are not required to report these gifts anywhere, making this giving a black box, invisible to the public.

Arizona Public Service (APS) gave $26 million in charity directly from its corporate coffers from 2013 to 2017, which was more than twice what the APS Foundation gave away during the same time period. Contributions that APS made directly, instead of through the APS Foundation, were not publicly known until the Commissioners subpoenaed the information this year. That means those financial connections were hidden when those groups intervened on APS' behalf, such as by supporting its rate increases before the Commission, opposing an increase in Arizona's renewable energy standard, and helping APS public relations efforts.

V. Recommendations for regulators and policymakers

Some regulators, even those who are not directly affiliated with charitable organizations that receive contributions from utilities, seem to think of a utilities' charitable giving not only as a positive factor, but a necessary one.

Tennessee Public Utility Commissioner Ken Hill told fellow regulators at the 2019 Southeast Association of Regulatory Utility Commissioners conference: "And the utility, which shall remain nameless, had done a good job, PR wise. They'd given some money to the local charities and worked in the food bank, they had helped a pastor who had an inner-city garden, that the homeless got their food from. They helped in that. In fact, that pastor showed up for the hearing, and I was in charge of the hearing, because normally these hearings were raucous. This was pretty quiet, you know, because they've done their job."

Hill's comments neglect the fact that most of the money that utilities give to charity came from profits that they originally extracted from captive customers. Those customers might prefer simply to keep their money, or to give it to charities of their own choosing, rather than paying it in their utility bills as part of a political influence-seeking effort.

Regulators and policymakers have a responsibility to ensure that all organizations attempting to influence utility ratemaking or policy disclose whether they have a financial relationship to the utility. To aid that effort, policymakers and regulators can:

- Require all entities making written or oral comments in a proceeding that would impact a utility to disclose whether they are receiving money from the utility, have been in conversations about future funding, or have a utility staff member or board member on the organization's board of directors.
- Require utilities to disclose all charitable contributions that they make from their corporate coffers in an itemized fashion. Mandatory disclosure can be a key tool for regulators and the public to know when organizations attempting to influence decisions are being paid by utilities with an interest in a proceeding's outcome. The New Hampshire Public Utilities Commission requires utilities to disclose their charitable contributions during rate cases, providing one possible model, though annual filings would allow for more consistent oversight.
- Voluntarily disclose any involvement, of any kind, with charitable organizations by themselves or family members. If a utility is financially supporting a charitable organization with whom the regulator or policymaker, or a family member, is affiliated, then the regulator or policymaker should recuse herself from matters involving that utility.

VI. Data Sources

EPI used three main data sources to analyze utilities' charitable giving:

1. IRS Form 990s of utility charitable foundations, which disclose itemized grants annually.

2. FERC Form 1 and FERC Form 60 filings by electric utility subsidiaries, which include data on corporate charitable giving. Utilities vary widely in terms of how inclusive they are in reporting charitable giving on FERC Form 1s, and whether they break out philanthropic giving from other expense categories like sponsorships and advertising.

3. Utilities' corporate sustainability reporting. Many utilities discuss charitable giving in their corporate reporting. The data they provide does not always align with what they provide in FERC Form 1 reporting.

For each utility, EPI included data from multiple sources as a way to show discrepancies between different reporting methods. When calculating sums for each utility's overall giving, we only added giving totals from different sources if we could be sure they were mutually exclusive, to avoid double counting.

To determine when utilities' giving appeared to be correlated with political action by grantees, EPI used regulatory and legislative testimony, public comments by grantee organizations, and media reports.

DTE Energy

DTE Energy is a utility holding company with natural gas, electric, and pipeline business segments. The company serves 2.2 million electric customers and 1.3 million natural gas customers in Michigan.

Basic Facts:

1. **EPI estimate of DTE's total charitable giving in most recent 5 years (2013-2017):** $78,420,180[25]
2. **Name of Foundation:** DTE Energy Foundation
3. **DTE Energy Foundation Giving (2013-2017):** $66,248,118
    a. 2017: $15,397,171
    b. 2016: $14,928,082
    c. 2015: $14,351,630
    d. 2014: $11,288,231
    e. 2013: $10,283,004
4. **Corporate Charitable Giving (2013-2017):**[26]
    a. Sum of total corporate charitable giving according to annual Corporate Citizenship report: at least $70,000,000.[27]
        i. 2017: Not reported
        ii. 2016: $15,000,000
        iii. 2015: $18,000,000
        iv. 2014: $27,000,000
        v. 2013: $10,000,000
    b. Sum of total charitable giving in most recent 5 years according to filings with the Michigan Public Service Commission: $12,172,062.[28]
        i. 2017: $1,986,893
        ii. 2016: $3,905,494
        iii. 2015: $2,017,096
        iv. 2014: $1,502,397
        v. 2013: $2,760,182
5. **DTE Energy Foundation President:**
    a. Lynette M. Dowler. Dowler reports to Nancy Moody, Vice President of Public Affairs for the utility. Dowler previously served as Director of Corporate Safety, Plant Director for Fossil Generation, and director of Enterprise Performance Management.
6. **DTE Energy Foundation Board of Directors:**
    a. Nancy Moody, Chair and Director, DTE Energy Vice President of Public Affairs

25 Estimate based on DTE Energy Foundation's 990 giving and the DTE's reporting to the Michigan Public Service Commission.

26 This amount of money is in addition to the money DTE Energy allocates to the DTE Energy Foundation.

27 The CCR reports do not provide specific amounts. The CCR reports also not specify Foundation or corporate charitable giving.

28 FERC Form 1 filings show a total of $40,957,058 during this time period, but this total includes money allocated towards corporate sponsorships with Palace Sports and Entertainment, according to the more detailed reports filed with the Michigan Public Service Commission. EPI analyzed the PSC reports and found $12,172,062 in corporate charitable giving, which excludes the sponsorships for entertainment events and money allocated to the DTE Foundation, between 2013-2017 (2017: $1,986,893; 2016: $3,905,494; 2015: $2,017,096; 2014: $1,502,397; 2013: $2,760,182).

b. Lynette Dowler, President and Director
c. Mark Rolling, Treasurer and Director, DTE Energy Vice President and Chief Accounting Officer
d. Joann Chavez, Director, DTE Energy Senior Vice President, Deputy General Counsel and Chief Tax Officer
e. Trevor Lauer, Director, DTE Energy President and Chief Operating Officer
f. David Meador, Director, DTE Energy Vice Chairman and Chief Administrative Officer
g. Lisa Muschong, Director, DTE Energy Vice President, Corporate Secretary and Chief of Staff
h. Bruce Peterson, Director, DTE Energy Senior Vice President and General Counsel
i. David Ruud, Director, DTE Energy Senior Vice President, Corporate Strategy and Development
j. Mark Stiers, Director, DTE Energy President and Chief Operating Officer DTE Power and Industrial and Energy Trading

Examples of DTE using charitable giving to manipulate policy:

2019 Integrated Resource Plan

On June 20, dozens of people gathered in a community room at the Wayne County Community College downtown campus for over four hours. Nearly everyone in the room was there to voice their displeasure with their electric utility company, DTE Energy, and its recently filed Integrated Resource Plan.

Ratepayers and citizens of Detroit told DTE Energy's regulators on the Public Service Commission that they wanted their power company to move more aggressively towards solar energy, stop planning to build more power plants that burn fracked gas, open up bidding for third parties to construct cheaper renewable energy projects, and allow more homeowners to install rooftop solar.

Yet several individuals who made public comments voiced their support for the company and its IRP.

The first speaker at the public hearing was Jane Garcia of Latin Americans for Social and Economic Development.

"Climate change must be combated, but we need to make it transparent for everyone, and that's why we need to stress the most vulnerable population and how they're going to service them. I appreciate DTE's focus in this area," stated Garcia. "I'm not sure how solar is going to come out, we only had 78 days of sunshine last year…"

Later in the evening, Reverend Horace Sheffield, a pastor at New Destiny Christian Fellowship and a leader with the Detroit Association of Black Organizations (DABO) told the commissioners, "As climate change fuels the needs for cleaner energy resources, the need for affordable energy bills remains an important factor for DTE as ever. The plan provides a communal solution to the problem of making strategic investments in renewable energy. DTE's plans gets us where we need to be in mitigating climate change without burdening our community with unreasonable electric bills."

Months later, Rev. Sheffield authored a letter to the editor in Michigan Chronicle in which he echoed is remarks at the event:

"Reliable and affordable energy fuels the engine of progress, which is why New Destiny Christian Fellowship supports DTE's commitment to clean energy as outlined in its Integrated Resource Plan, and encourages others to do the same … DTE's plan gets us where we need to be in mitigating climate change without burdening our community with unreasonable electric bills."

Rev. Deidic Tupper of New Faith Temple Church of God in Christ said, "I am 100 percent in agreement with the proposal that DTE Energy has provided. We must understand that there should be a diversity of energy. We can not always depend on wind turbines, nor can we always depend on solar energy, but natural gas stabilizes the system and allows us to be able to depend upon an institution that we have to depend upon."

Of the 50 individuals who provided public comments, nine voiced support for DTE Energy. However, almost every DTE supporter was in some way connected to the company, including five speakers who represented charities or churches that collectively had received at least $578,500 from the DTE Energy Foundation since 2013.

Table: DTE Energy Foundation contributions (2013-2017) to organizations and individuals who have voiced support for the company's 2019 Integrated Resource Plan

Arab Chaldean Council	$258,000
Detroit Association of Black Organizations, Rev. Horace Sheffield	$112,500
Detroit Chamber of Commerce/Detroit Chamber Foundation	$48,000
Latin Americans for Social and Economic Development	$130,000
New Faith Temple Church of God in Christ, Deidric Tupper	$30,000

Photo: DTE Energy Chairman Gerry Anderson (left) and Reverend Deidric I. Tupper (right). Source: New Faith Temple Facebook Page, June 5, 2019.

One audience member caught on to DTE's relationship to those speakers that were voicing their support for the IRP. Antonio Cosme, an educational coordinator for the National Wildlife Federation, was one of the last members to speak in front of the commissioners and said, "It's pretty obvious that DTE funds a lot of stuff in the city, so I think you're going to get a lot of folks speaking for our monopoly energy provider. But generally speaking, most citizens of the city and of Wayne County aren't going to speak up for DTE."

The PSC will rule on DTE's IRP in early 2020.

2018-2019 Rate Case and Rooftop Solar Proposals

Acting in accordance with new legislation, the rate increase that DTE Energy submitted in 2018 included a proposal to replace net metering with a new compensation program for solar customers. The proposal would have significantly reduced the rate at which a customer would be compensated for the electricity their solar panels send back to the grid, and added a fee on customers who install rooftop solar.

As with utility rate cases, intervenors provided testimony and commission hearings occurred throughout the rest of 2018 and 2019.

The public also weighed in.

Commissioner Sally Talberg said the thousands of comments urging the PSC to reject DTE's proposed fee and reduced rate for solar compensation were "unprecedented" during her time at the agency.

In response, the utility mobilized non-profit organizations to create the perception of public support for the anti-rooftop solar proposals.

Midwest Energy News reported that a group called Michigan Energy Promise emerged in January 2019 to back DTE Energy's position on net metering and other issues before the PSC.

On February 26, Bishop W.L. Starghill, Jr, a member of the new group and the Michigan Democratic Black Caucus, authored an opinion piece in Bridge Magazine attacking the solar industry with various utility industry talking points. Starghill said Michigan Energy Promise was created to defend the state's energy policies.

The allies listed on Michigan Energy Promise's website are mostly churches, chambers of commerce, and nonprofits that advocate for communities of color. However, many of the groups have either received thousands of dollars from the DTE Energy Foundation over the past five years, list the utility as a corporate sponsor on organization websites, or include a utility employee as a member of the board.

Table: DTE Energy Foundation (2013-2017) contributions to member organizations and individuals of the Michigan Energy Promise coalition

Amandla Community Development/Fellowship Chapel	$100,000
Arab Community Center for Economic and Social Services	$150,000
Black Family Development	$47,500
Council of Asian Pacific Americans	Four members of its advisory board are DTE Energy employees
Detroit Association of Black Organizations, Rev. Horace Sheffield	$112,500
Detroit Cristo Rey High School	$29,000
Latin Americans for Social and Economic Development	$130,000
New Faith Temple Church of God in Christ, Deidric Tupper	$30,000
Urban League of Detroit and Southeast Michigan	$31,500

Michigan Energy Promise's advocacy did not result in a victory. The PSC listened to the public and rejected DTE's proposal to raise fees on solar customers, and the PSC did not agree with the inflow/outflow method

DTE proposed. Instead, solar customers will see a larger bill credit for their excess solar energy than DTE's proposal would have allowed.

ENERGY AND POLICY INSTITUTE

DTE Energy Front Groups

Utility Front Group 'Michigan Energy Promise' Emerges to Rally DTE Energy Foundation Recipients to Target Solar Industry

Matt Kasper • March 5, 2019

Michigan Energy Promise, a new front group with strong ties to the Michigan monopoly utility, DTE Energy, recently began backing the utility's arguments against rooftop solar power. The group's appearance comes at a time when the Michigan Public Service Commission will soon decide how much solar customers are compensated for the excess power that they produce and send back to the grid.

According to Midwest Energy News, Michigan Energy Promise is backing DTE Energy's position on net metering and other issues before the Michigan Public Service Commission.

The group registered with the state on January 2, 2019, and created a Twitter account and Facebook profile a few weeks later.

On February 26, Bishop W.L. Starghill, Jr, a member of the new group and the Michigan Democratic Black Caucus, authored an opinion piece in Bridge Magazine attacking the solar industry with various utility industry talking points.

Michigan Energy Promise's web pages state that it is a "project" of the Alliance For Michigan Power. Alliance For Michigan Power originated from a 501(c)(4) organization called Michigan Energy First. Michigan Energy First incorporated in December 2014 and filed documents less than a year later to register Alliance For Michigan Power.

The Department of Licensing and Regulatory Affairs database shows that the assumed names for Michigan Energy First are also Alliance For Michigan Power and Michigan Energy Promise. In other words, all three organizations appear to be coordinated jointly as a single entity. According to its 990 tax forms, Michigan Energy First has received over $28 million in contributions since 2014. The group has not disclosed its donors, but it has close ties to DTE Energy.

The name of the DOMESTIC NONPROFIT CORPORATION: MICHIGAN ENERGY FIRST

Identification Number: 800946889	**Old ID Number:** 71561U

Assumed Name	Creation Date	Renewal Date	Expiration Date	Two or more entities assuming the same name
ALLIANCE FOR MICHIGAN POWER	9/21/2015		12/31/2020	
MI ENERGY PROMISE	1/2/2019		12/31/2024	
MICHIGAN ENERGY PROMISE	1/2/2019		12/31/2024	

Assumed Names from Michigan Energy First

Connections to DTE Energy

Renze
Hoeksema

Michigan Energy First's president is DTE Energy's Vice President of Corporate and Government Affairs Renze Hoeksema, and its treasurer is Theresa Uzenski, a manager of regulatory accounting at DTE Energy.

DTE Energy spokesperson Peter Ternes told Midwest Energy News that the utility is "part of the Alliance for Michigan Power coalition" and Hoeksema and Uzenski "serve in an advisory capacity" on the organizations' boards "to provide information" about issues.

Latest Industry Tactic of Rallying Communities of Color to Frame Solar Debate

Michigan Energy Promise's spokesman Ron Fournier told the Midwest Energy News that the group is a "wide and broad coalition including leaders in specific communities in Detroit that need the most help so they're not easily preyed upon … Specifically African-American ministers who are tired of people coming into their community selling them services and contracts they don't need."

Ron Fournier is the former editor of Crain's Detroit Business and former senior political columnist at the conservative National Journal magazine. He is now the President of the Lansing-based public relations firm Truscott Rossman.

The allies listed on Michigan Energy Promise are mostly churches, chambers of commerce, and nonprofits that advocate for communities of color. Many of the groups have either received money from the DTE Energy Foundation in recent years, list the utility as a corporate sponsor on organization websites, or a utility employee is a member of the board:

- Arab Community Center for Economic and Social Services has received $150,000 from the utility's foundation from 2016 to 2017.
- Detroit Association of Black Organizations received $112,500 since 2015.
- Latin Americans for Social and Economic Development received $55,000 in 2016.
- Church of God in Christ received $30,000 in 2015.
- Urban League of Detroit and Southeast Michigan received $10,000 in 2015 and 2017.
- Detroit Cristo Rey High School received $4,500 in 2016 and 2017.

- Chaldean American Chamber of Commerce lists DTE Energy as a corporate partner.
- Council of Asian Pacific Americans lists DTE Energy as a sponsor, and four members of its advisory board are DTE Energy employees.
- Michigan Hispanic Chamber of Commerce's executive board includes DTE Energy's Vice President of Legal and Chief Tax Officer JoAnn Chavez.

In 2012, the electric utility's trade association, the Edison Electric Institute, began a campaign to rally organizations against rooftop solar. EEI funded organizations and then lobbied the groups to pass anti-rooftop solar resolutions, including the National Black Caucus of State Legislators, the National Policy Alliance, and the National Organization of Black Elected Legislative Women. The groups all focused on the industry's cost-shift argument, which is what Michigan Energy Promise also purports.

Multiple studies have shown that solar customers provide more benefits than costs to all electric customers, and a report from the Lawrence Berkeley National Lab offers the latest evidence that the utilities' cost shift argument is, for the most part, a self-serving myth.

When EEI and its partners presented to the Congressional Black Caucus in Washington D.C. several years ago, the Huffington Post reported that the speakers pitched the members of Congress on the alleged cost-shift. A source told the outlet that there were some "pretty preposterous things being claimed there" and "it was just a lot of rhetoric, some of which was backed up by specifics, most of which was debatable."

As noted by Midwest Energy News, other utilities have tried similar tactics to present rooftop solar as detrimental to communities of color. Duke Energy targeted African-American communities as part of its campaign against rooftop solar, according to critics. Rev. Nelson Johnson, a pastor of the predominantly African-American Faith Community Church and executive director of the Beloved Community Center, co-wrote a letter to Duke Energy CEO Lynn Good that said:

"I (Rev. Nelson Johnson) have been visited in recent months by three different individuals selling Duke's "solar power hurts the poor" message. The claim is that the poor are left to subsidize more affluent customers who are able to buy rooftop solar power systems — because the non-solar customers are left to pay more than "their share" for Duke Energy's large, expensive power plants.

It appears evident that this "solar hurts the poor" strategy has been coordinated by Duke and its cohorts in the corporate electric power industry and used in many states recently. Fortunately, the scheme has been rejected by the NAACP's national board, by various state NAACP chapters, and by the Congressional Black Caucus, among others. Nevertheless, Duke Energy is vigorously pursuing this same deception in North Carolina. This cynical corporate activity is an affront to the people of this state, and it is your personal responsibility to stop it."

ComEd also targeted African-American groups when it created a group called the Illinois Smart Solar Alliance. Just like Michigan Energy Promise, the Illinois Smart Solar Alliance included members of organizations that advocated for communities of color, some with funding or board ties to the utility.

Other groups representing communities of color have been critical of DTE's track record.

Soulardarity advocates for energy democracy and clean energy in Highland Park, Michigan. Executive Director Jackson Koeppel told Midwest Energy News that DTE's proposed rate increase in the same case that will decide the solar compensation rate would disproportionately raise rates for low-income customers.

"What they've put forward in the rate case is really egregious," Koeppel said. "With the formation of this new front group and framing it so solar is fair to all customers is completely disingenuous."

The national NAACP meanwhile has urged its chapters to advocate for strong rooftop solar policies, including net metering, as part of its energy democracy agenda. The national organization has supported NAACP state leadership in Nevada, Indiana, Utah, Mississippi, Colorado, Missouri that have advocated for net metering policies.

A 2017 report from the NAACP, "Lights Out In The Cold," criticized DTE Energy for its shutoff policy and its public relations campaigns to reposition the issue after 2010 shutoffs led to deadly house fires in Detroit. The report also criticized the utility's charity The Heat and Warmth Fund:

"Not only do these programs protect only seniors from utility shutoffs during the winter, but they also place families into payment plans that essentially keep them in a state of permanent debt to the company. In many cases, families cannot afford to stay on track with the payment plans that are offered and end up having their power disconnected anyway."

Similarities to the Consumers Energy-funded Citizens For Energizing Michigan's Economy

Michigan Energy First is registered to long-time campaign-finance and election attorney Eric Doster. Doster also filed the documents to register Alliance for Michigan Power and Michigan Energy Promise.

Participants in Michigan politics and its energy debates are likely familiar with Doster, a former counsel to the Michigan Republican Party and author of a book on Michigan campaign finance law. Doster is also the registered agent for Citizens For Energizing Michigan's Economy (CEME).

Doster's firm, CEME, and the Michigan Energy First organizations also share the same address: 2145 Commons Parkway in Okemos.

CEME is also a 501(c)(4) and has been in the news for the past several months.

The Energy and Policy Institute revealed that Consumers Energy contributed over $43 million to that entity since 2014. CEME used some of the Consumers Energy money to run radio, television, and print advertisements in primary and general election races to promote, unseat, or prevent specific candidates from winning this last election cycle. According to the Michigan Campaign Finance Network, CEME spent an estimated $830,000 on TV ads in 2018 alone. CEME promoted candidates who ran against lawmakers that supported restoring old net metering rates or favored utility deregulation – energy policies that would create competition with the investor-owned utility companies.

Just like CEME, Alliance For Michigan Power also got involved in Michigan's 2018 elections. In the Republican primary for the 24th Senate District, Alliance For Michigan Power sent mailers in support of Brett Roberts, who ran and lost against Representative Tom Barrett. Months earlier, Rep. Barrett had slammed the PSC for effectively ending net metering in the state:

"This short-sighted decision is beyond what the legislative directive was in the 2016 energy bill, which sought to ensure that rooftop solar users were covering their grid costs … This decision makes it harder for farmers to find solutions for their families and businesses. I am dedicated to working with the governor and legislative leaders to fix this decision."

The Michigan Public Service Commission recently ruled in the Consumers Energy rate case that the utility is prohibited from contributing money, including its corporate dollars, to all IRS 501(c)(4) and IRS registered 527 political organizations for as long as the rates are in effect. (Consumers Energy has since said it will essentially ignore the PSC ruling by having its parent company, CMS Energy, contribute to political organizations.)

In August, Patrick Anderson, a tax policy expert and CEO of the Anderson Economic Group, filed a complaint against CEME to the IRS for violating campaign finance and federal tax laws. In his complaint, Anderson noted that CEME paid a proxy tax:

"The CEME organization is well aware that it behaves in a manner that involves prohibited activities for organizations that accept contributions that may be deducted as a trade or business expense. This is clear from their payment (as indicated in their

Form 990, part XI, page 10) of a "proxy tax" of $1.51 million in 2016."

In its 2016 IRS 990, Michigan Energy First reports paying a proxy tax of $1,650,706.

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Posted in: DTE Energy, Front Groups **Tagged in:** Alliance For Michigan Power, Arab Community Center for Economic and Social Services, Bishop W.L. Starghill, Chaldean American Chamber of Commerce, Church of God in Christ, Council of Asian Pacific Americans, Detroit Association of Black Organizations, Detroit Cristo Rey High School, DTE Energy, Edison Electric Institute, Eric Doster, JoAnn Chavez, Latin Americans for Social and Economic Development, Michigan Energy First, Michigan Energy Promise, Michigan Hispanic Chamber of Commerce, Peter Ternes, Renze Hoeksema, Theresa Uzenski, Urban League of Detroit and Southeast Michigan

Posted by Matt Kasper

Matt Kasper is the Deputy Director at the Energy and Policy Institute. He focuses on defending policies that further the development of clean energy sources. He also focuses on the companies and their front groups that obstruct policy solutions to global warming. Before joining the Energy and Policy Institute in 2014, Matt was a research assistant at the Center for American Progress where he worked on various state and local policy issues.

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MPSC Case No.:	U-20836
Requestor:	DAAO
Question No.:	DAAODE-1 .3a
Respondent:	N. Foley
	1 of 1

Question: On page 50 of Neal T. Foley's testimony he describes the changes DTE proposes to make to the Distributed Generation Program. These changes include (1) changing the outflow credit to be the total of "the average monthly MISO hourly LMP for the DTE Electric appropriate load node" and "[a] credit for avoided line losses" and (2) requiring residential customers taking service under Rider 18 to also take service under the Company's proposed D1.12 rate.

a. For each of these proposed changes, did DTE consult any low-income customers or customers of color in its service territory before proposing these changes?

Answer: DTE Electric objects for the reason that the request is vague and ambiguous. since the Company is unclear regarding the meaning of "consult" as used in this context. Specifically, the Company is uncertain what activities the requester would consider meeting the definition of "consult any low-income customers or customers of color in its service territory."

Subject to this objection, and without waiving this objection, DTE Electric would answer as follows: the Company did not perform any formal outreach to any customers in support of the development of its Rider 18 proposals.

Attachment: *None*

Co-respondent(s): Legal

MPSC Case No.:	U-20836
Requestor:	DAAO
Question No.:	DAAODE-1 .3ai
Respondent:	N. Foley
	1 of 1

Question: On page 50 of Neal T. Foley's testimony he describes the changes DTE proposes to make to the Distributed Generation Program. These changes include (1) changing the outflow credit to be the total of "the average monthly MISO hourly LMP for the DTE Electric appropriate load node" and "[a] credit for avoided line losses" and (2) requiring residential customers taking service under Rider 18 to also take service under the Company's proposed D1.12 rate.

a. For each of these proposed changes, did DTE consult any low-income customers or customers of color in its service territory before proposing these changes?

i. If no, why not?

Answer: DTE Electric objects for the reason that the request is vague and ambiguoussince the Company is unclear regarding the meaning of "consult" as used in DAAODE-1.3a. Specifically, the Company is uncertain what activities the requester would consider meeting the definition of "consult any low-income custoemrs or customers of color in its service territory."

Subject to this objection, and without waiving this objection, DTE Electric would answer as follows: the Company's proposals related to Rider 18 were designed to correct what it views as deficiencies in the current Rider 18 design. As such, gathering customer feedback was not necessary for it to develop its Rider 18 proposals.

Attachment: *None*

Co-respondent(s): Legal

MPSC Case No.:	U-20836
Requestor:	DAAO
Question No.:	DAAODE-1 .3aii1
Respondent:	N. Foley
	1 of 1

Question: On page 50 of Neal T. Foley's testimony he describes the changes DTE proposes to make to the Distributed Generation Program. These changes include (1) changing the outflow credit to be the total of "the average monthly MISO hourly LMP for the DTE Electric appropriate load node" and "[a] credit for avoided line losses" and (2) requiring residential customers taking service under Rider 18 to also take service under the Company's proposed D1.12 rate.

a. For each of these proposed changes, did DTE consult any low-income customers or customers of color in its service territory before proposing these changes?

ii. If yes:

1. Please provide all documents relating to communications with each of these individuals.

Answer: DTE Electric objects for the reason that the request is vague and ambiguous since the Company is unclear regarding the meaning of "consult" as used in DAAODE-1.3a. Specifically, the Company is uncertain what activities the requester would consider meeting the definition of "consult any low-income custoemrs or customers of color in its service territory." Subject to this objection, and without waiving this objection, see response to DAAODE-1.3a.

Attachment: *None*

Co-respondent(s): Legal

MPSC Case No.:	U-20836
Requestor:	DAAO
Question No.:	DAAODE-1 .3aii2
Respondent:	N. Foley
	1 of 1

Question: On page 50 of Neal T. Foley's testimony he describes the changes DTE proposes to make to the Distributed Generation Program. These changes include (1) changing the outflow credit to be the total of "the average monthly MISO hourly LMP for the DTE Electric appropriate load node" and "[a] credit for avoided line losses" and (2) requiring residential customers taking service under Rider 18 to also take service under the Company's proposed D1.12 rate.

a. For each of these proposed changes, did DTE consult any low-income customers or customers of color in its service territory before proposing these changes?

ii. If yes:

2. How did DTE incorporate or address this feedback in changes the company is proposing to the Distributed Generation Program?

Answer: DTE Electric objects for the reason that the request is vague and ambiguoussince the Company is unclear regarding the meaning of "consult" as used in DAAODE-1.3a. Specifically, the Company is uncertain what activities the requester would consider meeting the definition of "consult any low-income custoemrs or customers of color in its service territory." Subject to this objection, and without waiving this objection, see response to DAAODE-1.3a.

Attachment: *None*

Co-respondent(s): Legal

MPSC Case No.:	U-20836
Requestor:	DAAO
Question No.:	DAAODE-1 .3b
Respondent:	N. Foley
	1 of 1

Question: On page 50 of Neal T. Foley's testimony he describes the changes DTE proposes to make to the Distributed Generation Program. These changes include (1) changing the outflow credit to be the total of "the average monthly MISO hourly LMP for the DTE Electric appropriate load node" and "[a] credit for avoided line losses" and (2) requiring residential customers taking service under Rider 18 to also take service under the Company's proposed D1.12 rate.

b. Did DTE internally discuss the impacts of these proposed changes on low-income and person of color households who want to install and/or own rooftop solar and/or community solar?

Answer: No. The Company's proposals related to Rider 18 were designed to correct what it views as deficiencies in the current Rider 18 design. As such, assessing the impacts to any individual customer segment was not necessary.

The Company also notes that Community Solar is outside the scope of Rider 18.

Attachment: *None*

MPSC Case No.:	U-20836
Requestor:	DAAO
Question No.:	DAAODE-1 .3bi
Respondent:	N. Foley
	1 of 1

Question: On page 50 of Neal T. Foley's testimony he describes the changes DTE proposes to make to the Distributed Generation Program. These changes include (1) changing the outflow credit to be the total of "the average monthly MISO hourly LMP for the DTE Electric appropriate load node" and "[a] credit for avoided line losses" and (2) requiring residential customers taking service under Rider 18 to also take service under the Company's proposed D1.12 rate.

b. Did DTE internally discuss the impacts of these proposed changes on low-income and person of color households who want to install and/or own rooftop solar and/or community solar?

i. If no, why did DTE not consider these impacts?

Answer: See response to DAAODE-1.3b.

Attachment: *None*

MPSC Case No.:	U-20836
Requestor:	DAAO
Question No.:	DAAODE-1 .3bii
Respondent:	N. Foley
	1 of 1

Question: On page 50 of Neal T. Foley's testimony he describes the changes DTE proposes to make to the Distributed Generation Program. These changes include (1) changing the outflow credit to be the total of "the average monthly MISO hourly LMP for the DTE Electric appropriate load node" and "[a] credit for avoided line losses" and (2) requiring residential customers taking service under Rider 18 to also take service under the Company's proposed D1.12 rate.

b. Did DTE internally discuss the impacts of these proposed changes on low-income and person of color households who want to install and/or own rooftop solar and/or community solar?

ii. If yes, please provide all documents related to discussions on this issue.

Answer: Not applicable. See response to DAAODE-1.3b.

Attachment: *None*

MPSC Case No.:	U-20836
Requestor:	DAAO
Question No.:	DAAODE-1 .7a
Respondent:	A. Willis
	1 of 1

Question: Exhibit A-16 describes DTE's proposed changes in rates across rate classes.

a. In developing these rate changes, did DTE conduct any analyses of the impact of these rate changes distributed by race or ethnicity?

Answer: No, the Company does not perform such analyses when proposing rate changes.

Attachment: *None.*

Co-Respondent(s): R. Bellini

MPSC Case No.:	U-20836
Requestor:	DAAO
Question No.:	DAAODE-1 .7ai
Respondent:	A. Willis
	1 of 1

Question: Exhibit A-16 describes DTE's proposed changes in rates across rate classes.

a. In developing these rate changes, did DTE conduct any analyses of the impact of these rate changes distributed by race or ethnicity?

i. If yes, please provide any documents supporting that analysis.

Answer: See DAAODE-1.7a

Attachment: *None*

Co-Respondent(s): R. Bellini

MPSC Case No.:	U-20836
Requestor:	DAAO
Question No.:	DAAODE-1 .7aii
Respondent:	A. Willis
	1 of 1

Question: Exhibit A-16 describes DTE's proposed changes in rates across rate classes.

a. In developing these rate changes, did DTE conduct any analyses of the impact of these rate changes distributed by race or ethnicity?

ii. If no, why not?

Answer: DTE designs rates based on forecasted billing determinants and allocated revenues at the rate schedule and class level and has not conducted any such analysis of the proposed rates.

Attachment: *None*

Co-Respondent(s): R. Bellini

MPSC Case No.:	U-20836
Requestor:	DAAO
Question No.:	DAAODE-1 .7b
Respondent:	A. Willis
	1 of 1

Question: Exhibit A-16 describes DTE's proposed changes in rates across rate classes.
b. In developing these rate changes, did DTE conduct any analyses of the impact of these rate changes distributed by income level?

Answer: No, the Company does not perform such analyses when proposing rate changes

Attachment: *None*

Co-Respondent(s): R. Bellini

MPSC Case No.:	U-20836
Requestor:	DAAO
Question No.:	DAAODE-1 .7bi
Respondent:	A. Willis
	1 of 1

Question: Exhibit A-16 describes DTE's proposed changes in rates across rate classes.
b. In developing these rate changes, did DTE conduct any analyses of the impact of these rate changes distributed by income level?
i. If yes, please provide any documents supporting that analysis.

Answer: See DAAODE-1.7b

Attachment: *None*

Co-Respondent(s): R. Bellini

MPSC Case No.:	U-20836
Requestor:	DAAO
Question No.:	DAAODE-1 .7bii
Respondent:	A. Willis
	1 of 1

Question: Exhibit A-16 describes DTE's proposed changes in rates across rate classes.
b. In developing these rate changes, did DTE conduct any analyses of the impact of these rate changes distributed by income level?
ii. If no, did DTE conduct any analyses of the impact of these rate changes on low-income customers?

Answer: No. DTE designs rates based on forecasted billing determinants and allocated revenues at the rate schedule and class level and has not conducted any such analysis of the proposed rates.

Attachment: *None*

Co-Respondent(s): R. Bellini

MPSC Case No.:	U-20836
Requestor:	DAAO
Question No.:	DAAODE-1 .7bii1
Respondent:	A. Willis
	1 of 1

Question: Exhibit A-16 describes DTE's proposed changes in rates across rate classes.
b. In developing these rate changes, did DTE conduct any analyses of the impact of these rate changes distributed by income level?
ii. If no, did DTE conduct any analyses of the impact of these rate changes on low-income customers?
1. If yes, please provide any documents supporting that analysis.

Answer: See DAAODE-1.7bii

Attachment: *None*

Co-Respondent(s): R. Bellini

MPSC Case No.:	U-20836
Requestor:	DAAO
Question No.:	DAAODE-1 .7bii2
Respondent:	A. Willis
	1 of 1

Question: Exhibit A-16 describes DTE's proposed changes in rates across rate classes.
b. In developing these rate changes, did DTE conduct any analyses of the impact of these rate changes distributed by income level?
ii. If no, did DTE conduct any analyses of the impact of these rate changes on low-income customers?
2. If no, why not?

Answer: DTE designs rates based on forecasted billing determinants and allocated revenues at the rate schedule and class level and has not conducted any such analysis of the proposed rates.

Attachment: *None*

Co-Respondent(s): R. Bellini

MPSC Case No.:	U-20836
Requestor:	DAAO
Question No.:	DAAODE-1 .7c
Respondent:	A. Willis
	1 of 1

Question: Exhibit A-16 describes DTE's proposed changes in rates across rate classes.

c. In developing these rate changes, did DTE conduct any analyses of the geographic distribution of the impact of these rate changes?

Answer: No, the Company does not perform such analyses when proposing rate changes

Attachment: *None*

Co-Respondent(s): R. Bellini

MPSC Case No.:	U-20836
Requestor:	DAAO
Question No.:	DAAODE-1 .7ci
Respondent:	A. Willis
	1 of 1

Question: Exhibit A-16 describes DTE's proposed changes in rates across rate classes.
c. In developing these rate changes, did DTE conduct any analyses of the geographic distribution of the impact of these rate changes?
i. If yes, please provide any documents supporting that analysis.

Answer: See DAAODE-1.7c.

Attachment: *None*

Co-Respondent(s): R. Bellini

MPSC Case No.:	U-20836
Requestor:	DAAO
Question No.:	DAAODE-1 .7cii
Respondent:	A. Willis
	1 of 1

Question: Exhibit A-16 describes DTE's proposed changes in rates across rate classes.
c. In developing these rate changes, did DTE conduct any analyses of the geographic distribution of the impact of these rate changes?
ii. If no, why not?

Answer: DTE designs rates based on forecasted billing determinants and allocated revenues at the rate schedule and class level and has not conducted any such analysis of the proposed rates.

Attachment: *None*

Co-Respondent(s): R. Bellini

MPSC Case No.:	U-20836
Requestor:	DAAO
Question No.:	DAAODE-3.2a
Respondent:	A. Willis
	1 of 1

Question: Please refer to DTE's responses to DAAODE-1.7aii, DAAODE-1.7bii2, and DAAODE- 1.7cii.

a. Does "DTE design rates based" only "on forecasted billing determinants and allocated revenues at the rate schedule and class level"?

Answer: As reflected in Exhibit A-16, Schedule F3 and in the referenced questions, yes, rates are a function of billing determinants and allocated revenues. DTE's rates are designed consistent with MCL 460.11

Attachment: *None*

Co-Respondent(s): R. Bellini

MPSC Case No.:	U-20836
Requestor:	DAAO
Question No.:	DAAODE-3.2b
Respondent:	A. Willis
	1 of 1

Question: Please refer to DTE's responses to DAAODE-1.7aii, DAAODE-1.7bii2, and DAAODE- 1.7cii.

b. Why does "DTE design rates based on forecasted billing determinants and allocated revenues at the rate schedule and class level"?

Answer: It is the approach approved by the Michigan Public Service Commission in all prior Company general rate cases that I am aware of and is consistent with MCL 460.11 and the requirement for cost-based rates.

Attachment: **None**

Co-Respondent(s): R. Bellini

MPSC Case No.:	U-20836
Requestor:	DAAO
Question No.:	DAAODE-3.2ci
Respondent:	A. Willis
	1 of 1

Question: Please refer to DTE's responses to DAAODE-1.7aii, DAAODE-1.7bii2, and DAAODE- 1.7cii.

c. Is the impact of rate changes on customers relevant when DTE designs and proposes rates?

i. If yes, please describe why DTE considers such impacts to be relevant.

Answer: DTE Electric objects for the reason that the request is vague and ambiguous in its current form and does not define the term "relevant" or what the term is intended to convey. Subject to this objection and without waiving it, the Company would answer as follows:

Proposed rates are a function of billing determinants and allocated revenue requirements and are designed consistent with MCL 460.11.

Attachment: *None*

Co-Respondent(s): R. Bellini, Legal

MPSC Case No.:	U-20836
Requestor:	DAAO
Question No.:	DAAODE-3.2cii
Respondent:	A. Willis
	1 of 1

Question: Please refer to DTE's responses to DAAODE-1.7aii, DAAODE-1.7bii2, and DAAODE- 1.7cii.

c. Is the impact of rate changes on customers relevant when DTE designs and proposes rates?

ii. If no, why not?

Answer: Refer to DAAODE-3.2ci

Attachment: *None*

Co-Respondent(s): R. Bellini, Legal

MPSC Case No.:	U-20836
Requestor:	DAAO
Question No.:	DAAODE-3.2di
Respondent:	A. Willis
	1 of 1

Question: Please refer to DTE's responses to DAAODE-1.7aii, DAAODE-1.7bii2, and DAAODE- 1.7cii.

d. Is the differential impact of rate changes on customers of particular races or ethnicities relevant when DTE designs and proposes rates?

i. If yes, please describe why DTE considers such impacts to be relevant.

Answer: DTE Electric objects for the reason that the request is vague and ambiguous in its current form and does not define the term "relevant" or what the term is intended to convey. Subject to this objection and without waiving it, the Company would answer as follows:

Proposed rates are a function of billing determinants and allocated revenue requirements and are designed consistent with MCL 460.11.

Attachment: *None*

Co-Respondent(s): R. Bellini, Legal

MPSC Case No.:	U-20836
Requestor:	DAAO
Question No.:	DAAODE-3.2dii
Respondent:	A. Willis
	1 of 1

Question: Please refer to DTE's responses to DAAODE-1.7aii, DAAODE-1.7bii2, and DAAODE- 1.7cii.

d. Is the differential impact of rate changes on customers of particular races or ethnicities relevant when DTE designs and proposes rates?

ii. If no, why not?

Answer: Refer to DAAODE-3.2di

Attachment: *None*

Co-Respondent(s): R. Bellini, Legal

MPSC Case No.:	U-20836
Requestor:	DAAO
Question No.:	DAAODE-3.2ei
Respondent:	A. Willis
	1 of 1

Question: Please refer to DTE's responses to DAAODE-1.7aii, DAAODE-1.7bii2, and DAAODE- 1.7cii.

e. Is the impact of rate changes on customers of different income levels relevant when DTE designs and proposes rates?

i. If yes, please describe why DTE considers such impacts to be relevant.

Answer: DTE Electric objects for the reason that the request is vague and ambiguous in its current form and does not define the term "relevant" or what the term is intended to convey. Subject to this objection and without waiving it, the Company would answer as follows:

Proposed rates are a function of billing determinants and allocated revenue requirements and are designed consistent with MCL 460.11.

Attachment: *None*

Co-Respondent(s): R. Bellini, Legal

MPSC Case No.:	U-20836
Requestor:	DAAO
Question No.:	DAAODE-3.2eii
Respondent:	A. Willis
	1 of 1

Question: Please refer to DTE's responses to DAAODE-1.7aii, DAAODE-1.7bii2, and DAAODE- 1.7cii.

e. Is the impact of rate changes on customers of different income levels relevant when DTE designs and proposes rates?

ii. If no, why not?

Answer: Refer to DAAODE-3.2ei

Attachment: *None*

Co-Respondent(s): R. Bellini, Legal

MPSC Case No.:	U-20836
Requestor:	DAAO
Question No.:	DAAODE-3.2fi
Respondent:	A. Willis
	1 of 1

Question: Please refer to DTE's responses to DAAODE-1.7aii, DAAODE-1.7bii2, and DAAODE- 1.7cii.

f. Is the impact of rate changes on low-income customers relevant when DTE designs and proposes rates?

i. If yes, please describe why DTE considers such impacts to be relevant.

Answer: DTE Electric objects for the reason that the request is vague and ambiguous in its current form and does not define the term "relevant" or what the term is intended to convey. Subject to this objection and without waiving it, the Company would answer as follows:

Proposed rates are a function of billing determinants and allocated revenue requirements and are designed consistent with MCL 460.11.

Attachment: *None*

Co-Respondent(s): R. Bellini, Legal

MPSC Case No.:	U-20836
Requestor:	DAAO
Question No.:	DAAODE-3.2fii
Respondent:	A. Willis
	1 of 1

Question: Please refer to DTE's responses to DAAODE-1.7aii, DAAODE-1.7bii2, and DAAODE- 1.7cii.

f. Is the impact of rate changes on low-income customers relevant when DTE designs and proposes rates?

ii. If no, why not?

Answer: Refer to DAAODE-3.2fi

Attachment: None

Co-Respondent(s): R. Bellini, Legal

DTE Energy Policy OP10 Corporate Political Participation

Revision 1.1

March 18, 2021

1. Applicability

This policy applies to all employees of DTE Energy and its subsidiaries.

2. Policy

A. General

1. DTE Energy is committed to being a responsible corporate citizen and to complying with all applicable laws.

2. As an energy company, we are affected each day by the decisions of federal, state and local officials. DTE Energy is an active participant in the political process and encourages its employees to participate in the process.

3. DTE Energy supports public policies that promote its commitment to sustainable, reliable, affordable and safe energy. DTE Energy's decisions on corporate and Political Action Committee (PAC) contributions, and support for trade and business associations, recognizes these policy positions and a wide range of other criteria, including policies that help our local communities prosper and flourish while promoting opportunity for all in an open and just society.

B. Corporate Contributions

1. DTE Energy may use corporate treasury funds only for legally permissible contributions to political organizations for initiatives that support the goals and business objectives of the Company. Such contributions are generally made only upon a specific request from such an organization.

2. DTE Energy will comply with all applicable laws governing its legally permissible corporate contributions to political organizations. Federal and Michigan law strictly prohibits the direct contribution of corporate treasury funds to candidates running for federal and state office or to their campaign committees. Also, as a general practice, we do not make independent political expenditures with corporate treasury funds. For DTE's purposes, independent expenditures are defined as those funds expended by the company to directly support or defeat a candidate. If for some reason DTE does make an independent political expenditure, the company would disclose in a manner consistent with our voluntary disclosure policy.

3. Under no circumstances may any employee make a corporate commitment of Company resources for a political contribution or expenditure, either cash or noncash, without the approval of the Vice President, Corporate & Government Affairs. DTE Energy will not reimburse any employee for a political contribution or expenditure.

4. DTE's corporate political contributions shall be made for the benefit of the Company and will be made without regard to the personal political preferences of Company officers and executives.

5. DTE will make contributions, using corporate treasury funds, to 527 organizations, which are tax-exempt organizations that engage in political activities, Super PACs and Ballot Question Committees. DTE Energy also makes contributions to 501(c)(4) organizations whose primary purpose is to promote social welfare through active engagement with the community, and may utilize funds for policy and political purposes in alignment with IRS guidelines and requirements. This information is included in the annual report of PAC and political activities presented to the Public Policy and Responsibility Committee of the DTE Energy Board of Directors.

6. DTE Energy's corporate contributions are guided by a criteria that includes:

a. Public integrity of the organization
b. Representation of the interests of DTE stakeholders
c. General support for the issues important to the company
d. Assessment of the appropriate level of support to be provided

C. Political Action Committee

1. We encourage our employees to become informed about the policy matters affecting DTE Energy and to be involved in the political process. DTE Energy facilitates this participation through the DTE Energy Political Action Committee (PAC).

2. As prescribed in its bylaws, the DTE Energy PAC is required to comply with all relevant laws governing its participation in the political process.

3. The DTE Energy PAC is funded by voluntary contributions from eligible employees with lawful administrative support from DTE Energy.

4. DTE Energy PAC contributions are guided by a steering committee comprised of PAC members from across the company that are elected by all PAC members. The following criteria are used in evaluating requests for contributions:

a. Public integrity of the candidate

b. Leadership position or committee service

c. Representation of a district that includes a DTE Energy facility or service area

d. General support on issues important to the Company

e. Assessment of the appropriate level of support to be provided

5. This information is included in the annual report of PAC and political activities presented to the Public Policy and Responsibility Committee of the DTE Energy Board of Directors.

D. Trade Associations and Chambers of Commerce

1. DTE Energy belongs to a number of 501(c)(6) trade associations and chambers of commerce, some of which participate in the political process. DTE Energy may not always agree with positions taken by these organizations.

2. DTE Energy will request that these organizations to which our dues or payments are significant provide a breakdown of the portion of our dues or payments that were used for political contributions. This information is included in the annual report of PAC and political activities presented to the Public Policy and Responsibility Committee of the DTE Energy Board of Directors.

E. Disclosure

1. DTE Energy will voluntarily disclose contributions in a manner that reflects the current requirements for recipients based on applicable federal and state campaign finance and tax laws.

2.The Company's political activities including 501(c)(6), 501(c)(4) and 527 organizations, Super PACs, Ballot Question Committees, and PAC contributions will be reviewed annually by the Public Policy and Responsibility Committee of the DTE Energy Board of Directors. Such an oversight process provides for greater accountability and transparency for the Company's corporate political activities.

To promote transparency for shareholders, DTE Energy will semi-annually post on a publicly available DTE Energy Internet site the following information:

a. A copy of the DTE Energy Policy OP-10 - Corporate Political Participation
b. Links to the Internet sites of the Federal Election Commission and Michigan Bureau of Elections, which provide information about contributions from the DTE Energy PAC
c. A list of corporate political contributions made to Super PACs, Ballot Question Committees, and 527 organizations that are required by law to disclose their contributions
d. A list of trade associations and chambers of commerce, the aggregate amount of dues, and the portion of dues utilized for political activities by organizations receiving $50,000 or more annually
e. DTE Energy will make available on its website an online archive of this information for the prior year and additional preceding four year period. Information will be updated effective June 30 and December 31 of each year and posted on a publicly available DTE internet site within 10 working days

3. DTE Energy reserves the right to keep confidential proprietary or competitively sensitive information consistent with required disclosures.

F. Responsibility

1. The Public Policy and Responsibility Committee of DTE's Board of Directors will review and approve an annual budget for corporate political contributions that meet the criteria of Corporate Policy OP-10.

2. The Vice President, Corporate & Government Affairs is responsible for approving all Political Action Committee (PAC) contributions, and corporate political contributions up to $50,000. Contributions that exceed $50,000 must be approved by the Chief Administrative Officer and the Chief Financial Officer, both who report directly to the Chief Executive Officer.

3. An internal steering committee will review approved corporate political contributions on a quarterly basis and receive an update on the annual budget. The committee includes representatives from business units outside of Corporate and Government Affairs.

4. The Ethics and Compliance Office, which reports to the Chief Legal Officer, conducts an annual review of policies and procedures to ensure PAC and corporate political contributions are made in accordance with the law and company policies. Additionally, the company facilities employee compliance with our policies and procedures regarding political participation through an annual training and employee acknowledgments.

5. The Corporate & Government Affairs department is responsible for maintaining records of PAC contributions for 7 years and for compliance involving reporting and disclosure of political contributions and involvement.

3. Sources

A. DTE Energy Way Reference.

B. DTE Energy Corporate Political Participation Internet Web Site

4. Accountable Officer: Vice President, Corporate and Government Affairs

Last Reviewed: March 18, 2021

Defend Black Voters Coalition

Michigan companies can't say that Black Lives Matter and then support an attack on Black voters.

The Defend Black Voters Coalition is a multi-racial coalition with the shared value that we must build a democracy in which everyone, regardless of race, gender, or income, has the right to an equal say in wh happens in our communities. To stop the Suppress MI Vote initiative, an anti-democratic initiative curre underway to make it harder for Black and low-income people to vote, the coalition will hold corporation accountable for financially supporting elected officials seeking unfair political advantage through vote suppression.

A company taking the Defend MI Vote Pledge would commit to cut off all forms of financial support to legislators supporting voter suppre including direct contributions, contributions through conduit entities, or "revolving door" contributions where legislators or senior staff are employed in well-paid jobs following their time in office.

Defend MI Vote Pledge

Core Targets

Our core targets are companies that the steering committee has chosen to focus engagement on based combination of

1. **Their political contributions to legislators strategically making it harder for Black people to vote,**
2. **The company's presence in and/or marketing to the Black community, and**
3. **The company's hypocritical statements in support of Black lives or against voter suppression.**

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Blue Cross Blue Shield of Michigan & Delta Dental of Michigan

Funding voter suppression with taxpayer and tuition dollars

Blue Cross Blue Shield of Michigan (BCBSM) and Delta Dental of Michigan (Delta Dental) have made public claims in support of democracy for all and racial justice, but their political spending shows us what side they're really on.

BCBSM (including affiliated entities) is the largest corporate contributor to the legislators pushing Jim Crow-style voter suppression in Michigan, giving $329,000 directly since 2016. In the same period, BCBSM gave $355,000 to the party committees supporting these legislators for a total of $684,000. Delta Dental (including affiliated entities) is the 5th largest corporate contributor to these politicians in the same period, giving $184,000 both directly and to party committees.

What's more troubling is that BCBSM and Delta Dental fund voter suppression with profits from lucrative contracts with the state government as well as the largest cities, counties, and universities in Michigan. These health insurance companies are hired to support the health of our community, not suppress our voices. The fact that BCBSM and Delta Dental fund voter suppression is particularly problematic, considering access to the vote is inherently connected to public health. Our elected officials must hold these companies accountable.

▸ **Talk is Cheap**

General Motors (GM) & Ford

Do GM and Ford care about Black lives or Black car buyers?

GM and Ford have both made statements in support of Black lives and in opposition to voter suppression when there was political pressure to do so. Yet GM and Ford (including their affiliated entities) are the 4th and 6th largest corporate contributors, giving $128k and $107k respectively since 2016 to the supporters of the worst voter suppression bills that would disenfranchise Black voters in Michigan. The auto industry's supply chain has also contributed. The MI Auto Dealers Association has given $133k and the MI Manufacturer's Association (MMA), whose members include major suppliers for GM and Ford, has given $26k since 2016. On October 26th, the MMA honored key vote suppressors Senator Jon Bumstead and Representative Luke Meerman in a closed-door ceremony as "Legislators of the Year."

▸ **Talk is Cheap**

DTE and CMS Energy

Taking back our power from DTE and Consumers Energy:

DTE and CMS (parent of Consumers Energy) have come out with statements in support of Black lives and DTE has weighed in specifically against voter suppression. DTE and CMS (including their affiliated entities) are the 2nd and 3rd largest corporate contributors, giving $ 234k and $ 225k respectively since 2016 to the supporters of the worst voter suppression bills in Michigan. Meanwhile, these companies have been widely criticized for reliability and safety issues – especially in low-income communities — and are currently being investigated by the Michigan Public Service Commission due to extensive power outages across the state in the summer of 2021. Despite their rhetoric, it seems an underinvestment in keeping the electric power on in Black and low-income communities coincides with an ample investment in the legislators attempting to suppress the political power of those same communities.

▲ DTE & CMS Dark Money

And the company's affiliated PAC may only be the tip of the iceberg. A recent investigative report found massive amounts of dark money that's difficult to trace and not included in the above figures. It states "Tracking the political efforts of DTE and CMS is difficult because the companies' leaders have often used nonprofit organizations that don't have to disclose the sources of their money. In annual filings with the Michigan Public Service Commission, the two utilities have reported a total of $55 million in political, civic and related spending from 2017 through 2020." And from 2017 through 2019, nonprofit organizations that either have been funded by the utilities or have utility executives on their boards have spent at least $12 million "on television ads touting candidates, contributions to the state's political parties, giving to organizations tied to

officeholders or donations to groups that got involved in promoting state candidates". The giving tracked in the report included $650k to a Michigan Republican Party account from a nonprofit with three DTE officials on board.

▲ Talk is Cheap

DTE & CMS's *actions* should match their *words*.

Joint statement signed by DTE CEO Jerry Norcia: "Government must avoid actions that reduce participation in elections — particularly among historically disenfranchised communities, persons with disabilities, older adults, racial minorities and low-income voters."

CMS website: "We are deliberate in our actions to foster inclusion and take a public stand against racism, hate and bias."

DTE Website: DTE commits "to stand united in rejecting all forms of discrimination and violence in our workplace and in our communities."

CMS Executive Vice President Rejji Hayes following the murder of George Floyd: "We want to do our part as Michiganders work together to confront these difficult questions, examine deeply rooted issues and create solutions that move us toward a brighter future"

On Deck

The Defend Black Voters Coalition is considering expanding core engagement to other top contributors to suppressors of the Black vote.

Top 25 contributors to the supporters of voter suppression legislation in Michigan since 2016.

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Search in table

	Contributor	Total Since 2016	Entity Type	Overall Rank
1	MI RETAILERS ASSOCIATION	$ 431,505	Association	1
2	MI BEER & WINE WHOLESALER ASSOCIATION	$ 387,889	Association	2
3	BLUE CROSS/BLUE SHIELD	$ 329,000	Corporation	3
4	MI FARM BUREAU	$ 312,983	Association	4
5	MI CHAMBER OF COMMERCE	$ 279,575	Association	5
6	DTE ENERGY	$ 234,020	Corporation	6
7	MI AUTO DEALERS ASSOCIATION	$ 233,925	Association	7
8	CMS ENERGY	$ 224,575	Corporation	8
9	MI CREDIT UNION LEAGUE	$ 205,325	Association	9
10	MIBANK (Michigan Bankers Association)	$ 149,734	Association	10
11	MI HEALTH & HOSPITAL ASSOCIATION	$ 148,000	Association	11
12	COMPETE MI PAC	$ 142,426	Association	12
13	ACPAC (Automobile Club of MI)	$ 131,075	Association	13
14	NAIFA MICHIGAN	$ 127,742	Association	14
15	GENERAL MOTORS	$ 127,725	Corporation	15
16	DELTA DENTAL OF MICHIGAN	$ 120,950	Corporation	16
17	MI ELECTRIC COOPERATIVE ASSOCIATION	$ 119,200	Association	17
18	FORD MOTOR CO	$ 107,000	Corporation	18
19	MI PETROLEUM ASSOCIATION	$ 101,100	Association	19
20	MI RESTAURANT & LODGING ASSOCIATION	$ 88,520	Association	20
21	COMERICA	$ 88,000	Corporation	21
22	ABC (Associated Builders and Contractors)	$ 84,525	Association	22
23	DYKEMA GOSSETT PLLC	$ 81,062	Corporation	23
24	MI ASSOCIATION OF CHIROPRACTORS	[illegible]	Association	24

Methodology footnote: Data pulled by OpenSecrets on November 16, 2021. Total contributions from affiliated PACs since 2016 to the legislators that voted for any of the worst Michigan voter suppression bills that went to a floor vote in either or both chambers (HCR 5, S 285, S 303, S 304, SR 25). All 79 of these legislators voted for all of these bills that went to a vote in their chamber.

The Defend Black Voters Coalition

Community Change Action is the convening partner of the Defend Black Voters Coalition

ACLU

FACT SHEET ON VOTER ID LAWS

(August 2021)

BACKGROUND

Unnecessarily strict voter identification laws are a part of an ongoing strategy to roll back decades of progress on voting rights. Thirty-six states have some sort of identification requirements at the polls. Not all voter ID requirements are discriminatory or burdensome to voters, but seven states have **strict photo ID laws,** under which voters must present one of a limited set of forms of government-issued photo ID in order to cast a regular ballot – no exceptions.[1]

Overly burdensome photo ID laws deprive many voters of their right to vote, reduce participation, and stand in direct opposition to our country's trend of including more Americans in the democratic process. Many Americans do not have one of the forms of government-issued photo identification that state laws list as acceptable for voting. These voters are disproportionately low-income, racial and ethnic minorities, the elderly, and people with disabilities. Such voters more frequently cannot afford or cannot obtain the underlying documents that are a prerequisite to obtaining government-issued photo ID card.

STRICT PHOTO ID LAWS DEPRIVE MANY AMERICANS OF THE RIGHT TO VOTE

- Millions of Americans Lack Government-Issued ID. About 7% of U.S. citizens – or more than 16 million Americans – cannot confirm that they have a government-issued photo ID.[2]

- Obtaining ID Costs Money. Even if offered for free, many voters must incur numerous costs (such as paying for birth certificates) to apply for a government-issued ID.
  - Underlying documents required to obtain ID cost money, a significant expense for lower-income Americans. The combined cost of document fees, travel expenses and waiting time are estimated to range from $75 to $175.[3]
  - The travel required is often a major burden on people with disabilities, the elderly, or those in rural areas without access to a car or public transportation. In Texas, some people in rural areas must travel approximately 170 miles to reach the nearest ID office.[4] And a year after Alabama's strict voter ID law went into effect, state officials tried to shut down 31 driver's license offices in majority-Black counties, which would have forced rural and minority voters to travel further to access licenses.[5]

- Unnecessarily Strict Photo ID Laws Reduce Voter Turnout. A 2014 GAO study found that strict photo ID laws reduce turnout by 2-3 percentage points, which can translate into tens of thousands of votes lost in a single state.[6]

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[1] National Conference of State Legislatures, *Voter Identification Requirements: Voter ID Laws* (2020), https://www.ncsl.org/research/elections-and-campaigns/voter-id.aspx

[2] Project Vote, *Americans with Photo ID: A Breakdown of Demographic Characteristics* (Washington: Project Vote, 2015), http://www.projectvote.org/wp-content/uploads/2015/06/AMERICANS-WITH-PHOTO-ID-Research-Memo-February-2015.pdf, 3.

[3] Richard Sobel, *The High Cost of 'Free' Photo Voter Identification Cards* (Cambridge: Charles Hamilton Houston Institute for Race and Justice at Harvard Law School, 2014), https://today.law.harvard.edu/wp-content/uploads/2014/06/FullReportVoterIDJune20141.pdf, 2.

[4] Ibid 21.

[5] Brentin Mock, "What Effect Will Shuttering Alabama DMV Offices Have on Black Voters?," Bloomberg (Oct. 1, 2015), https://www.bloomberg.com/news/articles/2015-10-01/alabama-closes-dmv-offices-a-year-after-voter-id-law-kicks-in. Officials reversed course after a federal probe. German Lopez, "Voter suppression in Alabama: what's true and what's not", Vox (Dec. 12, 2017), https://www.vox.com/policy-and-politics/2017/12/12/16767426/alabama-voter-suppression-senate-moore-jones.

[6] [4] Government Accountability Office, *Issues Related to State Voter Identification Laws*, report to Congressional requesters, September 2014, http://www.gao.gov/assets/670/665966.pdf, 4

STRICT PHOTO ID LAWS ARE DISCRIMINATORY

- Minority voters disproportionately lack photo ID. Nationally, up to 13% of African-American citizens of voting age lack government-issued photo ID, compared to only 5% of whites.[7]
- States exclude certain forms of ID in a discriminatory manner. Texas allows handgun licenses for voting, but does not accept student ID cards. Until its voter ID law was struck down, North Carolina prohibited public assistance IDs and state employee ID cards, which are disproportionately held by Black voters., Wisconsin's law originally prohibited Veterans Affairs ID cards for voting, but permitted active duty military ID cards.
- Voter ID laws are enforced in a discriminatory manner. A Caltech/MIT study found that minority voters are more frequently questioned about ID than are white voters.[8]
- Strict Photo ID laws reduce turnout among minority voters. Several studies, including a 2014 GAO study, have found that photo ID laws have a particularly depressive effect on turnout among racial minorities and other vulnerable groups, worsening the participation gap between voters of color and whites.[9]

STRICT PHOTO ID REQUIREMENTS ARE A SOLUTION IN SEARCH OF A PROBLEM

- In-person fraud is vanishingly rare. A study found that, from 2000 to 2012, there were **only 31 credible allegations** of voter impersonation – the only type of fraud that photo IDs could prevent – during a period of time in which over 1 billion ballots were cast.[10]
- Identified instances of "fraud" are honest mistakes. So-called cases of in-person impersonationvoter "fraud" are almost always the product of an elections worker or a voter making an honest mistake, and that even these mistakes are extremely infrequent.[11]
- Unnecessarily strict Voter ID laws are a waste of taxpayer dollars. States incur sizeable costs when implementing voterID laws, including the cost of educating the public, training poll workers, and providing IDs to voters.
    - Texas spent nearly **$2 million** on voter education and outreach efforts following passageof its Voter ID law.[12]
    - Indiana spent over **$10 million** to produce free ID cards between 2007 and 2010.[13]

The ACLU has led the charge against Strict Photo ID in several states, challenging such laws in in states including Pennsylvania, Arkansas, Wisconsin, and North Carolina. For more information, please contact Robert Hoffman at rhoffman@aclu.org or visit https://www.aclu.org/issues/voting-rights/fighting- voter-suppression/fighting-voter-id-requirements to learn more.

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[7] Project Vote, *Americans Without Photo ID: A Breakdown of Demographic Characteristics*, 3.

[8] Lonna Rae Atkeson et al., "New Barriers to Participation: Application of New Mexico's Voter Identification Law" (working paper, Caltech/MIT Voting Technology Project, 2007), http://vote.caltech.edu/documents/84/vtp_wp59.pdf, 23.

[9] *See also* Zoltan Hajnal, Nazita Lajevardi, and Lindsay Nielson, "Voter Identification Laws and the Suppression of Minority Votes" (University of California San Diego, 2016), http://pages.ucsd.edu/~zhajnal/page5/documents/voterIDhajnaletal.pdf, 16.

[10] Justin Levitt, "A Comprehensive Investigation of Voter Impersonation Finds 31 Credible Incidents Out of One Billion Ballots Cast," Washington Post, August 6, 2014, https://www.washingtonpost.com/news/wonk/wp/2014/08/06/a-comprehensive-investigation-of-voter-impersonation-finds-31-credible-incidents-out-of-one-billion-ballots-cast/.

[11] Ibid.

[12] Jim Malewitz, "Study: Law Discouraged More Than Those Without Voter ID," The Texas Tribune, August 6, 2015, https://www.texastribune.org/2015/08/06/study-law-discouraged-more-those-without-voter-id/.

[13] Iowa State Association of County Auditors, "A Report on Photo ID for Voting Purposes (Iowa: ISACA Photo ID Exploratory Committee, 2011), http://www.lwvwi.org/Portals/0/IssuesAdvocacy/PDF/ISACA%20Voter%20ID%20Report%20020211%20final2%5B1%5D.pdf, 7.

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DTE

DTE Energy Foundation awards more than $1 million in grants focused on enhancing equity and opportunity

Funding provides a range of support including legal representation and related social work, training for Michigan's nonprofit leaders, inclusion efforts for adults with disabilities, and equity-centered approaches for stimulus funding

February 01, 2022 09:58 ET | Source: DTE Energy

Detroit, Feb. 01, 2022 (GLOBE NEWSWIRE) -- The DTE Energy Foundation today announced it has awarded more than $1 million in grants to eight Michigan-based organizations focused on encouraging equity. Grant recipients include the Council of Michigan Foundations, Detroit Regional Chamber Foundation, Dutton Farm, GreenLight Fund, Latin Americans for Social and Economic Development (LaSED), Neighborhood Defender Service of Detroit, New Detroit and NEW (Nonprofit Enterprise at Work, Inc.).

"The Foundation will continue to ensure its grantmaking process supports social justice, leading us to partner with nonprofits that share similar goals, such as racial justice. It's an honor to award these incredible organizations that continue to make a positive impact in our neighborhoods," said Lynette Dowler, president, DTE Foundation. "The strength, support and passion of our community partners are vital in helping us carry out our mission of service."

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- Council of Michigan Foundations – $250,000
  - The Council of Michigan Foundations (CMF) leads, strengthens and supports Michigan's community of philanthropy by emboldening and equipping CMF members in the relentless pursuit of equitable systems and inclusive diversity, fortifying the field through public policy action, fostering the growth of current and future philanthropy leaders and advancing exemplary philanthropic practices and field expertise. The grant will advance the Statewide Equity Fund Strategic Support program that provides funding for technical expertise and overall guidance for municipalities and nonprofits in developing equity-centered approaches for stimulus funding. CMF brings together people and ideas, sharing knowledge and leveraging a collective voice to increase the impact of Michigan's philanthropic community, which grants more than $1.9 billion annually to improve outcomes for Michigan.

- Detroit Regional Chamber Foundation – $100,000
  - The Detroit Regional Chamber grant will be used to support the organization's focus on racial justice and economic equity, making education more equitable for Detroiters, empowering neighborhoods and entrepreneurs, advocating for fair and equal legislation, and embracing critical conversations with national thought leaders and local business, government, and civic leaders.

- Dutton Farm – $30,000
  - Dutton Farm empowers and supports adults with disabilities to live a life of purpose, inclusion and dignity. The organization offers an environment where individuals find dignified inclusion in schools, workplaces, government, communities, churches and beyond. The grant will support the Dutton Farm Workforce Development Program, which provides skill-building, career development and customized employment supports to adults with developmental disabilities.

- GreenLight Fund – $225,000
  - GreenLight Fund is a coalition of Detroit residents and leaders that lifts opportunities for children, youth, and families experiencing poverty. Each year they run a community-centered process to elevate critical priorities for residents facing barriers to social and economic mobility. This grant will fund the organization's innovative approach to filling critical service gaps for families in need and stimulating local support to maximize social impact and long-term sustainability.

- Latin Americans for Social and Economic Development (LaSED) – $10,000

English as a Second Language (ESL) classes, summer youth programs, and a senior center.

- Neighborhood Defender Service of Detroit (NDS) – $20,000
  - NDS is known for its innovative, community-based, holistic public defense practice. This support helps Wayne County residents retain their housing through the Eviction Defense Practice, providing legal representation and related social work to individuals and their families who are facing eviction as the result of an arrest or COVID-related hardships.

- New Detroit – $100,000
  - New Detroit is a coalition of leaders working to achieve racial understanding and equity in Metropolitan Detroit. The organization provides thought leadership, advocates for policy change, and offers direct services including facilitated conversations on race and customized training on racial diversity, equity, inclusion, and justice. The grant will support trainings, education, research, advocacy, and partnerships to fight racism at the personal, institutional, and systemic levels.

- NEW (Nonprofit Enterprise at Work, Inc.) – $270,000
  - NEW connects leaders and organizations with essential tools and services enabling them to focus on mission-related work. This grant will support the Advancing Racial and Social Justice program, which equips Michigan's nonprofit leaders to steward their missions while advancing racial justice. After six months, participants will emerge with the tools to manage their nonprofit's systems while building a culture of inclusion.

The DTE Foundation is dedicated to cultivating diverse, inclusive, and equitable communities and supports initiatives focused on arts and culture, community transformation, economic progress, education and employment, environment and human needs.

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About the DTE Energy Foundation

The DTE Foundation is the philanthropic arm of DTE Energy, continuing the legacy of community support and involvement of its electric and natural gas utilities, which serve 2.3 million electric customers in Southeast Michigan meaningful change on three key areas: jobs, equity and the environment. As one of Michigan's leading corporate citizens, DTE aspires not only to be the best in the world, but the best for the world, serving as a force for growth and prosperity in the communities across Michigan.

Visit DTEFoundation.com to learn more.

Contact Data

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DTE Energy
248.756.5608

Recommended Reading

May 09, 2022 09:36 ET | Source: DTE Energy

BMW joins Ford, GM in DTE Energy’s Smart Charge Program, integrating electric vehicle charging with their net zero carbon emissions goals

Detroit, May 09, 2022 (GLOBE NEWSWIRE) -- DETROIT, May 9, 2022 –DTE Energy today announced that BMW has joined General Motors and Ford Motor Company in the second year of the DTE Smart Charge...

May 06, 2022 12:28 ET | Source: DTE Energy

DTE Energy earns 2022 ENERGY STAR® Excellence in Energy Efficiency Award

DETROIT, May 06, 2022 (GLOBE NEWSWIRE) -- DTE Energy, Michigan’s largest provider of energy efficiency savings, has received the 2022 ENERGY STAR Excellence in Energy Efficiency Award from the U.S....

Explore

Investor Class Action I

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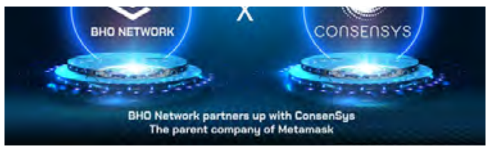
[Deadline in 2 Days: Kessler Topaz Meltzer & Check,...]

May 14, 2022 12:12 ET



[BHO Network announces its partnership with ConsenS...]

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DTE Energy
May 30, 2020 ·

At DTE, I stand united with our more than 10,000 employees in rejecting all forms of discrimination and violence in our workplace and in our communities. We condemn the inhumanity that caused the death of George Floyd in Minneapolis and what we have witnessed recently in New York, Georgia and other states.

While living through a pandemic that has already affected so many in Michigan, we have learned that COVID-19 is a frightening, invisible force. Racism is another terrible, invisible force that becomes obvious when we see our people and communities in pain.

We can all help by reaching out, listening and offering support, caring and understanding each other.

– Jerry Norcia, DTE Energy CEO

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Business

How Nine Detroit-Based Top Execs and Respective Companies are Addressing Racial Injustice One Year Later After George Floyd's Murder

Staff Writer
September 15, 2021

Blue Cross Blue Shield of Michigan President and CEO Dan Loepp, left, DTE Energy President and CEO Jerry Norcia, center, and Ford Motor Company Executive Chairman Bill Ford, right, are three of nine CEOs who discussed measurable steps their respective companies are taking to help fight injustice after George Floyd's murder last year.

By Donald James

Special to the Chronicle

On Wednesday, June 3, 2020, nine days after George Floyd, an unarmed and handcuffed Black man was murdered by a White police officer in Minneapolis, Minn., nine Detroit-based CEOs, and other top-level executives stood united at a press conference to voice their disdain. The leaders, while massive global protests were raging, pledged to address racial and social injustices of African Americans in the workplace and underserved communities.

The nine companies and their "top executives" in attendance included General Motors (Mary Barra); Ford Motor Company (Bill Ford); Stellantis, formerly FCA North America (Mark Stewart); Quicken Loans, now Rocket Mortgage (Jay Farner); Henry Ford Health System (Wright Lassiter); Ilitch Holdings (Chris Ilitch); Blue Cross Blue Shield of Michigan (Dan Loepp); DTE Energy (Gerry Anderson); and Huntington Bank, formerly TCF (Gary Torgow).

Fifteen months after the unprecedented press conference, the Michigan Chronicle has followed up to gauge the progress of the top executives' pledges to address racial and economic injustice and inequality.

Blue Cross Blue Shield of Michigan

Dan Loepp, President and Chief Executive Officer

Bridget Hurd, Vice President and Chief Diversity Officer, Inclusion and Diversity

The following is based on the Chronicle's phone interview with Dan Loepp.

For Dan Loepp, Blue Cross Blue Shield of Michigan's top executive, if one is going to "talk the talk" of change, one must "walk the walk" to make it happen. According to Loepp, Blue Cross Blue Shield of Michigan (BCBSM) exemplifies that action speaks louder than words when addressing racial and social injustice issues.

In an exclusive interview with the Chronicle, Loepp talked about BCBSM's current strategies to combat racial intolerance in the workplace and beyond. Loepp said to date, BCBSM has implemented more than 100 inclusion and diversity learning sessions centered on better understanding cultures in multiple communities. More than 5,000 employees attended at least one learning session in 2020, with more than 23,000 employees attending various learning, inclusion, and diversity sessions in 2021.

"We're also proud to have started a 'Be Inclusive' campaign three years ago to educate employees and leaders about the importance of not only diversity but what it means to be inclusive and enabling inclusiveness daily," Loepp said. "This year, Blue Cross Blue Shield of Michigan launched expanded programming for our employees and required training for our leaders, which provides education to develop self-awareness about unconscious bias, learn how to speak up when they see bias to mitigate situations, and engage in ongoing dialogues on the impacts of unconscious bias in the workplace."

In June 2021, BCBSM launched a cross-cultural coaching program, which matches executives with employees from all levels of the organization. The goal, said Loepp, who was raised in Detroit, is to learn more about the differences and similarities of people and their respective social and cultural circles.

Loepp is also excited about the company's celebration of Juneteenth as a new corporate holiday beginning in 2022. "This decision reinforces other company activities during which diverse perspectives are appreciated, recognized, respected, and valued," Loepp said. "It's important to be educated about different cultures, communities, experiences, and other perspectives."

DTE Energy

Jerry Norcia, President and Chief Executive Officer

Gerry Anderson, Executive Chairman of the Board

Diane Antishin, Vice President, Human Resources and Chief Diversity Officer

The following is based on a phone interview with Diane Antishin, an in-person interview with Jerry Norcia at the Chronicle's new digital studio, and a written statement submitted to the Chronicle by Norcia.

At the history-making press conference in early June 2020, Gerry Anderson, DTE's board chair vehemently denounced George Floyd's murder. Anderson pledged DTE's commitment to addressing racial and social injustice in the workplace and across communities in Detroit.

While improving existing Diversity, Engagement, and Inclusion programs at DTE to meet the pledge, the company unveiled new initiatives. According to Diane Antishin, VP, Human Resources and chief diversity officer, DTE has launched mandatory company-wide training sessions on unconscious bias for all employees. And all top-level executives have been required to undergo a diagnostic assessment to measure their leadership behavior regarding the company's vision for diversity, engagement, and inclusion.

Antishin spoke glowingly about DTE's nine Employee Resource Groups, including REACH (Respecting Ethnic And Cultural Heritage). A predominately Black group, REACH is comprised of employees who regularly engage in critical discussions centered on police brutality, the need for police reform, and other issues facing underserved Black people in the community and the workplace. The company also conducts "courageous conversations," where company leaders and employees are free to discuss serious issues of race and injustice within the company.

The overall task of advancing DTE's pledge has been powered by Jerry Norcia, the giant energy company's president and chief executive officer. He has personally spent countless hours, said Antishin, listening and talking openly with DTE's Black employees and other minorities about how the Floyd murder personally impacted them.

"At DTE, we are focused on connecting our diversity, equity and inclusion efforts to every part of our business strategy and creating a thriving, inclusive culture," said Norcia "We know that one of the best ways we can build equity and advocate for racial justice in our communities is by breaking down barriers to employment and providing training and access to good paying jobs for people living in Detroit and throughout Michigan."

Ford Motor Company

Bill Ford, Executive Chairman

Lori Costew, Chief Diversity Officer and Director of People Strategy

The following is not based on direct communications with Bill Ford and Lori Costew.

The story is based on the Chronicle's internet research of Ford Motor Company's websites containing the company's racial and social justice initiatives; diversity, equity, and inclusion programs; the letter sent to all Ford employees by Bill Ford regarding George Floyd's murder; and the "Social" section of Ford's 2021 Integrated Sustainability and Financial Report.

Shortly after George Floyd's murder, Ford Motor's Executive Chairman Bill Ford and CEO Jim Hackett publicly denounced the brutal and deadly act. Subsequently, Ford and Hackett sent a heartfelt letter to all Ford Motor employees, calling Floyd's death a "tragic killing" amid the country's "systemic racism."

"In the midst of this, the tragic killing of George Floyd, compounded by other senseless killings over the years, has sparked the expression of decades of collective anger and frustration over the unacceptable abuse of power and authority," the letter read. "There is no doubt that the weight of these challenges disproportionately falls on the black community. We have seen the legacy of economic disparities in our home city of Detroit."

"George Floyd's death was an awakening for so many of us," Lori Costew, Ford's chief diversity officer and director of people strategy," said in a posted statement. "In response to the moment, we launched the U.S. salaried DEI audit, part of a comprehensive, global examination of the employee experience. This process revealed that many women, Black and Hispanic employees felt excluded and faced unique barriers along the employee journey."

Costew's team in the DEI office is tasked with advancing diversity, equity, and inclusion strategies by working with multiple Employee Resource Groups. The team's mission is to

oversee DEI-related activities across the enterprise, which include providing experiences and events designed to educate and raise the awareness of all employees, create prototypes to improve the employee experience from recruitment to departure, and attract future diverse talent through Historically Black Colleges and Universities (HBCUs). Costew's team works with and through the Ford Fund, the company's philanthropic arm, to implement programs and initiatives that help underserved communities.

"There are no easy fixes to long-standing systemic issues," Ford said. "However, we are committed to listening, learning, and creating solutions to make us a better company."

General Motors

Mary Barra, Chair and CEO

Telva McGruder, Chief Diversity, Equity & Inclusion Officer

The following is based on an in-person interview with Mary Barra, conducted by the Chronicle at its new digital studio.

Shortly after George Floyd's murder, Mary Barra, GM's top and most powerful executive, said the following.

"The recent death of George Floyd, Ahmaud Arbery, and Breonna Taylor astonishingly add to the important and unconscionable list of Black Americans who have lost their lives based on the color of their skin," Barra said. "I am both impatient and disgusted by the fact that as a nation, we seem to be placated by the passive discussion of Why does this happen? Let's stop asking why and start asking what we can do 'individually and collectively" to drive change – meaningful, deliberate change. As one of the largest global companies, there is much we can do."

Barra has created and currently chairs GM's Inclusion Advisory Board, a diverse panel of internal and external leaders. The board consults with GM's Senior Leadership Team to ensure the giant automaker is functioning with equity, inclusivity, diversity, justice, and fairness for all.

Barra is proud of GM's ongoing "Social Investments" that empower underserved communities in Detroit and beyond. She said GM's social impact strategy focuses on philanthropic investments that put people at the center. Barra designated $10 million from GM to support organizations that promote inclusion and racial justice, including the NAACP Legal Defense and Educational Fund.

During Barra's in-studio interview with the Chronicle's Digital Anchor, Andre Ash, Barra addressed the controversy about GM's small media spend with Black media outlets, which has been under scrutiny by some Black-owned media outlets.

"As we looked at our diversity media spend, and specifically, Black media spend, we recognized that we could make changes to be better," Barra told Ash. "Because GM is such a large company, we probably focused on scale at the expense of understanding companies that can add tremendous amounts of value. We've set goals for ourselves that by 2025 to have eight percent of our spend be with Black-owned media. We've learned and made changes. This is how we can be better. This is how we can be more inclusive. "

Henry Ford Health System

Wright Lassiter, President and Chief Executive Officer

Dr. Kimberlydawn Wisdom, Senior VP, Community Health & Equity

Chief Wellness & Diversity Officer

The following is based on the Chronicle's phone interview with Wright Lassiter and a Henry Ford Health System website post by Dr. Kimberlydawn Wisdom.

After George Floyd's murder, Wright Lassiter knew something on a grand scale had to be done to address growing racial and social injustice in African American communities in Detroit.

"As I joined my colleagues and the mayor on that day at the press conference, although Henry Ford Health System was doing many good things in the workplace and the community, I kept asking myself: Were we doing enough?" said Lassiter.

One of HFHS' most significant initiatives to address racial and social injustice, Lassiter told the Chronicle, was the creation of "On the Journey to Equity for All." Lassiter described the initiative as the organization's Diversity, Engagement, Inclusive, and Justice (DEIJ) Strategic plan.

The plan, said Lassiter, the only African American corporate CEO at the historic press conference, has four pillars: Anti-Racism & Social Justice Advocacy; Diverse Workforce & Inclusive Culture; Community Empowerment; and Healthcare Equity.

"We commit to rejecting and eliminating all forms of bias, racism, and violence within our organization and communities," Lassiter said about the "anti-racism and social justice advocacy pillar." "Many health organizations have recognized us for being one of the top healthcare systems in the country as it relates to diversity, equity, and inclusion. However, we had not focused on anti-racism and justice. That's the big change for us."

Dr. Kimberlydawn Wisdom, senior VP, Community Health & Equity and Chief Wellness & Diversity Officer agrees with the big change when tackling anti-racism and social injustice issues.

"Your first step toward becoming the change we need in our community and society at large is to determine what unconscious biases you may exhibit," Wisdom posted on an HFHS web page. "The more you challenge yourself to raise awareness about your own tendencies, the more you're able to be the change."

According to Lassiter, the feedback from employees has been positive.

"They tell us it's the right thing to do, and they are proud to work for an organization willing to say something about achieving racial equality and social justice," Lassiter said.

Huntington Bank, Formerly TCF Bank

Gary Torgow, Chairman, Huntington Bank

Eric Dietz, Huntington Regional President of Southeastern Michigan

The following is based on an in-studio interview with Eric Dietz at the Chronicle's new digital studio. In addition, a written statement was submitted by Gary Torgow.

With the relatively recent merger of TCF Bank and Huntington Bank, there has been a significant uptick in the ways Huntington Bank will help empower underserved and underrepresented people of color and communities. After assessing TCF's monetary commitment, which reached as much as $20 billion to empower underserved communities, Huntington decided that a bigger number to address bigger problems was necessary.

"Last summer, shortly after the pledge we made, TCF announced a $1 billion commitment over five years to invest in women- and minority-owned small businesses and small businesses in minority communities," said Gary Torgow, now-Chairman of Huntington Bank. "Following the completion of the TCF-Huntington merger in June, Huntington chairman, president and CEO Steve Steinour and I held a news conference at the Aretha Franklin Amphitheater to announce a new strategic community plan for $40 billion over five years, which will open up doors for so many more people to pursue their American dream. I am proud of the combined banks' work thus far to launch the plan and look forward to seeing the impact this investment will have on our communities in the years to come."

Eric Dietz, Huntington Regional President of Southeastern Michigan, expounded on the reconfigured monetary pledge to help underserved populations and communities.

"In June of 2021, we have come out with a bigger and better plan, with a lot more specificity around supporting minorities, access to capital, small business plans, and an overall looking out for people that we feel have been left out and have not had access to banking and capital in the past," Dietz told the Chronicle's Digital Anchor Andre Ash during an in-person interview at the newspaper's downtown digital studio. "We want to make sure that Detroit knows that we intend to be that corporate partner that will be supporting the marketplace. We feel that with great responsibility."

Ilitch Holdings, Inc.

Chris Ilitch, President and Chief Executive Officer

The following is based on Ilitch Holdings' written responses to the Chronicle's inquiry. In addition, an in-depth statement was submitted by the Ilitch family.

According to the Ilitch Family of Companies, since 2000, the companies, ownership, and charitable affiliates have donated more than $230 million to worthy causes and implemented more than 100 community programs that have impacted over one million Detroit youth. The companies have supported more than 550 Detroit-based community organizations, including Detroit NAACP, Detroit Rescue Mission Ministries and various food insecurity community groups. Yet, in addition to denouncing the murder of George Floyd, Ilitch Holdings' president and CEO, Chris Ilitch, pledged to do more to address racial and social injustice – and he has.

In a written statement sent by the Ilitch family to the Michigan Chronicle, exclusively for this story, it said, in part, "The events of last summer moved us to take even greater action to address diversity, equity, and inclusion in our workforce, culture, and society. We have done so by creating new programs and expanding existing ones in areas that include access, equity, and inclusion for youth through sports, education, wellness programs, and economic development. Across our family-owned companies in Detroit and around the world, we have always sought to create inclusive and accessible opportunities that lift others up and make a lasting and positive impact on the communities in which we serve."

Ilitch Holdings is proud of its Diversity, Equity, and Inclusion Task Force aimed at enhancing programs, policies, and procedures across all Ilitch companies. In addition, there are regular reviews of recruitment, retention, and advancement opportunities for all employees; the implementation of unconscious bias training; and anti-harassment, discrimination, and training through all entities of the multiple companies.

The roots of the Ilitch family run deep in Detroit. And the family's love for the city runs even deeper. "The strength of this city lies in the spirit of this city," Chris Ilitch said at the June 3 press conference. "And in the grace and the goodwill of its people, it lies in our ability to rally, to rise, and to always demand better for its citizens."

The Rocket Companies (Rocket Mortgage, formerly Quicken Loans)

Jay Farner, Chief Executive Officer

Trina Scott, Chief Diversity and Inclusion Officer

The following is based on a phone interview with Trina Scott and an op-ed written and submitted by Jay Farner, published by the Chronicle.

Jay Farner was passionate at the June 3, 2020, press conference when he made a personal and corporate commitment to address racial injustice and police brutality after first condemning the murder of George Floyd.

"I committed to our team members and the city of Detroit that the Rock Family of Companies would be an active leader in addressing racial inequality, police brutality, and inclusion," Farner wrote in a Michigan Chronicle op-ed. "I was honored to join eight other CEOs from across the city, all of whom made similar commitments on behalf of their respective corporations and team members."

Over the ensuing months, The Rock Companies, Detroit's largest employers with more than 18,000 employees, have proven action speaks louder than words. According to Trina Scott, chief diversity officer, The Rock Companies have launched a comprehensive "Six-Point Diversity and Inclusion Plan." The plan focuses on Recruitment, Team Member Engagement, Leadership Development, External Affairs & Community Partnerships, Law Enforcement Engagement, and Communications.

Scott said The Rocket Companies will continue their commitment to hiring and cultivating diverse talent, creating open avenues for communicating with employees, and better serving underserved and underbanked communities.

"Our mission, through our philanthropic partner, The Rocket Community Fund, is to make sure that we not only support inclusive and thriving, and resilient companies, but we make those investments in both housing and public life," said Scott. "And we are bridging the racial homeownership gap through our The Detroit Home Loan Plus Program, which includes a closing credit and all wrap-around resources that we have for those who want to buy a home in Detroit."

The Rocket Companies are committed to addressing racial injustices in homeownership and the workplace for the long haul.

"Saying Black Lives Matter is simply not enough," Farner said. "We need to hold one another accountable in this pursuit of racial equity and acknowledge that we will only succeed if we stand together."

Stellantis North America, formerly Fiat Chrysler Automobiles (FCA North America)

Mark Stewart, Chief Operating Officer

Lottie Holland, Director, Diversity, Inclusion, Engagement and EEO Compliance

The following is based on a phone interview with Lottie Holland and a written statement submitted by Mark Stewart.

Lottie Holland, who heads Stellantis North America's Diversity, Inclusion, and Engagement,

was personally shocked and deeply saddened by the ruthless murder of George Floyd. Yet, the

pledges made by the company's top two executives, Michael Manley (Stellantis Head of Americas) and Mark Stewart (Chief Operating Officer, North America) gave Holland solace that Stellantis was adamant about addressing racial and social injustice in the workplace and beyond.

"Both of them made very passionate pleas for social justice and economic justice," Holland told the Michigan Chronicle. "For employees at Stellantis, that was our call to action as a company."

The company soon launched its "Courageous Conversations Platform," a weekly framework for employees to engage in constructive conversations about race and social issues. Over the past 16 months, Holland has given leadership to the company's four-year DEI (Diversity, Engagement, Inclusive) Strategy, supervised by Stellantis' DEI Council and chaired by Holland and Mark Stewart. The strategy includes 15 workstreams that focus on a myriad of company objectives, including analyzing programs and policies connected to how Stellantis attracts, hires, develops and promotes talent.

In Detroit, Stellantis' Mack Avenue Assembly Complex on the city's east side is positively impacting the local economy for many African Americans. The $1.6 billion complex is where the Jeep Grand Cherokee L, with the all-new third row, is being built by approximately 3,800 employees, of which 2,100 are Detroiters. Next month, Stellantis and the National Business League will launch a ground-breaking Black Supplier Development Program.

"Stellantis has a long-standing enterprise-wide commitment to diversity and inclusion and strives to maintain a diverse work culture where all people are respected and fully engaged in the important work of meeting and exceeding the demands of our customers," Mark Stewart said in a written statement, especially for the Chronicle. "Despite our successes, we took a good hard look at ourselves and our diversity programs. This reflection has launched many strategies about addressing difficult racial and social issues and pursuing initiatives that create tangible and sustainable economic benefits to diverse communities."

Fifteen months after collectively speaking up, speaking out, and standing in unity to address racial and social injustice, police brutality, and systemic racism, the nine top executives from Detroit-based companies continue to create, implement, facilitate, and evaluate their companies' respective plans of action for real change, as pledged.

"There are no easy answers, and we aren't interested in superficial actions," Bill Ford said at the onset of the top executives' collective push for racial and social change and justice. "This is our moment to lead and work together to effect real, lasting change and eliminate the fear that far too many African Americans face each day."

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Diversity and Inclusion

You are welcome here!

That’s the feeling we aspire to create for all of our employees and a feeling that we extend to those looking for a career with DTE Energy too. Because we know that our people – all from different backgrounds, cultures, and experiences – together contribute to our company’s success. And through that success, we’re able to build stronger, more prosperous communities.

Here's what we're most proud of:

- Reaffirming DTE's commitment to stand united in rejecting all forms of discrimination and violence in our workplace and in our communities
- Our CEO Jerry Norcia joining a nationwide commitment to advance diversity and inclusion in the workplace by signing the CEO Action for Diversity & Inclusion pledge
- Creating our Inclusion Diversity Oversight Committee (iDOC) - a team of leaders dedicated to driving a more diverse and inclusive culture
- Championing nine active and engaged employee resource groups, which we call energy groups, that build a safe and welcoming environment and offer professional development, education, networking, mentoring and support
- Creating an annual week-long campaign called Welcome Week, that engages leaders and employees across the company in conversations about inclusion
- Actively recruiting employees representing all aspects of diversity - from gender and cultural to veteran and differently-abled
- Contributing to youth employment programs in the community that support a strong and vibrant Detroit and Michigan. DTE provides 1,500 youth, mostly from underserved backgrounds, with employment opportunities across Michigan
- Providing a second chance in life through training programs and hiring opportunities for returning citizens
- A robust, award-winning Supplier Diversity Program that invested $600 million with certified minority and women suppliers in 2019 and focuses on outreach and mentoring
- Thirty-three women in STEM related field at DTE have been nationally recognized by the Women of Color for ground-breaking achievements
- Long standing partnerships with professional diversity organizations to recruit top minority and female talent

Our work is being recognized:

- Since 2016, DTE has been listed on Diversity Inc.'s top five utility companies for diversity
- Recognized with the Gallup Exceptional Workplace award for the eighth year in a row
- Named a Gold-Level Veteran-Friendly employer by the Michigan Veterans Affairs Agency
- Recognized by the Disability Equality Index as a 'Best Place To Work for Disability Inclusion' for the last three years
- Named a 2018 Leading Disability Employer from the National Organization on Disability for exhibiting exemplary employee practices for people with disabilities
- Named one of Metro Detroit's Best and Brightest companies to work for 15 years.

To Our Veterans

You've served our country, worked to protect our freedom and have the skills, knowledge, and can-do attitude we value at DTE Energy. As a company also founded upon a principle of service, we proudly invite our veterans to explore a career in energy with us.

We have well-paid positions in many fields and actively recruit veterans. Please consider applying for a position and bringing your talents/skills to DTE Energy for a promising career.

Energy Groups

Our company encourages all employees to share experiences, ideas and opinions openly. Our employee-led Energy Groups drive diversity and inclusion at the grassroots level through mentorship, professional development and volunteerism. Members of these groups increase cultural awareness, encourage understanding and inspire acceptance of our diverse employees and customers – all while helping our communities grow and prosper.

Abilities in Motion (AIM)
AIM, along with its member allies, embrace people with disabilities and provide a supportive, accommodating, safe and welcoming work environment.

DTE Energy is committed to providing employees and guests with disabilities access and reasonable accommodation to our services, programs, activities and education.

Asian & Middle Eastern American (AMEA)
AMEA advocates the benefits of a diverse workforce and enhances a cultural understanding of Asian and Middle Eastern American employees.

Family
Family is committed to fostering an inclusive environment for individuals and their families throughout their life experience - whether caring for young children, teenagers, aging parents or spouses.

Power of Pride (POP)
POP, along with its member allies, encourage the lesbian, gay, bisexual and transgender community to perform at their highest potential, both personally and professionally, without fear.

Respecting Ethnic and Cultural Heritage (REACH)
REACH Energy Group creates awareness of African-American employees through talent development, educational support, volunteerism and community outreach.

Somos DTE
Somos DTE encourages support of Hispanic businesses and communities by enhancing employees through group interactions, mentoring, career opportunities and marketing of individual talents.

Surge - DTE's young professionals
Surge Energy Group offers formal and social opportunities to support the personal and professional growth of DTE's emerging talent and elevate their perspectives to influence the future of our company.

Veterans Empowerment, Transition & Support (VETS)
VETS, along with its member allies, serve as ambassadors in supporting, recruiting, retaining and mentoring employees who are military veterans.

Women of DTE
Women of DTE helps female employees achieve their full potential, by creating a close-knit community promoting engagement, personal connections, growth and development.

Find out more about DTE's energy Groups and see what DTE is doing to encourage awareness, understanding and acceptance on empowering michigan.

DTE Energy is an equal opportunity employer and considers all qualified applicants without regard to race, color, sex, sexual orientation, gender identity, age, religion, disability, national origin, citizenship, height, weight, genetic information, marital status, pregnancy, protected veteran status or any other status protected by law.

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Fiscal Year Ended December 31, 2021

Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number: 1-11607

DTE Energy Company

Michigan	**38-3217752**
(State or other jurisdiction of incorporation or organization)	(I.R.S Employer Identification No.)

Commission File Number: 1-2198

DTE Electric Company

Michigan	**38-0478650**
(State or other jurisdiction of incorporation or organization)	(I.R.S Employer Identification No.)

Registrants address of principal executive offices: One Energy Plaza, Detroit, Michigan 48226-1279

Registrants telephone number, including area code: (313) 235-4000

Securities registered pursuant to Section 12(b) of the Act:

Registrant	Title of Each Class	Trading Symbol(s)	Name of Exchange on which Registered
DTE Energy Company (DTE Energy)	Common stock, without par value	DTE	New York Stock Exchange
DTE Energy	2017 Series E 5.25% Junior Subordinated Debentures due 2077	DTW	New York Stock Exchange
DTE Energy	2019 6.25% Corporate Units	DTP	New York Stock Exchange
DTE Energy	2020 Series G 4.375% Junior Subordinated Debentures due 2080	DTB	New York Stock Exchange
DTE Energy	2021 Series E 4.375% Junior Subordinated Debentures due 2081	DTG	New York Stock Exchange
DTE Electric Company (DTE Electric)	None		None

Securities registered pursuant to Section 12(g) of the Act:

DTE Energy	**None**	**DTE Electric**	**None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

DTE Energy **Yes** ☒ **No** ☐ **DTE Electric** **Yes** ☒ **No** ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

DTE Energy **Yes** ☐ **No** ☒ **DTE Electric** **Yes** ☐ **No** ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

DTE Energy **Yes** ☒ **No** ☐ **DTE Electric** **Yes** ☒ **No** ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

DTE Energy **Yes** ☒ **No** ☐ **DTE Electric** **Yes** ☒ **No** ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

DTE Energy	**Large accelerated filer**	**Accelerated filer**	**Non-accelerated filer**	**Smaller reporting company**	**Emerging growth company**
	☒	☐	☐	☐	☐
DTE Electric	**Large accelerated filer**	**Accelerated filer**	**Non-accelerated filer**	**Smaller reporting company**	**Emerging growth company**
	☐	☐	☒	☐	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

DTE Energy **Yes** ☒ **No** ☐ **DTE Electric** **Yes** ☐ **No** ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

DTE Energy **Yes** ☐ **No** ☒ **DTE Electric** **Yes** ☐ **No** ☒

On June 30, 2021, the aggregate market value of DTE Energy's voting and non voting common equity held by non-affiliates was approximately $21.2 billion (based on the New York Stock Exchange closing price on such date).

Number of shares of Common Stock outstanding at January 31, 2022:

Registrant	Description	Shares
DTE Energy	Common Stock, without par value	193,745,891
DTE Electric	Common Stock, $10 par value, indirectly-owned by DTE Energy	138,632,324

DOCUMENTS INCORPORATED BY REFERENCE

Certain information in DTE Energy's definitive Proxy Statement for its 2022 Annual Meeting of Common Shareholders to be held May 5, 2022, which will be filed with the Securities and Exchange Commission pursuant to Regulation 14A, not later than 120 days after the end of the Registrants' fiscal year covered by this report on Form 10-K, is incorporated herein by reference to Part III (Items 10, 11, 12, 13, and 14) of this Form 10-K.

This combined Form 10-K is filed separately by two registrants: DTE Energy and DTE Electric. Information contained herein relating to any individual registrant is filed by such registrant solely on its own behalf. DTE Electric makes no representation as to information relating exclusively to DTE Energy.

DTE Electric, an indirect wholly-owned subsidiary of DTE Energy, meets the conditions set forth in General Instructions I(1)(a) and (b) of Form 10-K and is therefore filing this form with the reduced disclosure format specified in General Instruction I(2) of Form 10-K.

Item 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following combined discussion is separately filed by DTE Energy and DTE Electric. However, DTE Electric does not make any representations as to information related solely to DTE Energy or the subsidiaries of DTE Energy other than itself.

EXECUTIVE OVERVIEW

DTE Energy is a diversified energy company with 2021 Operating Revenues of approximately $15.0 billion and Total Assets of approximately $39.7 billion. DTE Energy is the parent company of DTE Electric and DTE Gas, regulated electric and natural gas utilities engaged primarily in the business of providing electricity and natural gas sales, distribution, and storage services throughout Michigan. DTE Energy also operates two energy-related non-utility segments with operations throughout the United States.

On July 1, 2021, DTE Energy completed the separation of its natural gas pipeline, storage and gathering non-utility business. Effective with the separation, DTE retains no ownership in the new company, DT Midstream, which was formerly comprised of DTE Energy's Gas Storage and Pipelines segment and certain DTE Energy holding company activity within the Corporate and Other segment. Gas Storage and Pipelines is no longer a reportable segment of DTE Energy, and financial results of DT Midstream are presented as discontinued operations in the Consolidated Financial Statements. Refer to Note 4 to the Consolidated Financial Statements, "Dispositions and Impairments," for additional information regarding the separation of DT Midstream and discontinued operations.

Management's Discussion and Analysis of Financial Condition and Results of Operations below reflect DTE Energy's continuing operations, unless noted otherwise. The following table summarizes DTE Energy's financial results:

	Years Ended December 31,		
	2021	2020	2019
	(In millions, except per share amounts)		
Net Income Attributable to DTE Energy Company — Continuing operations	$ **796**	$ 1,054	$ 955
Diluted Earnings per Common Share — Continuing operations	$ **4.10**	$ 5.45	$ 5.15

The decrease in 2021 Net Income Attributable to DTE Energy Company was primarily due to lower earnings in the Corporate and Other segment, driven primarily by losses on the extinguishment of debt incurred in 2021. The decrease was also due to lower earnings in the Energy Trading segment, partially offset by higher earnings in the Electric, Gas, and DTE Vantage segments. The increase in 2020 Net Income Attributable to DTE Energy Company was primarily due to higher earnings in the Electric and Corporate and Other segments, partially offset by lower earnings in the Energy Trading segment.

STRATEGY

DTE Energy's strategy is to achieve long-term earnings growth with a strong balance sheet and an attractive dividend.

DTE Energy's utilities are investing capital to support a modern, reliable grid and cleaner, affordable energy through investments in base infrastructure and new generation. An increasing amount of high wind and other extreme weather events driven by climate change, coupled with increasing electric vehicle adoption, will drive a continued need for substantial grid investment over the long-term.

DTE Energy is committed to reducing the carbon emissions of its electric utility operations by 32% by 2023, 50% by 2028, and 80% by 2040 from 2005 carbon emissions levels. DTE Energy is also committed to a net zero carbon emissions goal by 2050 for its electric and gas utility operations. To achieve the carbon reduction goals at the electric utility, DTE Energy has begun to transition away from coal-powered sources and is replacing or offsetting the generation from these facilities with renewable energy and energy waste reduction initiatives. Refer to the "Capital Investments" section below for further discussion regarding DTE Energy's retirement of its aging coal-fired plants and transition to renewable energy and other sources. Over the long-term, DTE Energy is also monitoring the viability of emerging technologies involving energy storage, carbon capture and sequestration, alternative fuels such as hydrogen, and advanced nuclear power.

For gas utility operations, DTE Energy aims to cut carbon emissions across the entire value chain. To achieve net zero emissions by 2050 for both internal operations and from suppliers, DTE Energy is working to source gas with lower methane intensity, reduce emissions through its gas main renewal and pipeline integrity programs, and if necessary, use carbon offsets to address any remaining emissions. DTE Energy is also committed to helping DTE Gas customers reduce their emissions by 35% by 2050 by increasing energy efficiency, pursuing advanced technologies such as hydrogen, and through the CleanVision Natural Gas Balance program which provides customers the option to use carbon offsets and renewable natural gas.

DTE Energy expects that these initiatives at the electric and gas utilities will continue to provide significant opportunities for capital investments and result in earnings growth. DTE Energy is focused on executing its plans to achieve operational excellence and customer satisfaction with a focus on customer affordability. DTE Energy's utilities operate in a constructive regulatory environment and have solid relationships with their regulators.

DTE Energy also has significant investments in non-utility businesses and expects growth opportunities in its DTE Vantage segment. DTE Energy employs disciplined investment criteria when assessing growth opportunities that leverage its assets, skills, and expertise, and provides diversity in earnings and geography. Specifically, DTE Energy invests in targeted markets with attractive competitive dynamics where meaningful scale is in alignment with its risk profile.

A key priority for DTE Energy is to maintain a strong balance sheet which facilitates access to capital markets and reasonably priced short-term and long-term financing. Near-term growth will be funded through internally generated cash flows and the issuance of debt and equity. DTE Energy has an enterprise risk management program that, among other things, is designed to monitor and manage exposure to earnings and cash flow volatility related to commodity price changes, interest rates, and counterparty credit risk.

CAPITAL INVESTMENTS

DTE Energy's utility businesses require significant capital investments to maintain and improve the electric generation and electric and natural gas distribution infrastructure and to comply with environmental regulations and renewable energy requirements. Capital plans may be regularly updated as these requirements change.

DTE Electric's capital investments over the 2022-2026 period are estimated at $15 billion, comprised of $8 billion for distribution infrastructure, $4 billion for base infrastructure, and $3 billion for cleaner generation including renewables. DTE Electric has retired six coal-fired generation units at the Trenton Channel, River Rouge, and St. Clair facilities and has announced plans to retire its remaining eleven coal-fired generating units, including five units at Trenton Channel and St. Clair in 2022. The two units at the Belle River facility will cease the use of coal by 2028 and will be evaluated for conversion to cleaner energy resources. The four units at the Monroe facility are expected to be retired by 2040. Generation from the retired facilities will be replaced or offset with a combination of renewables, energy waste reduction, demand response, and natural gas fueled generation, including the Blue Water Energy Center which will commence operations in 2022.

DTE Gas' capital investments over the 2022-2026 period are estimated at $3.1 billion, comprised of $1.5 billion for base infrastructure and $1.6 billion for gas main renewal, meter move out, and pipeline integrity programs.

DTE Electric and DTE Gas plan to seek regulatory approval for capital expenditures consistent with ratemaking treatment.

DTE Energy's non-utility businesses' capital investments are primarily for expansion, growth, and ongoing maintenance in the DTE Vantage segment, including approximately $1 billion to $1.5 billion from 2022-2026 for renewable energy and industrial energy services projects.

ENVIRONMENTAL MATTERS

The Registrants are subject to extensive environmental regulations, including those to address climate change. Additional costs may result as the effects of various substances on the environment are studied and governmental regulations are developed and implemented. Actual costs to comply could vary substantially. The Registrants expect to continue recovering environmental costs related to utility operations through rates charged to customers, as authorized by the MPSC.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)**

Filed by the Registrant ☒ Filed by a Party other than the Registrant ☐

Check the appropriate box:

☐ Preliminary Proxy Statement

☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

☒ Definitive Proxy Statement

☐ Definitive Additional Materials

☐ Soliciting Material Pursuant to §240.14a-12

DTE Energy Company
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

☒ No fee required.

☐ Fee paid previously with preliminary materials.

☐ Fee computed on table in exhibit required by Item 25(b) per Exchange Act Rules 14a-6(i)(1) and 0-11

DTE

2022 Proxy Statement & Notice of Annual Meeting

LETTER TO SHAREHOLDERS

Fellow Shareholders,

We invite you to attend our company's annual meeting of shareholders, which will be held in a virtual-only format on Thursday, May 5, 2022. Please see page 66 for details regarding attendance.

In 2021, our 10,000 caring and dependable employees contributed tremendous energy to keep our company and our communities moving forward during an extraordinary year of challenges and opportunities.

To achieve our aspiration of being "best in the world and best for the world," we refreshed our company's operating model and unveiled a new purpose: "We improve lives with our energy." Our new operating model guides us on how to bring our purpose to life when we face our biggest challenges as well as in our everyday work to deliver safe, reliable, affordable, clean energy and exceptional service to our customers.

Our employees continued to bring their best energy to work, taking on and working through the coronavirus pandemic and unprecedented weather while still achieving nearly all of our operational and financial goals. Through it all, our unified sense of purpose enabled employee engagement to remain in the top six percent of companies worldwide.

After a historical summer season of storms and outages, our customer satisfaction suffered. Our additional investments to trim trees and modernize equipment helped to improve reliability in communities most impacted by this year's storms. By the first week in 2022, we had seen recovery in our customer satisfaction measures. Finally, J.D. Power recognized DTE for being number one in the Midwest for both gas residential and gas business customer satisfaction.

We also made significant progress toward our goal of achieving net zero carbon emissions by 2040 and creating a greener future for our customers. We added three new wind parks and one solar park, increasing our clean energy capacity by 40%. Customers showed their support for our efforts by enrolling in our voluntary renewables programs, MIGreenPower, for electric, and Natural Gas Balance for gas. Accelerating renewable energy capacity enabled us to retire our coal-fired River Rouge Power Plant ahead of schedule.

Our track record for achieving financial success continued with 14% earnings per share growth for the second consecutive year, and we created value for shareholders by spinning off DT Midstream as a new publicly traded company on July 1, 2021.

In 2021 we persevered and delivered continued growth and results – a tribute to our people who passionately lived our purpose of improving lives with their energy.

As we continue on a solid path to progress and success in 2022 and beyond, we thank you for your partnership and investment in DTE.

Ruth G. Shaw
Lead Independent Director

Gerardo Norcia
President and Chief Executive Officer

DTE Energy Company
One Energy Plaza
Detroit, Michigan 48226

2022 Notice of Annual Meeting of Shareholders and Proxy Statement

Meeting Date:	Time:	Location:
Thursday, May 5, 2022	8:00 a.m. (EDT)	Virtual only

We invite you to attend the annual meeting of DTE Energy Company. In response to ongoing public health concerns related to the COVID-19 pandemic, and to protect the health and safety of shareholders and other meeting participants, our 2022 annual meeting will be held in a virtual-only format. See page 66 for details on how to attend.

Agenda:

1. Elect eleven directors;
2. Ratify the appointment of PricewaterhouseCoopers LLP by the Audit Committee of the Board of Directors as our independent registered public accounting firm for the year 2022;
3. Provide an advisory vote to approve executive compensation;
4. Vote on two shareholder proposals, if properly presented, relating to special shareholder meetings and to our net zero emissions goals;
5. Consider any other business that may properly come before the meeting.

Only shareholders of record at the close of business on March 8, 2022, the record date for this meeting, or their representatives authorized by proxy may attend or vote at the meeting.

This 2022 Notice of Annual Meeting, as well as the accompanying proxy statement and proxy card, will be first sent or given to our shareholders on or about March 28, 2022.

This year we have conserved resources and reduced costs by mailing a meeting notice to many of our registered and beneficial shareholders containing instructions on how to access our proxy statement and annual report on Form 10-K and vote online or how to request a paper copy. Shareholders who receive that meeting notice will not receive a paper copy of the proxy statement and annual report on Form 10-K or a proxy card unless they request one.

Every vote is important. You may vote your shares (1) by telephone, (2) via the Internet, (3) if you received a paper copy, by completing and mailing the enclosed proxy card in the return envelope or (4) at the annual meeting. Specific instructions for voting by telephone or via the Internet are attached to the proxy card or to the meeting notice that you received if you did not receive a paper copy. If you attend the meeting and vote at it, your vote at the meeting will replace any earlier vote by telephone, Internet or proxy. ***If you wish to attend the virtual annual meeting, you must register in advance. Please follow the instructions on page 66 to register to attend.***

By Order of the Board of Directors

Lisa A. Muschong

Lisa A. Muschong
Vice President, Corporate Secretary & Chief of Staff
March 17, 2022

Important Notice Regarding the Availability of Proxy Materials
for the Annual Meeting of Shareholders to Be Held on May 5, 2022:
The proxy statement and annual report are available to security holders free of charge at
proxydocs.com/dte

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PROXY STATEMENT SUMMARY

DTE Aspiration

Best in the world and best for the world

At DTE ("DTE Energy," the "Company," "we," "us" or "our"), we aspire to be best in the world and best for the world. This aspiration drives everything we do, including our priorities for serving each of our stakeholders: Our Team, Customers, Communities, and Investors. Our stakeholder priorities drive our daily, monthly and annual plans which help us to achieve this aspiration. Our Board of Directors (the "Board") evaluates our Company's and executives' performance based upon goals that align to our priorities for each of our stakeholders, and we will refer to these stakeholders as we discuss DTE's performance and our compensation programs throughout this proxy statement.

Our Operating Model

Becoming best in the world and best for the world means having great corporate governance, competitive compensation and excellent shareholder relations. To achieve this, we've developed an operating model that is memorable, sustainable, and actionable by all employees to ensure it drives the behaviors that help us reach our aspiration.

Our Purpose

We improve lives with our energy

At DTE, the word energy has two meanings – our products and our personal energy. Each employee can reflect on our purpose each day and ask themselves "How did I improve lives today with my energy?"

Our Operating Model

DTE

Purpose
- We improve lives with our energy

Aspiration
- Best in the world and best for the world

Strategy
- Distinctive service excellence and growth

Who we serve
- Our Team, Customers, Communities, Investors

How we serve
- Safe
- Caring
- Dependable
- Efficient

How we lead
- Inspire
- Innovate
- Deliver

Our Strategy

Distinctive service and excellence and growth

To achieve our aspiration to be best for the world best for the world, we've developed a strategy based on distinctive service excellence and growth focusing on three key areas: who we serve, how we serve and how we lead.

Who we serve

Our stakeholder aspirations

At DTE, we are committed to providing each of our stakeholder groups distinctive service excellence. Although each stakeholder group is unique, they are unified by DTE's aspiration for each of stakeholders to feel a deep emotional connection to DTE which is why we've included the incredibly powerful word "love" in each of our stakeholder aspirations.

Delivering service excellence to each stakeholder is integral in order to reach our aspiration – we have to achieve service excellence and growth with each other first in order to deliver to our customers and reach our aspiration.

Our team members love DTE because each person feels included, valued, and proud of the work we are doing. All team members are trusted and empowered to reach their full potential and make a positive difference each day, for the betterment of DTE and the world.

Our customers love us and know we love them because of our deep commitment to service excellence that is the best in any industry. We listen and continuously improve our products and services to fulfill their needs as they define them.

Our communities love partnering with DTE because we are integral to their success and prosperity. We stand out as a force for good through our passionate commitment to volunteerism, foundation support, and leading the way with critical societal and environmental solutions.

Our investors love that they can rely on DTE's distinctive growth and consistently strong financial performance to deliver top-docile returns. They are proud of DTE because of everything we do to care and deliver for our team, and communities.

Our Priorities

Our Priorities are aimed at helping us reach our stakeholder aspirations

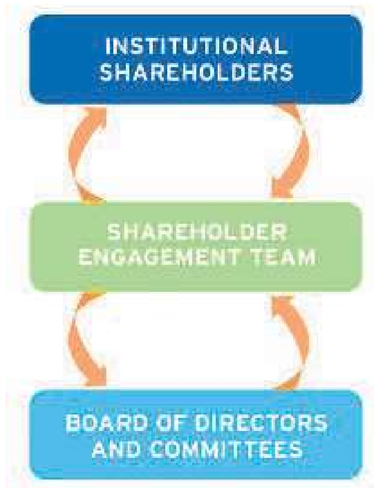
At DTE, we use our Operating Model as a guide to develop our priorities and deliver for our stakeholders. Focusing on the priorities of each of our stakeholder groups will allow us to reach our aspirations and best serve our customers.

Our Team	Our Customers	Our Communities	Our Investors
• Drive best in-class culture of health and wellbeing and achieve best-in-industry safety performance • Sustain top decile Employee Engagement • Embed our Culture of Service across the enterprise • Cultivate a deep, inclusive and diverse workforce • Transform learning, leadership development and talent planning	• Fundamentally improve our relationship with customers • Deliver Operational Excellence across the enterprise • Sustain the drive toward Nuclear Excellence • Execute the Distribution Excellence Strategy	• Solidify our position as an environmental, social and governance (ESG) leader • Continue our journey as a leader and enabler of a low carbon future	• Meet or exceed our financial objectives • Execute a broad growth agenda while maintaining customer affordability • Identify and mitigate enterprise and operational risks

Shareholder Engagement

We have continued our shareholder engagement activities this year and, as a result of those discussions, we've learned a lot about what is important to our shareholders. The shareholder engagement team consists of members from the Corporate Secretary's office, the Office of the General Counsel, Investor Relations, Environmental Management, and Corporate Communications. Shareholder engagement is a year-round process for us.

Every spring we reach out to large shareholders to discuss issues related to proxy season and the proposals to be presented at our annual meeting. In the fall we conduct another round of conversations to discuss general governance issues and trends. We also discuss pressing matters on an ad hoc basis.



Our shareholder engagement activities help us identify governance and compensation policies and practices that are most important to our shareholders.

The shareholder engagement team reports directly to the Corporate Governance Committee and other committees as needed, conveying the feedback received from shareholders and proposing implementation of best practices.

The committees and the full Board of Directors deliberate over proposed governance changes, adopt best practices and provide guidance to the shareholder engagement team in their communications with shareholders.

In 2021, the Company held discussions with shareholders who collectively own or exercise voting control over 46% of the Company's outstanding shares. In addition, the Company routinely contacts shareholders who have submitted proposals for inclusion in our annual proxy statement in an effort to understand their concerns and to address, where possible, the issues behind their proposals. We will continue to look for opportunities to provide more information about the Company's approach on topics of interest to shareholders, and to stimulate more conversations with shareholders.

Governance Highlights

The Board is committed to creating long-term value for our shareholders while operating in an ethical, legal, environmentally sensitive and socially responsible manner. The Board follows sound governance practices, some of which are highlighted below. For more detail, see the "Corporate Governance" section of this proxy statement.

- Ten of eleven director nominees, 91%, are independent; our Chairman, President & Chief Executive Officer ("CEO") is the only management director.
- All Board committees are composed exclusively of independent directors.
- We have implemented a proxy access provision, which makes it possible for a group of shareholders meeting certain criteria to nominate and include in the Company's proxy materials a candidate for the Board.
- We have a Lead Independent Director, elected by the independent members of the Board. The Lead Independent Director maintains final approval authority over Board agendas, meeting materials and schedules. The Lead Independent Director is also available for consultation and direct communication with large shareholders.
- Independent directors met in executive sessions chaired by the Lead Independent Director at seven of the nine 2021 Board meetings.
- All of our directors are elected annually.
- We have a majority vote requirement for uncontested director elections.
- The Board and its committees conduct annual self-assessments. In addition, each independent director who has served for one year or more undergoes an annual peer review.
- Our executive officers and directors are all subject to robust stock ownership requirements.
- We have instituted anti-hedging policies applicable to all Company directors, officers and employees.

- Our Board's Mission and Governance Guidelines recommend that the Board consider diversity of characteristics including experience, gender, race, ethnicity and age when evaluating nominees for the Board.
- We limit our directors who are employed by public companies to a total of not more than two public company boards and all other directors to a total of not more than four public company boards.

Executive Compensation Highlights

Our executive compensation programs are designed to be competitive with our peers, have a meaningful performance component linked to the achievement of short-term and long-term goals that align with our shareholders' long-term interests and encourage executives to have an ownership interest in the Company. Our President and CEO's total compensation shows strong pay-for-performance alignment with growth in long-term shareholder value creation. Our CEO's compensation growth trend is consistent with the growth in value of a $100 investment in DTE Energy Company stock made in 2016.

	2019	2020	2021
CEO Total Compensation ($000s)	8,228 (1)	10,606	11,128
Total Shareholder Return (Indexed, Base Period 2016=100)	144.90	140.69	168.01

(1) The CEO assumed his role on July 1, 2019, and served as Chief Operating Officer before that date.

The Company's compensation programs are also designed to clearly align performance objectives for our Named Executive Officers with the interests of shareholders and with our system of priorities. Our performance measures are designed to help move our Company toward achieving these priorities. For more details, see our priorities alignment chart in the Compensation Discussion and Analysis Summary on page 32.

Other highlights from our compensation program include:

- Our CEO received 77% of his 2021 total compensation in variable, at-risk incentives. For our other Named Executive Officers, the average percentage of variable, at-risk compensation was 60%. See more details on page 32.
- Our short-term and long-term performance metrics all tie directly to our stakeholder aspirations (see above). These are the same metrics that management uses to assess the Company's progress toward our aspiration to be best in the world and best for the world.
- Our long-term plan awards include a mix of restricted stock and performance shares designed in part to encourage executive stock ownership. The Board's Organization and Compensation Committee has not issued stock options since 2010.
- Our equity compensation plan forbids buyouts of "underwater" stock options. The Company has never bought or repriced "underwater" stock options.
- Our equity compensation plan requires a minimum one-year vesting period for equity awards. The Company's typical practice is to require a three-year vesting period for equity awards and the Company has never issued equity awards with less than a one-year vesting period.

27-Oct-2020

DTE Energy Co. (DTE)

Q3 2020 Earnings Call

CORPORATE PARTICIPANTS

Barbara Tuckfield
Director-Investor Relations, DTE Energy Co.

Gerardo Norcia
President, Chief Executive Officer & Director, DTE Energy Co.

David Slater
President & COO-DTE Midstream, DTE Energy Co.

Robert C. Skaggs
Director, DTE Energy Co.

David Ruud
Senior Vice President and Chief Financial Officer, DTE Energy Co.

OTHER PARTICIPANTS

Shahriar Pourreza
Analyst, Guggenheim Securities LLC

Andrew Weisel
Analyst, Scotia Capital (USA), Inc.

Julien Dumoulin-Smith
Analyst, BofA Securities, Inc.

Michael Weinstein
Analyst, Credit Suisse Securities (USA) LLC

Angie Storozynski
Analyst, Seaport Global Holdings LLC

Steve Fleishman
Analyst, Wolfe Research LLC

Durgesh Chopra
Analyst, Evercore Group LLC

Stephen Calder Byrd
Analyst, Morgan Stanley & Co. LLC

James M. Thalacker
Analyst, BMO Capital Markets Corp.

Jeremy Tonet
Analyst, JPMorgan Securities LLC

Jonathan Arnold
Analyst, Vertical Research Partners LLC

David Fishman
Analyst, Goldman Sachs & Co. LLC

Ryan Levine
Analyst, Citigroup Global Markets, Inc.

So, yeah, I don't think – there's no significant strategic shift that's expected here in the near-term. But again, as we approach spin date, I'm looking forward to laying the plan out in more detail and having good conversations with the investor base going forward. So, thanks. Thanks, Jeremy for the question.

Jeremy Tonet
Analyst, JPMorgan Securities LLC

Q

Thank you.

Operator: Our next question comes from Jonathan Arnold from Vertical Research. Please go ahead.

Jonathan Arnold
Analyst, Vertical Research Partners LLC

Q

Yeah. Good morning, guys.

Gerardo Norcia
President, Chief Executive Officer & Director, DTE Energy Co.

A

Good morning.

Jonathan Arnold
Analyst, Vertical Research Partners LLC

Q

Just a couple, Jerry, you – in the question about REF, you mentioned the outlook off of the I guess adjusted 2020 original base includes the replacement that you've been working on. Is that – are you just referring to the $15 million a year origination pathway that you've talked about or is there something more significant you're maybe alluding to there?

Gerardo Norcia
President, Chief Executive Officer & Director, DTE Energy Co.

A

No, it's essentially that $15 million a year that we've been originating in new income. So, you're correct.

Jonathan Arnold
Analyst, Vertical Research Partners LLC

Q

Okay. So I just wanted to make sure there wasn't something else that you're hinting at. And then secondly, there was a comment made about potentially delaying the next rate case in the filing you'd recently made and it was a lot of material. I just wonder if you could clarify what you were saying there and maybe put it in context of your comment about the base case timing I think of early 2021.

Gerardo Norcia
President, Chief Executive Officer & Director, DTE Energy Co.

A

Sure. Great question. So, we've had a really strong year in Electric company this year and some portion of that has been driven by incremental sales due to COVID and the pandemic as it relates to our residential markets. So, what we're doing Jonathan is essentially deferring a portion of those earnings in 2022 to offset a potential rate increase in 2022. What that does is that it gives us the opportunity to reconsider timing of filing the rate case. So, that's really what that's about.

POWERLESS IN THE PANDEMIC

After Bailouts, Electric Utilities Chose Profits Over People

SEPTEMBER 2021

POWERLESS IN THE PANDEMIC

After Bailouts, Electric Utilities Chose Profits Over People

By Jean Su, Center for Biological Diversity, and Christopher Kuveke, BailoutWatch[1]

EXECUTIVE SUMMARY

Already a national embarrassment, the practice of disconnecting household electric service for unpaid bills ("utility shutoffs") became a lethal threat to poor families last year after Covid-19 hit. By rendering homes uninhabitable, electric companies made social distancing impossible and increased transience, leading to higher infection and death rates, according to recent research.

While brushing off calls to pause their punitive collections practices, electric utilities used their political power to secure bailouts that cost taxpayers $1.25 billion, cushioning them from the pandemic economy.

The harm caused by electric shutoffs is indisputable. Less discussed is the nexus of utilities' political influence, predatory collection tactics and climate impacts.

Utilities are a massive, sometimes overlooked contributor to the climate emergency. While oil and gas giants garner more attention for their role in causing climate change, the electric industry is also culpable. Utilities were responsible for 32% of U.S. greenhouse gas emissions in 2020, mostly from gas- and coal-burning plants.[2] The biggest utilities operate their own fossil fuel infrastructure to supply these dirty power plants. At the same time, their profits-over-people collections practices heap further harm onto the poor communities and communities of color already suffering disproportionate climate harm and energy burdens.[3]

The harm caused by electric shutoffs is indisputable. Less discussed is the nexus of utilities' political influence, predatory collection tactics and climate impacts.

To interrogate the disconnect between utilities' reliance on public benefits and their callous treatment of customers, the Center for Biological Diversity and BailoutWatch analyzed government data and company filings. We identified 16 electric utilities that benefited from last year's Covid-19 bailouts while also cutting customers' service for their inability to pay, and found:

KEY FINDINGS

- **FAMILIES HAD THEIR POWER CUT NEARLY A MILLION TIMES** (990,234) between July 2020 and June 2021 by 16 companies that enjoyed a collective **$1.25 BILLION IN GOVERNMENT BAILOUT BENEFITS**.[4]

- Electric companies' spending on **EXECUTIVE PAY AND SHAREHOLDER DIVIDENDS** dwarfed the cost of merely canceling households' late bills[5] — most could have bailed out their customers **500+ TIMES** with just what they paid out to executives and shareholders.

- Nine companies received **TAX BAILOUTS** totaling **$1.12 BILLION**. It would have cost just **9.4%** of that bailout total to prevent every shutoff reported.

- For what **TAXPAYERS** spent bailing them out, 15 companies (all but NextEra) **COULD HAVE FORGIVEN ALL UNPAID ACCOUNTS** — hundreds of times over in some cases.

- A six-member Hall of Shame — **NEXTERA ENERGY (PARENT OF FLORIDA POWER & LIGHT AND OTHERS), DUKE ENERGY, SOUTHERN COMPANY, DOMINION ENERGY, EXELON AND DTE ENERGY** — perpetrated **94% OF ALL** documented **SHUTOFFS**. NextEra alone accounted for nearly half.

- The **PROBLEM IS MUCH BIGGER** than we were able to document because many **UTILITY REGULATORS DON'T REQUIRE UTILITIES TO REPORT DATA** about disconnections.

OVERVIEW

As Covid-19 spread last year, unprecedented economic disruption left Americans struggling to afford necessities. Heat waves and extreme weather drove up power bills. Many people fell behind.

Continuing a practice as old as debt collection, utilities pursued the harshest allowable tactic to collect unpaid bills: suspending or canceling service, leaving people without hot water, refrigeration, air conditioning and medical devices. Their houses uninhabitable, these families faced transience or being homeless.

For owing a few hundred dollars, some Americans were deprived of a basic right in a pandemic: to maintain the social distance necessary to protect themselves.

Defying calls to pause shutoffs, powerful electric utilities insisted that the practice was a necessary component of their collections cycle — and without this cudgel, customers who could afford to pay would choose not to.

In the end, a patchwork of statewide moratoriums protected some people, for some time, in some states. For the rest of the country, shutoffs remained a deadly scourge. Recent research proved the correlation between utility shutoffs and increased Covid infection and death rates.

A nationwide ban on evictions and utility shutoffs for March 2020 - November 2020 would have reduced U.S. Covid infections by 8.7% and deaths by 14.7%, according to research published this year by the National Bureau for Economic Research (NBER).[6]

The NBER findings expose a fault in how many utilities are structured: *Utilities are entrusted by governments to deliver essential human services; yet as private companies, their ultimate responsibility is to further enrich wealthy stakeholders.*[7]

Our analysis provides fresh evidence of how utilities' corporate decision-making is impaired by their misaligned incentives.

DATA SUMMARY

Utilities Data						
Parent	Households Disconnected	Cost to Prevent Disconnects	CARES ACT Benefits	Payouts (CEO Comp + Dividends)	CARES/ Disconnect Cost	Payouts/ Disconnect Cost
NextEra Energy	470,493	$49,872,258	$41,000,000	$2,766,720,707	0.8x	55.5x
Southern Company	187,561	$19,881,466	$35,000,000	$2,701,645,140	1.8x	135.9x
Duke Energy	182,816	$19,378,496	$633,500,000	$2,933,544,398	32.7x	151.4x
Dominion Energy	42,253	$4,478,818	$10,000,000	$3,109,912,643	2.2x	694.4x
Exelon Corp	26,784	$2,839,104	$15,000,000	$1,507,162,803	5.3x	530.9x
DTE Energy	20,605	$2,184,130	$268,000,000	$806,605,622	122.7x	369.3x
Pinnacle West Capital Corp	14,627	$1,550,462	$6,000,000	$357,426,455	3.9x	230.5x
CMS Energy Corp	13,225	$1,401,850	$10,000,000	$469,615,131	7.1x	335.0x
Berkshire Hathaway Energy	9,901	$1,049,506	$26,000,000	$16,000,000	24.8x	15.2x
Alliant Energy	6,699	$710,094	$17,000,000	$388,020,134	23.9x	546.4x
UNS Energy	4,939	$523,534	$14,000,000	$75,000,000	26.7x	143.3x
American Electric Power	4,096	$434,176	$106,000,000	$1,440,403,434	244.1x	3,317.6x
Ameren Corp	3,635	$385,310	$8,500,000	$504,058,353	22.1x	1,308.2x
First Energy Corp	2,059	$218,254	$8,500,000	$848,264,629	38.9x	3,886.6x
UGI Corp	404	$42,824	$32,000,000	$280,504,202	747.2x	6,550.2x
PPL Corp	137	$14,522	$16,000,000	$1,284,834,236	1,101.8x	88,475.0x
Grand Total	**990,234**	**$104,964,804**	**$1,246,500,000**	**$19,473,717,887**	**150.4x**	**6,670.6x**

GOVERNMENT TO THE RESCUE — OF CORPORATIONS

When the pandemic arrived in March 2020, the Trump administration and Congress responded with hundreds of billions of dollars in corporate bailouts spread across a range of programs, including small-business grants (PPP loans), government-subsidized loans for struggling businesses (MSLP loans), and market interventions designed to keep debt markets flowing through the crisis (Corporate and Municipal Credit Facilities).

To protect consumers, 32 states and Washington, D.C., enacted emergency orders temporarily halting electricity shutoffs. The result was an inequitable patchwork of electricity protections across the country. Some halts were only weeks long, and by the end of September 2021, only New York's moratorium will remain.[8]

Utilities successfully opposed a proposed nationwide utility shutoff moratorium supported by Democrats that would have provided blanket, lifesaving protection. The president of the leading utility trade group, Edison Electric Institute, criticized the plan as "a one-size-fits-all approach to recovery."[9]

In short, to keep supposed scofflaws in check during a global crisis, utilities chose to endanger tens of thousands of lives — while the industry glided through rocky debt markets atop the Federal Reserve's money raft, never losing access to cheap financing.

Working with the Trump administration, Federal Reserve Chair Jerome Powell designed a bond-market rescue to show investors the government stood ready to bail them out. The Fed started buying corporate bonds — ultimately holding $5.23 billion worth at the program's peak — through a taxpayer-backed entity called the Secondary Market Corporate Credit Facility (SMCCF).

These bonds were issued by companies before the bailouts; the Fed bought them from private investors on the secondary market. This signal was enough to fuel a historic wave of borrowing, especially by oil and gas companies whose risky bonds suddenly seemed a lot safer.[10] (The Fed also planned to buy bonds directly from companies, through a separate Primary Market Corporate Credit Facility, but the SMCCF made borrowing so easy that it was never used.)

The Fed bought utility bonds worth more than $545 million and issued by 137 companies, accounting for about 10% of the total bonds bought through that program.

TAX WINDFALLS FOR THE VERY FEW

Obscure tax-code changes buried in the CARES Act stimulus law delivered billions of dollars in benefits to a few big, money-losing corporations, most of them in sectors that are harming the climate. BailoutWatch reported previously that $8.38 billion in benefits went directly to oil and gas companies.[11] An additional $1.12 billion went to a dozen electricity providers.[12]

These changes enabled unprofitable businesses to claim immediate refunds for taxes they had paid in recent years. This bailout is notable for its magnitude and for the relatively small number of companies that benefited. Two companies, Duke Energy and DTE Energy, together received $845 million, more than 75% of the tax bailout money we identified in the utilities sector.

Duke and DTE cut off customers' power more than 203,000 times. Their tax bailouts provided enough unexpected revenue to forgive the underlying unpaid bills more than 39 times.

HALL OF SHAME

Utility	Households Disconnected	CARES ACT Benefits	Payouts (CEO Comp + Dividends)	Payouts/ Disconnect Cost	Disconnect Cost/Payouts %
NextEra Energy	470,493	$41,000,000	$2,766,720,707	55.5x	1.80%
Southern Company	187,561	$35,000,000	$2,701,645,140	135.9x	0.74%
Duke Energy	182,816	$633,500,000	$2,933,544,398	151.4x	0.66%
Dominion Energy	42,253	$10,000,000	$3,109,912,643	694.4x	0.14%
Exelon	26,784	$15,000,000	$1,507,162,803	530.9x	0.19%
DTE Energy	20,605	$268,000,000	$806,605,622	369.3x	0.27%
HOS TOTAL	**930,512**	**$1,002,500,000**	**$13,825,591,313**	**140.2x**	**0.71%**

WORST OFFENDER, POLITICAL CLOUT

NextEra Energy, serving 11 million people (5.6 million households) through Florida Power & Light Co, cut off household power more than 470,000 times during the pandemic. That's nearly half of all the shutoffs we documented.

NextEra is a poster child for **aggressive lobbying** to protect the status quo. According to OpenSecrets, the company spent $3.9 million in 2020 and $2.5 million in the first half of 2021 lobbying, including against clean energy and climate legislation such as solar and wind production and the Green Act. Through the first half of 2021, NextEra is on track to spend the most it has on legislative influence since 2014.[13]

Utilities engage in significant anti-environment advocacy through **trade groups** like the Edison Electric Institute and American Gas Association. By funding these groups, the companies effectively divert millions from utility customers to promote harmful policies. The Center for Biological Diversity, Sen. Sheldon Whitehouse, and other groups and lawmakers[14] have called on the Federal Energy Regulatory Commission to end this practice by reclassifying money that utilities send to trade groups as presumptively “non-recoverable” from consumers.[15]

At the state level, utility regulators’ worldviews and decisions are informed mainly by industry experience and contacts, ensuring corporate-friendly policy outcomes and a revolving door for commissioners seeking cushy corporate jobs.[16] In 2020, for example, an American Electric Power lobbyist emailed the West Virginia Public Service Commission chairwoman a request that she tell the state congressional delegation to “reject” proposals for a federal moratorium on utility shutoffs. Days later, Chairwoman Charlotte Lane sent letters urging the delegation to "forego federal action" regarding a federal moratorium.[17] This tendency toward so-called “**regulatory capture**” is comparable to problems in financial oversight that fueled the 2008 financial crisis.[18]

Because they are sympathetic to the industry perspective, public utility commissioners often operate as though they must balance industry with public interests. This misunderstands their mandate, which is to oversee utilities in the public interest.[19]

These factors serve to protect the status quo that ensures incumbents — corporate and political — remain on top.

LACK OF TRANSPARENCY MASKS THE PROBLEM

There is no industry standard or blanket government mandate to compel private utilities to disclose customer shutoffs, and most state utility commissions choose not to collect the data or make it available. As a result, although we have compiled the most exhaustive data set available, it covers just a fraction of the people affected.

We researched and (when necessary) contacted public utility commissions in all 50 states to determine who publishes data on households that have had their electricity disconnected for not paying the bill.[20] Here’s what we learned:[21]

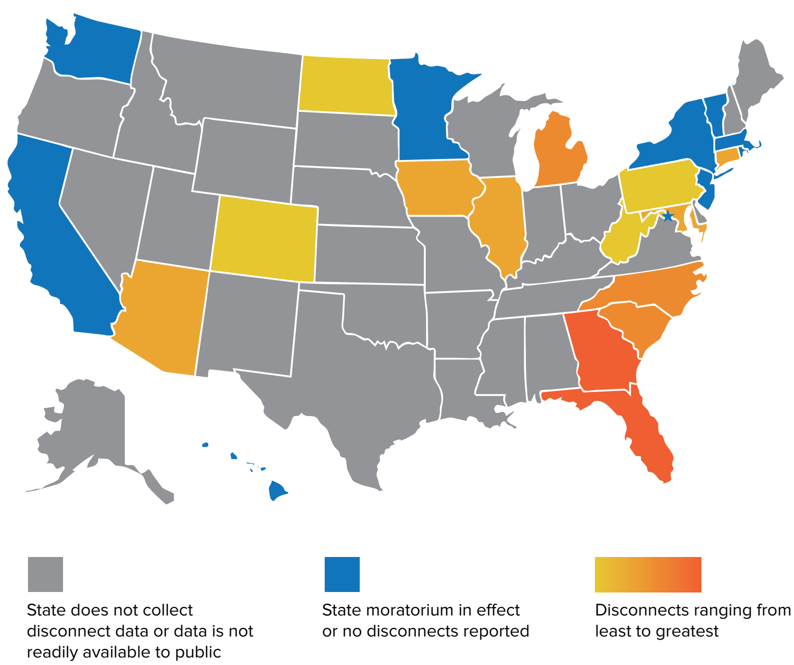
WHAT WE LEEARNED

- **23 STATES** do not provide any disconnect data.
- For the 27 states that make the data public, **10 HAVE REPORTED NO SHUTOFFS** because of voluntary or mandated moratoriums.
- For the 17 states providing shutoff data for this analysis, **4 OF THESE STATES ONLY PROVIDE PARTIAL DATA** through special reports.

This lack of transparency hinders efforts to accurately quantify the scale of the electricity shutoffs crisis. It therefore limits efforts to fully name and address the harms shutoffs cause.

The failure by public utility commissions to provide these data undermines any pretense that they are protecting the public interest: *If they do not even collect data on the inhumane practice of cutting off a family's electricity, how can regulators claim to be monitoring the potential harm of unrestrained profit-seeking by the companies they oversee?*

In short, government regulators are ultimately responsible for utilities' lack of accountability.



Data as of June 2021

LITTLE HELP FROM CONGRESS FOR STRUGGLING RATEPAYERS

Legislative efforts to immediately address the power shutoffs crisis during the Covid-19 pandemic have achieved limited success.

The March 2020 **CARES Act**, which authorized those corporate bailout programs, had no fix for the power shutoff crisis. In May 2020, the House of Representatives passed the **HEROES Act**, including a nationwide moratorium on electricity and water shutoffs to address the utility and Covid-19 crises, but the measure failed in the Senate.

Among the modest victories: Congress enacted funding for the **Low-Income Home Energy Assistance Program** of $4.5 billion, in addition to the FY 2019 allotment of $3.7 billion. Also, by disbursing **Paycheck Protection Program** money to businesses, Congress intended to assist workers with rent and utility bills.

While utilities were bailed out, the public was not. Electricity shutoffs continued harming Americans, as the NBER research documents — so it's safe to say LIHEAP and PPP weren't enough and remain insufficient to address the chronic shutoffs problem.

In 2021 Sen. Jeff Merkley[22] of Oregon and Rep. Rashida Tlaib[23] of Michigan introduced **The Maintaining Access to Essential Services Act**, a bill that offers low-interest loans, eventually converted into grants, for electric utilities willing to pause disconnections through and briefly beyond the Covid-19 emergency. The act is currently under negotiation as part of the larger budget reconciliation bill.

EXECUTIVE ACTION HOLDS SOME PROMISE

Separately, utility justice advocates have called on President Biden to use his emergency powers to end the harmful practice of utility shutoffs.

Given the direct link between shutoffs and Covid-19 fatalities, advocates urged the administration to declare a health emergency under the Public Health Services Act to enact a moratorium on utility shutoffs, following the process used to enact the national eviction ban.[24] This action appears less likely since August, when the Supreme Court struck down the eviction ban as exceeding the bounds of the Act's powers.[25]

The administration possesses and should use other authorities to address the utility shutoff crisis in emergency situations, including redirecting available emergency funds toward outstanding arrearages.

TOWARD A REAL SOLUTION

The Covid-19 crisis gave utilities an opportunity to save lives by keeping people in their homes. Many chose to collect small debts instead, leading to increased deaths and infections.

Climate-related destruction challenges electric companies to drastically cut emissions and deploy climate-resilient systems like rooftop and community solar and storage. Instead, many corporate utilities sow confusion and remain among the worst emitters, actively undermining lower-emissions and distributed energy systems because they threaten to compete for profits.

While opposing efforts to transition to a renewable, resilient energy system, utilities remain steadfastly unprepared for climate disaster — as demonstrated recently by climate-caused hurricanes like Ida, the Texas energy freeze, and grid negligence in California's wildfire areas.

These urgent facts compel us to weigh systemic changes that might discourage or prevent such antisocial, anti-public corporate acts. Yet the utility shutoff problem has plagued American communities since long before Covid-19.[26] Any fix must solve for injustices that exist separately from, and regardless of, the state of the pandemic

Utility justice advocates believe the for-profit utility system must be overhauled, centering power as a human right and permanently banning shutoffs. Earlier in 2021, House Reps. Cori Bush of Missouri and Jamaal Bowman of New York jointly introduced a resolution to make electricity a publicly owned utility sector, impose a universal ban on utility shutoffs for nonpayment, and build out community and rooftop solar and storage as climate-resilient and affordable energy solutions.[27]

CONCLUSION

Focusing on bailed-out utilities' choice to disconnect families and the resulting increased spread of Covid-19, this report aims to illuminate a structural flaw in the U.S. utility framework: For-profit companies lack accountability to the public good.

The climate emergency will continue to magnify the harms from this conflict, as extreme weather ravages ever more communities whose residents are disproportionately low-wealth and Black and other communities of color.

Given utilities' contributions to the escalating climate crisis, and their reliance on public assistance during the Covid-19 pandemic, it is imperative that we act to limit the damage inflicted by profit-seeking companies that control basic resources.

In a nation of abundance, there is no space for a system whose powerful stakeholders get richer by choosing to harm untold millions of Americans, disproportionately communities of color and poor families, amid a global health crisis.

APPENDIX: FULL DATA TABLE

Click here to see a full utilities data table.

METHODOLOGY NOTES

To compile the data for this report, we reviewed available disconnection data for selected utility companies beginning in February 2020 and ending in June 2021. Disconnection data was retrieved by reviewing state and territory utility dockets and calling state commissions.

As a proxy for the average cost to cover a customer's unpaid bill, we used the average U.S. monthly residential electric utility payment of $106, as determined by Vote Solar.[28] The utility industry standard is to initiate shutoff procedures after one month of non-payment.

Lobbying data was retrieved from OpenSecrets.[29]

Secondary Market Corporate Credit Facility data was gathered through Federal Reserve monthly disclosures. Utility bond data includes companies classified as Utilities in the Federal Reserve disclosures. Bond values are based on par value cost as reported.[30]

Corporate tax benefits, alternately referred to as tax bailout benefits, include alternative minimum tax (AMT) credits and net-operating loss (NOL) carrybacks refunded to utility companies resulting from tax law changes included in the CARES Act. These refunds were disclosed in publicly available annual and quarterly financial filings with the Securities and Exchange Commission.

ENDNOTES

1 The authors gratefully acknowledge the contributions of Greer Ryan, former senior energy policy analyst with the Center for Biological Diversity's Energy Justice Program, whose research forms the bedrock of this report.

2 https://www.eia.gov/tools/faqs/faq.php?id=77&t=11

3 https://www.aceee.org/energy-burden

4 We refer throughout to the number of reported household disconnections that utilities have carried out per month; this awkward phrasing acknowledges that the reported data does not differentiate as to whether the same household is subject to multiple disconnections over time.

5 See methodology notes in Appendix

6 https://www.nber.org/system/files/working_papers/w28394/w28394.pdf

7 A study from Cornell University and Food & Water Watch similarly found that water shutoff protections were associated with significantly lower rates of COVID-19 cases and deaths. It estimated that a nationwide water shutoff moratorium might have prevented nearly 500,000 COVID cases and more than 9,000 deaths.

8 https://www.biologicaldiversity.org/campaigns/energy-justice-during-crises/#:~:text=The%20Center%20for%20Biological%20Diversity's,Take%20action%20to%20help.

9 https://www.washingtonpost.com/politics/2020/08/06/congress-under-pressure-states-lift-electricity-shutoff-bans-during-coronavirus-crisis/

10 https://bailoutwatch.org/analysis/big-oils-100-billion-bender

11 https://bailoutwatch.org/analysis/what-fossil-fuels-really-did-with-bailouts

12 These electricity providers are owned by nine parent utility corporations: Alliant Energy, American Electric Power, Consolidated Edison, DTE Energy, Duke Energy, Entergy, Sempra Energy, UGI Corp, and UNS Energy.

13 https://www.opensecrets.org/industries/indus.php?Ind=E08

14 https://biologicaldiversity.org/w/news/press-releases/senators-support-ferc-petition-to-curb-misuse-of-ratepayer-funds-on-anti-environment-trade-groups-2021-06-24/email_view/

15 https://www.biologicaldiversity.org/programs/energy-justice/pdfs/FERC_Petition_Trade_Group_Dues_031721.pdf

16 Heather, Payne, "Game Over: Regulatory Capture, Negotiation, and Utility Rate Cases in an Age of Disruption", 52 University of San Francisco Law Review 75 (2017), https://ssrn.com/abstract=3025917 (discussing the revolving door phenomenon, whereby utility commissioners leave the government to work for the utility industry they regulate and vice versa, creating and exacerbating regulatory capture. "Industry socialization and future employment incentives are two mechanisms that work together to formulate the revolving door of regulators to and from government and industry.")

17 https://www.documentcloud.org/documents/6890994-FOIA-West-Virginia-PSC-Congressional-Delegation.html#document/p13/a564039

18 https://www.marketwatch.com/story/an-overlooked-cause-of-the-financial-crisis-to-err-is-human-2018-09-12

19 Id. See also Scott Hempling, "'Regulatory Capture': Sources and Solutions,1 Emory Corp. Governance & Accountability Rev. 23 (2014), https://scholarlycommons.law.emory.edu/ecgar/vol1/iss1/4.

20 https://www.biologicaldiversity.org/programs/energy-justice/pdfs/Power-Crisis-Report-June-2021.pdf; https://www.biologicaldiversity.org/programs/energy-justice/pdfs/Power-Crisis-Report-March-2021.pdf.

21 This survey data is from June 2021.

22 https://www.merkley.senate.gov/news/press-releases/merkley-introduces-legislation-to-ensure-no-american-loses-power-heat-water-or-internet-service-due-to-a-missed-payment-during-pandemic-2021 These legislative efforts were spurred by the mobilization of the No Shutoffs Coalition, a nationwide coalition of now over 1,000 organizations demanding a nationwide utility shutoffs moratorium and longer term utility justice for power, water, and broadband. https://www.biologicaldiversity.org/programs/energy-justice/pdfs/2020-4-13_Signon-Letter-re-Coronavirus-and-Utility-Shutoff.pdf

23 https://tlaib.house.gov/media/press-releases/tlaib-introduces-landmark-bill-stop-utility-shutoffs-struggling-families

24 https://biologicaldiversity.org/w/news/press-releases/600-groups-urge-biden-halt-water-electricity-broadband-shutoffs-emergency-executive-order-first-day-2021-01-13/

25 https://www.nytimes.com/2021/08/26/us/eviction-moratorium-ends.html

26 https://naacp.org/resources/lights-out-cold

27 https://bush.house.gov/media/press-releases/reps-cori-bush-and-jamaal-bowman-introduce-resolution-make-power-public-0#:~:text=ST

28 https://votesolar.org/wp-content/uploads/2021/01/Vote_Solar_COVID_Utility_Bill_Debt_Paper.pdf

29 https://www.opensecrets.org/industries/indus.php?Ind=E08

30 https://www.federalreserve.gov/publications/reports-to-congress-in-response-to-covid-19.htm

COMPARISON OF AVERAGE RATES (IN CENTS PER kWh)
FOR MPSC-REGULATED ELECTRIC UTILITIES IN MICHIGAN
April 1, 2022

	RESIDENTIAL			SMALL COMMERCIAL		LARGE COMMERCIAL			INDUSTRIAL		
kW				5	25	100	100	100	1,000	10,000	50,000
kWh	250	500	1,000	1,000	5,000	21,600	28,800	36,000	432,000	4,320,000	21,600,000
INVESTOR OWNED											
ALPENA POWER	16.12	14.95	14.36	14.44	13.59	13.72	12.24	11.22	10.25	7.59	7.54
CONSUMERS ENERGY	20.12	18.34	17.45	17.01	15.47	16.81	14.47	13.45	10.15	9.18	8.62
DTE ELECTRIC	20.08	18.41	18.54	15.76	14.54	13.32	13.23	14.28	9.26	8.12	7.71
AEP (I&M) COMBINED	19.57	17.34	16.23	13.82	18.76	16.39	14.81	13.86	10.77	9.38	9.20
NORTHERN STATES POWER	17.76	15.79	14.80	14.61	13.31	13.76	12.49	11.72	13.38	13.31	13.30
UPPER PENINSULA POWER	26.07	22.90	21.31	18.77	16.67	13.65	12.71	12.15	9.72	7.92	6.77
UMERC (FORMERLY WEPCO)	18.32	16.43	15.48	16.92	15.25	14.99	14.95	13.09	11.55	11.12	8.78
UMERC (FORMERLY WPSC)	18.27	15.87	14.67	13.67	11.39	11.95	11.84	11.78	10.31	9.89	9.31
AVERAGE INVESTOR OWNED	19.54	17.50	16.61	15.62	14.87	14.32	13.34	12.69	10.67	9.56	8.90

Source: Michigan Public Service Commission Utility Rate Books
Compiled by the Regulated Energy Division

COMPARISON OF AVERAGE RATES (IN CENTS PER kWh)
FOR MPSC-REGULATED ELECTRIC UTILITIES IN MICHIGAN
March 1, 2022

	RESIDENTIAL			SMALL COMMERCIAL		LARGE COMMERCIAL			INDUSTRIAL		
kW				5	25	100	100	100	1,000	10,000	50,000
kWh	250	500	1,000	1,000	5,000	21,600	28,800	36,000	432,000	4,320,000	21,600,000
INVESTOR OWNED											
ALPENA POWER	16.13	14.96	14.37	14.51	13.60	13.73	12.25	11.22	10.24	7.59	7.55
CONSUMERS ENERGY	19.95	18.17	17.29	17.00	15.37	16.61	14.32	13.38	10.07	9.16	8.69
DTE ELECTRIC	19.93	18.25	18.39	15.67	14.44	13.23	13.14	14.19	9.26	8.26	7.93
AEP (I&M) COMBINED	19.76	17.53	16.42	14.20	18.84	16.41	14.83	13.87	10.84	9.39	9.20
NORTHERN STATES POWER	16.01	14.04	13.05	12.90	11.60	12.62	11.46	10.77	12.02	11.95	11.94
UPPER PENINSULA POWER	26.07	22.90	21.31	18.77	16.67	13.65	12.71	12.15	9.72	7.92	6.77
UMERC (FORMERLY WEPCO)	18.45	16.49	15.51	16.99	15.26	15.00	14.96	13.11	11.55	11.12	8.78
UMERC (FORMERLY WPSC)	18.27	15.87	14.67	13.67	11.39	11.95	11.84	11.78	10.31	9.89	9.31
AVERAGE INVESTOR OWNED	19.32	17.28	16.38	15.46	14.65	14.15	13.19	12.56	10.50	9.41	8.77

Source: Michigan Public Service Commission Utility Rate Books
Compiled by the Regulated Energy Division

COMPARISON OF AVERAGE RATES (IN CENTS PER kWh)
FOR MPSC-REGULATED ELECTRIC UTILITIES IN MICHIGAN
February 1, 2022

	RESIDENTIAL			SMALL COMMERCIAL		LARGE COMMERCIAL			INDUSTRIAL		
kW				5	25	100	100	100	1,000	10,000	50,000
kWh	250	500	1,000	1,000	5,000	21,600	28,800	36,000	432,000	4,320,000	21,600,000
INVESTOR OWNED											
ALPENA POWER	16.13	14.96	14.37	14.51	13.60	13.73	12.25	11.22	10.24	7.59	7.55
CONSUMERS ENERGY	19.95	18.17	17.29	17.00	15.37	16.61	14.32	13.38	10.07	9.16	8.69
DTE ELECTRIC	19.93	18.25	18.39	15.67	14.44	13.23	13.14	14.19	9.26	8.26	7.93
AEP (I&M) COMBINED	19.76	17.53	16.42	14.20	18.84	16.41	14.83	13.87	10.84	9.39	9.20
NORTHERN STATES POWER	16.01	14.04	13.05	12.90	11.60	12.62	11.46	10.77	12.02	11.95	11.94
UPPER PENINSULA POWER	26.07	22.90	21.31	18.77	16.67	13.65	12.71	12.15	9.72	7.92	6.77
UMERC (FORMERLY WEPCO)	17.88	15.92	14.94	16.42	14.69	14.43	14.39	12.53	10.98	10.55	8.21
UMERC (FORMERLY WPSC)	17.73	15.33	14.13	13.13	10.86	11.41	11.31	11.25	9.77	9.35	8.77
AVERAGE INVESTOR OWNED	19.18	17.14	16.24	15.32	14.51	14.01	13.05	12.42	10.36	9.27	8.63

Source: Michigan Public Service Commission Utility Rate Books
Compiled by the Regulated Energy Division

COMPARISON OF AVERAGE RATES (IN CENTS PER kWh)
FOR MPSC-REGULATED ELECTRIC UTILITIES IN MICHIGAN
January 1, 2022

	RESIDENTIAL			SMALL COMMERCIAL		LARGE COMMERCIAL			INDUSTRIAL		
kW				5	25	100	100	100	1,000	10,000	50,000
kWh	250	500	1,000	1,000	5,000	21,600	28,800	36,000	432,000	4,320,000	21,600,000
INVESTOR OWNED											
ALPENA POWER	15.83	14.66	14.07	14.21	13.30	13.43	11.95	10.92	9.94	7.29	7.25
CONSUMERS ENERGY	19.95	18.18	17.29	17.00	15.38	16.61	14.32	13.38	10.07	9.16	8.69
DTE ELECTRIC	19.89	18.22	18.35	15.79	14.53	13.25	13.15	14.21	9.23	8.26	7.93
AEP (I&M) COMBINED	19.76	17.54	16.43	14.20	18.85	16.42	14.83	13.88	10.84	9.39	9.21
NORTHERN STATES POWER	16.01	14.04	13.05	12.90	11.60	12.62	11.46	10.77	12.02	11.95	11.94
UPPER PENINSULA POWER	26.07	22.90	21.31	18.77	16.67	13.65	12.71	12.15	9.72	7.92	6.77
UMERC (FORMERLY WEPCO)	17.88	15.92	14.94	16.42	14.69	14.43	14.39	12.53	10.98	10.55	8.21
UMERC (FORMERLY WPSC)	17.73	15.33	14.13	13.13	10.86	11.41	11.31	11.25	9.77	9.35	8.77
AVERAGE INVESTOR OWNED	19.14	17.10	16.20	15.30	14.49	13.98	13.02	12.39	10.32	9.23	8.60

Source: Michigan Public Service Commission Utility Rate Books
Compiled by the Regulated Energy Division

COMPARISON OF AVERAGE RATES (IN CENTS PER kWh)
FOR MPSC-REGULATED ELECTRIC UTILITIES IN MICHIGAN
December 1, 2021

	RESIDENTIAL			SMALL COMMERCIAL		LARGE COMMERCIAL			INDUSTRIAL		
kW				5	25	100	100	100	1,000	10,000	50,000
kWh	250	500	1,000	1,000	5,000	21,600	28,800	36,000	432,000	4,320,000	21,600,000
INVESTOR OWNED											
ALPENA POWER	14.42	13.25	12.66	13.10	12.19	12.28	10.93	9.98	8.58	6.35	6.32
CONSUMERS ENERGY	20.43	18.66	17.77	17.71	16.08	17.22	14.84	13.84	10.44	9.54	8.98
DTE ELECTRIC	19.73	18.05	18.19	15.58	14.33	13.08	12.98	14.04	9.05	8.10	7.77
AEP (I&M) COMBINED	19.43	17.20	16.09	13.86	18.51	16.08	14.49	13.54	10.50	9.05	8.87
NORTHERN STATES POWER	15.57	13.60	12.61	12.46	11.17	12.19	11.03	10.33	11.58	11.51	11.50
UPPER PENINSULA POWER	25.48	22.31	20.72	18.18	16.08	13.06	12.13	11.57	9.13	7.33	6.18
UMERC (FORMERLY WEPCO)	16.93	14.97	13.99	15.47	13.75	13.48	13.44	11.59	10.04	9.60	7.26
UMERC (FORMERLY WPSC)	15.94	13.54	12.34	11.34	9.07	9.62	9.52	9.46	7.98	7.56	6.98
AVERAGE INVESTOR OWNED	18.49	16.45	15.55	14.71	13.90	13.38	12.42	11.79	9.66	8.63	7.98

Source: Michigan Public Service Commission Utility Rate Books
Compiled by the Regulated Energy Division

COMPARISON OF AVERAGE RATES (IN CENTS PER kWh)
FOR MPSC-REGULATED ELECTRIC UTILITIES IN MICHIGAN
November 1, 2021

	RESIDENTIAL			SMALL COMMERCIAL		LARGE COMMERCIAL			INDUSTRIAL		
kW				5	25	100	100	100	1,000	10,000	50,000
kWh	250	500	1,000	1,000	5,000	21,600	28,800	36,000	432,000	4,320,000	21,600,000
INVESTOR OWNED											
ALPENA POWER	14.92	13.75	13.16	13.60	12.69	12.78	11.43	10.48	9.08	6.85	6.82
CONSUMERS ENERGY	20.43	18.66	17.77	17.71	16.08	17.22	14.84	13.84	10.44	9.54	8.98
DTE ELECTRIC	19.73	18.05	18.19	15.58	14.33	13.08	12.98	14.04	9.05	8.10	7.77
AEP (I&M) COMBINED	19.43	17.20	16.09	13.86	18.51	16.08	14.49	13.54	10.50	9.05	8.87
NORTHERN STATES POWER	15.57	13.60	12.61	12.46	11.17	12.19	11.03	10.33	11.58	11.51	11.50
UPPER PENINSULA POWER	25.48	22.31	20.72	18.18	16.08	13.06	12.13	11.57	9.13	7.33	6.18
UMERC (FORMERLY WEPCO)	16.80	14.91	13.96	15.40	13.73	13.48	13.44	11.57	10.03	9.60	7.26
UMERC (FORMERLY WPSC)	15.94	13.54	12.34	11.34	9.07	9.62	9.52	9.46	7.98	7.56	6.98
AVERAGE INVESTOR OWNED	18.54	16.50	15.61	14.77	13.96	13.44	12.48	11.85	9.73	8.69	8.04

Source: Michigan Public Service Commission Utility Rate Books
Compiled by the Regulated Energy Division

COMPARISON OF AVERAGE RATES (IN CENTS PER kWh)
FOR MPSC-REGULATED ELECTRIC UTILITIES IN MICHIGAN
October 1, 2021

	RESIDENTIAL			SMALL COMMERCIAL		LARGE COMMERCIAL			INDUSTRIAL		
kW				5	25	100	100	100	1,000	10,000	50,000
kWh	250	500	1,000	1,000	5,000	21,600	28,800	36,000	432,000	4,320,000	21,600,000
INVESTOR OWNED											
ALPENA POWER	14.92	13.75	13.16	13.60	12.69	12.78	11.43	10.48	9.08	6.85	6.82
CONSUMERS ENERGY	20.43	18.66	17.77	17.71	16.08	17.22	14.84	13.84	10.44	9.54	8.98
DTE ELECTRIC	19.73	18.05	18.19	15.58	14.33	13.08	12.98	14.04	9.05	8.10	7.77
AEP (I&M) COMBINED	19.43	17.20	16.09	13.86	18.51	16.08	14.49	13.54	10.50	9.05	8.87
NORTHERN STATES POWER	15.57	13.60	12.61	12.46	11.17	12.19	11.03	10.33	11.58	11.51	11.50
UPPER PENINSULA POWER	25.48	22.31	20.72	18.18	16.08	13.06	12.13	11.57	9.13	7.33	6.18
UMERC (FORMERLY WEPCO)	16.93	14.97	13.99	15.47	13.75	13.48	13.44	11.59	10.04	9.60	7.26
UMERC (FORMERLY WPSC)	15.94	13.54	12.34	11.34	9.07	9.62	9.52	9.46	7.98	7.56	6.98
AVERAGE INVESTOR OWNED	18.55	16.51	15.61	14.78	13.96	13.44	12.48	11.85	9.73	8.69	8.04

Source: Michigan Public Service Commission Utility Rate Books

Compiled by the Regulated Energy Division

COMPARISON OF AVERAGE RATES (IN CENTS PER kWh)
FOR MPSC-REGULATED ELECTRIC UTILITIES IN MICHIGAN
September 1, 2021

		RESIDENTIAL			SMALL COMMERCIAL		LARGE COMMERCIAL			INDUSTRIAL		
	kW				5	25	100	100	100	1,000	10,000	50,000
	kWh	250	500	1,000	1,000	5,000	21,600	28,800	36,000	432,000	4,320,000	21,600,000
INVESTOR OWNED												
ALPENA POWER		14.92	13.75	13.16	13.60	12.69	12.78	11.43	10.48	9.08	6.85	6.82
CONSUMERS ENERGY		21.31	19.54	18.65	17.81	16.19	19.15	16.36	15.11	10.89	11.50	10.94
DTE ELECTRIC		19.55	17.87	18.01	15.40	14.15	12.90	12.80	13.86	8.87	7.92	7.59
AEP (I&M) COMBINED		19.43	17.20	16.09	13.86	18.51	16.08	14.49	13.54	10.50	9.05	8.87
NORTHERN STATES POWER		15.57	13.60	12.61	12.46	11.17	12.19	11.03	10.33	11.58	11.51	11.50
UPPER PENINSULA POWER		25.41	22.24	20.65	18.06	16.06	13.00	12.08	11.53	9.11	7.33	6.18
UMERC (FORMERLY WEPCO)		16.80	14.91	13.96	15.40	13.73	13.48	13.44	11.57	10.03	9.60	7.26
UMERC (FORMERLY WPSC)		15.94	13.54	12.34	11.34	9.07	9.62	9.52	9.46	7.98	7.56	6.98
AVERAGE INVESTOR OWNED		18.62	16.58	15.68	14.74	13.95	13.65	12.64	11.98	9.76	8.92	8.27

Source: Michigan Public Service Commission Utility Rate Books

Compiled by the Regulated Energy Division

COMPARISON OF AVERAGE RATES (IN CENTS PER kWh)
FOR MPSC-REGULATED ELECTRIC UTILITIES IN MICHIGAN
August 1, 2021

	RESIDENTIAL			SMALL COMMERCIAL		LARGE COMMERCIAL			INDUSTRIAL		
kW				5	25	100	100	100	1,000	10,000	50,000
kWh	250	500	1,000	1,000	5,000	21,600	28,800	36,000	432,000	4,320,000	21,600,000
INVESTOR OWNED											
ALPENA POWER	14.94	13.76	13.17	13.60	12.69	12.79	11.43	10.48	9.08	6.85	6.82
CONSUMERS ENERGY	21.33	19.54	18.65	17.82	16.19	19.15	16.36	15.11	10.89	11.50	10.94
DTE ELECTRIC	19.56	17.88	18.01	15.40	14.15	12.90	12.80	13.86	8.87	7.92	7.59
AEP (I&M) COMBINED	19.44	17.21	16.09	13.99	18.56	16.13	14.55	13.59	10.50	9.05	8.87
NORTHERN STATES POWER	15.54	13.56	12.57	12.52	11.18	12.22	11.05	10.35	11.59	11.51	11.50
UPPER PENINSULA POWER	25.43	22.25	20.65	18.07	16.06	13.00	12.08	11.53	9.11	7.33	6.18
UMERC (FORMERLY WEPCO)	16.93	14.97	13.99	15.47	13.75	13.48	13.44	11.59	10.04	9.60	7.26
UMERC (FORMERLY WPSC)	15.94	13.54	12.34	11.34	9.07	9.62	9.52	9.46	7.98	7.56	6.98
AVERAGE INVESTOR OWNED	18.64	16.59	15.69	14.78	13.96	13.66	12.65	12.00	9.76	8.92	8.27

Source: Michigan Public Service Commission Utility Rate Books
Compiled by the Regulated Energy Division

COMPARISON OF AVERAGE RATES (IN CENTS PER kWh)
FOR MPSC-REGULATED ELECTRIC UTILITIES IN MICHIGAN
July 1, 2021

	RESIDENTIAL			SMALL COMMERCIAL		LARGE COMMERCIAL			INDUSTRIAL		
kW				5	25	100	100	100	1,000	10,000	50,000
kWh	250	500	1,000	1,000	5,000	21,600	28,800	36,000	432,000	4,320,000	21,600,000
INVESTOR OWNED											
ALPENA POWER	14.94	13.76	13.17	13.60	12.69	12.79	11.43	10.48	9.08	6.85	6.82
CONSUMERS ENERGY	22.98	33.58	32.68	17.75	16.12	19.08	16.30	15.04	10.83	11.44	10.87
DTE ELECTRIC	19.56	17.88	18.01	15.40	14.15	12.90	12.80	13.86	8.87	7.92	7.59
AEP (I&M) COMBINED	19.44	17.21	16.09	13.99	18.56	16.13	14.55	13.59	10.50	9.05	8.87
NORTHERN STATES POWER	15.54	13.56	12.57	12.52	11.18	12.22	11.05	10.35	11.59	11.51	11.50
UPPER PENINSULA POWER	25.18	22.00	20.40	17.82	15.81	12.75	11.83	11.28	8.86	7.08	5.93
UMERC (FORMERLY WEPCO)	16.78	14.82	13.85	15.33	13.60	13.34	13.29	11.44	9.89	9.45	7.11
UMERC (FORMERLY WPSC)	16.69	14.29	13.09	12.09	9.81	10.37	10.26	10.20	8.73	8.31	7.73
AVERAGE INVESTOR OWNED	18.89	18.39	17.48	14.81	13.99	13.70	12.69	12.03	9.79	8.95	8.30

Source: Michigan Public Service Commission Utility Rate Books

Compiled by the Regulated Energy Division

COMPARISON OF AVERAGE RATES (IN CENTS PER kWh)
FOR MPSC-REGULATED ELECTRIC UTILITIES IN MICHIGAN
June 1, 2021

	RESIDENTIAL			SMALL COMMERCIAL		LARGE COMMERCIAL			INDUSTRIAL		
kW				5	25	100	100	100	1,000	10,000	50,000
kWh	250	500	1,000	1,000	5,000	21,600	28,800	36,000	432,000	4,320,000	21,600,000
INVESTOR OWNED											
ALPENA POWER	14.94	13.76	13.17	13.60	12.69	12.79	11.43	10.48	9.08	6.85	6.82
CONSUMERS ENERGY	23.05	33.65	32.76	17.82	16.19	19.16	16.37	15.11	10.90	11.51	10.94
DTE ELECTRIC	19.56	17.88	18.01	15.40	14.15	12.90	12.80	13.86	8.87	7.92	7.59
AEP (I&M) COMBINED	19.44	17.21	16.09	13.99	18.56	16.13	14.55	13.59	10.50	9.05	8.87
NORTHERN STATES POWER	15.54	13.56	12.57	12.52	11.18	12.22	11.05	10.35	11.59	11.51	11.50
UPPER PENINSULA POWER	25.18	22.00	20.40	17.82	15.81	12.75	11.83	11.28	8.86	7.08	5.93
UMERC (FORMERLY WEPCO)	16.66	14.76	13.81	15.26	13.58	13.33	13.29	11.43	9.88	9.45	7.11
UMERC (FORMERLY WPSC)	16.69	14.29	13.09	12.09	9.81	10.37	10.26	10.20	8.73	8.31	7.73
AVERAGE INVESTOR OWNED	18.88	18.39	17.49	14.81	14.00	13.70	12.70	12.04	9.80	8.96	8.31

Source: Michigan Public Service Commission Utility Rate Books
Compiled by the Regulated Energy Division

COMPARISON OF AVERAGE RATES (IN CENTS PER kWh)
FOR MPSC-REGULATED ELECTRIC UTILITIES IN MICHIGAN
May 1, 2021

	RESIDENTIAL			SMALL COMMERCIAL		LARGE COMMERCIAL			INDUSTRIAL		
kW				5	25	100	100	100	1,000	10,000	50,000
kWh	250	500	1,000	1,000	5,000	21,600	28,800	36,000	432,000	4,320,000	21,600,000
INVESTOR OWNED											
ALPENA POWER	14.94	13.76	13.17	13.60	12.69	12.79	11.43	10.48	9.08	6.85	6.82
CONSUMERS ENERGY	20.43	18.64	17.75	17.70	16.07	17.20	14.83	13.82	10.42	9.52	8.96
DTE ELECTRIC	19.56	17.88	18.01	15.40	14.15	12.90	12.80	13.86	8.87	7.92	7.59
AEP (I&M) COMBINED	19.44	17.21	16.09	13.99	18.56	16.13	14.55	13.59	10.50	9.05	8.87
NORTHERN STATES POWER	15.54	13.56	12.57	12.52	11.18	12.22	11.05	10.35	11.59	11.51	11.50
UPPER PENINSULA POWER	25.18	22.00	20.40	17.82	15.81	12.75	11.83	11.28	8.86	7.08	5.93
UMERC (FORMERLY WEPCO)	16.78	14.82	13.85	15.33	13.60	13.34	13.29	11.44	9.89	9.45	7.11
UMERC (FORMERLY WPSC)	16.69	14.29	13.09	12.09	9.81	10.37	10.26	10.20	8.73	8.31	7.73
AVERAGE INVESTOR OWNED	18.57	16.52	15.62	14.81	13.98	13.46	12.51	11.88	9.74	8.71	8.06

Source: Michigan Public Service Commission Utility Rate Books
Compiled by the Regulated Energy Division

COMPARISON OF AVERAGE RATES (IN CENTS PER kWh)
FOR MPSC-REGULATED ELECTRIC UTILITIES IN MICHIGAN
April 1, 2021

	RESIDENTIAL			SMALL COMMERCIAL		LARGE COMMERCIAL			INDUSTRIAL		
kW				5	25	100	100	100	1,000	10,000	50,000
kWh	250	500	1,000	1,000	5,000	21,600	28,800	36,000	432,000	4,320,000	21,600,000
INVESTOR OWNED											
ALPENA POWER	15.19	14.01	13.42	13.85	12.94	13.04	11.68	10.73	9.33	7.10	7.07
CONSUMERS ENERGY	19.94	18.16	17.27	17.22	15.59	16.72	14.35	13.34	9.94	9.04	8.48
DTE ELECTRIC	19.56	17.88	18.01	15.40	14.15	12.90	12.80	13.86	8.87	7.92	7.59
AEP (I&M) COMBINED	19.44	17.21	16.09	13.99	18.56	16.13	14.55	13.59	10.50	9.05	8.87
NORTHERN STATES POWER	15.54	13.56	12.57	12.52	11.18	12.22	11.05	10.35	11.62	11.54	11.53
UPPER PENINSULA POWER	25.18	22.00	20.40	17.82	15.81	12.75	11.83	11.28	8.86	7.08	5.93
UMERC (FORMERLY WEPCO)	16.66	14.76	13.81	15.26	13.58	13.33	13.29	11.43	9.88	9.45	7.11
UMERC (FORMERLY WPSC)	16.53	14.13	12.93	12.31	10.03	10.49	10.39	10.33	8.75	8.33	7.75
AVERAGE INVESTOR OWNED	18.51	16.46	15.56	14.80	13.98	13.45	12.49	11.86	9.72	8.69	8.04

Source: Michigan Public Service Commission Utility Rate Books
Compiled by the Regulated Energy Division

COMPARISON OF AVERAGE RATES (IN CENTS PER kWh)
FOR MPSC-REGULATED ELECTRIC UTILITIES IN MICHIGAN
March 1, 2021

	RESIDENTIAL			SMALL COMMERCIAL		LARGE COMMERCIAL			INDUSTRIAL		
kW				5	25	100	100	100	1,000	10,000	50,000
kWh	250	500	1,000	1,000	5,000	21,600	28,800	36,000	432,000	4,320,000	21,600,000
INVESTOR OWNED											
ALPENA POWER	15.44	14.26	13.67	14.10	13.19	13.29	11.93	10.98	9.58	7.35	7.32
CONSUMERS ENERGY	19.94	18.16	17.27	17.21	15.59	16.72	14.34	13.34	9.94	9.04	8.48
DTE ELECTRIC	19.56	17.88	18.01	15.40	14.15	12.90	12.80	13.86	8.87	7.92	7.59
AEP (I&M) COMBINED	19.44	17.21	16.09	13.99	18.56	16.13	14.55	13.59	10.50	9.05	11.40
NORTHERN STATES POWER	15.57	13.56	12.57	12.55	11.21	12.26	11.09	10.39	11.62	11.54	11.53
UPPER PENINSULA POWER	25.18	22.00	20.40	17.82	15.81	12.75	11.83	11.28	8.86	7.08	5.93
UMERC (FORMERLY WEPCO)	16.78	14.82	13.85	15.33	13.60	13.34	13.29	11.44	9.89	9.45	7.11
UMERC (FORMERLY WPSC)	16.53	14.13	12.93	12.31	10.03	10.49	10.39	10.33	8.75	8.33	7.75
AVERAGE INVESTOR OWNED	18.56	16.50	15.60	14.84	14.02	13.48	12.53	11.90	9.75	8.72	8.39

Source: Michigan Public Service Commission Utility Rate Books
Compiled by the Regulated Energy Division

**COMPARISON OF AVERAGE RATES (IN CENTS PER kWh)
FOR MPSC-REGULATED ELECTRIC UTILITIES IN MICHIGAN
February 1, 2021**

	RESIDENTIAL			SMALL COMMERCIAL		LARGE COMMERCIAL			INDUSTRIAL		
kW				5	25	100	100	100	1,000	10,000	50,000
kWh	250	500	1,000	1,000	5,000	21,600	28,800	36,000	432,000	4,320,000	21,600,000
INVESTOR OWNED											
ALPENA POWER	15.94	14.76	14.17	14.60	13.69	13.79	12.43	11.48	10.08	7.85	7.82
CONSUMERS ENERGY	19.94	18.16	17.27	17.22	15.59	16.72	14.35	13.34	9.94	9.04	8.48
DTE ELECTRIC	19.56	17.88	18.01	15.40	14.15	12.90	12.80	13.86	8.87	7.92	7.59
AEP (I&M) COMBINED	19.46	17.23	16.12	13.94	18.52	16.08	14.50	13.54	10.51	9.05	11.40
NORTHERN STATES POWER	15.54	13.56	12.57	12.52	11.18	12.22	11.05	10.35	11.59	11.51	11.50
UPPER PENINSULA POWER	25.18	22.00	20.40	17.82	15.81	12.75	11.83	11.28	8.86	7.08	5.93
UMERC (FORMERLY WEPCO)	16.40	14.63	13.75	15.12	13.56	13.32	13.28	11.39	9.87	9.45	7.11
UMERC (FORMERLY WPSC)	16.53	14.13	12.93	12.31	10.03	10.49	10.39	10.33	8.75	8.33	7.75
AVERAGE INVESTOR OWNED	18.57	16.54	15.65	14.87	14.07	13.53	12.58	11.95	9.81	8.78	8.45

Source: Michigan Public Service Commission Utility Rate Books
Compiled by the Regulated Energy Division

COMPARISON OF AVERAGE RATES (IN CENTS PER kWh)
FOR MPSC-REGULATED ELECTRIC UTILITIES IN MICHIGAN
January 1, 2021

	RESIDENTIAL			SMALL COMMERCIAL		LARGE COMMERCIAL			INDUSTRIAL		
kW				5	25	100	100	100	1,000	10,000	50,000
kWh	250	500	1,000	1,000	5,000	21,600	28,800	36,000	432,000	4,320,000	21,600,000
INVESTOR OWNED											
ALPENA POWER	16.01	14.83	14.24	14.67	13.76	13.86	12.50	11.55	10.16	7.92	7.89
CONSUMERS ENERGY	19.94	18.16	17.27	17.22	15.59	16.72	14.35	13.34	9.94	9.04	8.48
DTE ELECTRIC	19.56	17.88	18.01	15.40	14.15	12.90	12.80	13.86	8.87	7.92	7.59
AEP (I&M) COMBINED	19.47	17.24	16.12	13.94	18.53	16.09	14.50	13.55	10.51	9.06	11.40
NORTHERN STATES POWER	15.54	13.56	12.57	12.52	11.18	12.22	11.05	10.35	11.59	11.51	11.50
UPPER PENINSULA POWER	25.18	22.00	20.40	17.82	15.81	12.75	11.83	11.28	8.86	7.08	5.93
UMERC (FORMERLY WEPCO)	16.78	14.82	13.85	15.33	13.60	13.34	13.29	11.44	9.89	9.45	7.11
UMERC (FORMERLY WPSC)	16.53	14.13	12.93	12.31	10.03	10.49	10.39	10.33	8.75	8.33	7.75
AVERAGE INVESTOR OWNED	18.63	16.58	15.67	14.90	14.08	13.55	12.59	11.96	9.82	8.79	8.46

Source: Michigan Public Service Commission Utility Rate Books
Compiled by the Regulated Energy Division

**COMPARISON OF AVERAGE RATES (IN CENTS PER kWh)
FOR MPSC-REGULATED ELECTRIC UTILITIES IN MICHIGAN
December 1, 2020**

	RESIDENTIAL			SMALL COMMERCIAL		LARGE COMMERCIAL			INDUSTRIAL		
kW				5	25	100	100	100	1,000	10,000	50,000
kWh	250	500	1,000	1,000	5,000	21,600	28,800	36,000	432,000	4,320,000	21,600,000
INVESTOR OWNED											
ALPENA POWER	16.22	15.04	14.45	14.88	13.95	14.05	12.69	11.74	10.34	8.11	8.06
CONSUMERS ENERGY	17.22	15.54	14.70	15.94	14.32	15.77	13.43	12.41	10.65	9.00	7.93
DTE ELECTRIC	19.55	17.86	18.00	15.39	14.14	12.88	12.79	13.84	8.86	7.90	7.58
AEP (I&M) COMBINED	18.89	16.66	15.54	13.36	17.95	15.51	13.92	12.97	9.93	8.48	10.82
NORTHERN STATES POWER	14.98	12.99	12.00	12.00	10.78	11.87	10.70	10.00	11.24	11.15	11.14
UPPER PENINSULA POWER	24.86	21.67	20.08	17.61	15.87	12.71	11.84	11.31	8.98	7.21	6.06
UMERC (FORMERLY WEPCO)	17.14	15.18	14.20	15.68	13.95	13.69	13.64	11.80	10.25	9.82	7.48
UMERC (FORMERLY WPSC)	16.88	14.48	13.28	12.66	10.38	10.84	10.73	10.67	9.11	8.69	8.11
AVERAGE INVESTOR OWNED	18.21	16.18	15.28	14.69	13.92	13.41	12.47	11.84	9.92	8.79	8.40

Source: Michigan Public Service Commission Utility Rate Books
Compiled by the Regulated Energy Division

COMPARISON OF AVERAGE RATES (IN CENTS PER kWh)
FOR MPSC-REGULATED ELECTRIC UTILITIES IN MICHIGAN
November 1, 2020

	RESIDENTIAL			SMALL COMMERCIAL		LARGE COMMERCIAL			INDUSTRIAL		
kW				5	25	100	100	100	1,000	10,000	50,000
kWh	250	500	1,000	1,000	5,000	21,600	28,800	36,000	432,000	4,320,000	21,600,000
INVESTOR OWNED											
ALPENA POWER	14.47	13.29	12.70	13.13	12.20	12.30	10.94	9.99	8.59	6.36	6.31
CONSUMERS ENERGY	17.38	15.70	14.85	16.10	14.48	15.93	13.59	12.57	10.80	9.16	8.08
DTE ELECTRIC	19.55	17.86	18.00	15.39	14.14	12.88	12.79	13.84	8.86	7.90	7.58
AEP (I&M) COMBINED	18.90	16.67	15.55	13.56	17.99	15.52	13.93	12.97	9.96	8.48	10.82
NORTHERN STATES POWER	14.98	12.99	12.00	12.00	10.78	11.87	10.70	10.00	11.24	11.15	11.14
UPPER PENINSULA POWER	24.86	21.67	20.08	17.61	15.87	12.71	11.84	11.31	8.98	7.21	6.06
UMERC (FORMERLY WEPCO)	17.48	15.35	14.28	16.26	14.07	13.71	13.66	11.80	10.26	9.82	7.48
UMERC (FORMERLY WPSC)	16.88	14.48	13.28	12.66	10.38	10.84	10.73	10.67	9.11	8.69	8.11
AVERAGE INVESTOR OWNED	18.06	16.00	15.09	14.59	13.74	13.22	12.27	11.64	9.73	8.60	8.20

Source: Michigan Public Service Commission Utility Rate Books
Compiled by the Regulated Energy Division

COMPARISON OF AVERAGE RATES (IN CENTS PER kWh)
FOR MPSC-REGULATED ELECTRIC UTILITIES IN MICHIGAN
October 1, 2020

	RESIDENTIAL			SMALL COMMERCIAL		LARGE COMMERCIAL			INDUSTRIAL		
kW				5	25	100	100	100	1,000	10,000	50,000
kWh	250	500	1,000	1,000	5,000	21,600	28,800	36,000	432,000	4,320,000	21,600,000
INVESTOR OWNED											
ALPENA POWER	14.47	13.29	12.70	13.13	12.20	12.30	10.94	9.99	8.59	6.36	6.31
CONSUMERS ENERGY	17.49	15.81	14.97	16.22	14.59	16.05	13.71	12.69	10.92	9.28	8.20
DTE ELECTRIC	19.55	17.86	18.00	15.39	14.14	12.88	12.79	13.84	8.86	7.90	7.58
AEP (I&M) COMBINED	19.44	17.00	15.78	14.00	18.08	15.54	13.94	12.99	10.06	8.49	10.83
NORTHERN STATES POWER	14.98	12.99	12.00	12.00	10.78	11.87	10.70	10.00	11.24	11.15	11.14
UPPER PENINSULA POWER	24.86	21.67	20.08	17.61	15.87	12.71	11.84	11.31	8.98	7.21	6.06
UMERC (FORMERLY WEPCO)	17.62	15.42	14.32	16.35	14.08	13.72	13.67	11.82	10.27	9.82	7.48
UMERC (FORMERLY WPSC)	16.88	14.48	13.28	12.66	10.38	10.84	10.73	10.67	9.11	8.69	8.11
AVERAGE INVESTOR OWNED	18.16	16.07	15.14	14.67	13.77	13.24	12.29	11.66	9.76	8.61	8.21

Source: Michigan Public Service Commission Utility Rate Books
Compiled by the Regulated Energy Division

COMPARISON OF AVERAGE RATES (IN CENTS PER kWh)
FOR MPSC-REGULATED ELECTRIC UTILITIES IN MICHIGAN
September 1, 2020

	RESIDENTIAL			SMALL COMMERCIAL		LARGE COMMERCIAL			INDUSTRIAL		
kW				5	25	100	100	100	1,000	10,000	50,000
kWh	250	500	1,000	1,000	5,000	21,600	28,800	36,000	432,000	4,320,000	21,600,000
INVESTOR OWNED											
ALPENA POWER	14.47	13.29	12.70	13.13	12.20	12.30	10.94	9.99	8.59	6.36	6.32
CONSUMERS ENERGY	17.30	15.62	16.01	16.12	14.49	17.93	15.13	13.83	11.19	9.55	8.47
DTE ELECTRIC	19.41	17.73	17.86	14.68	13.52	12.63	12.56	13.63	8.64	7.75	7.43
AEP (I&M) COMBINED	19.03	16.80	15.68	14.00	18.08	15.54	13.94	12.99	10.06	8.49	10.83
NORTHERN STATES POWER	14.98	12.99	12.00	12.00	10.78	11.87	10.70	10.00	11.24	11.15	11.14
UPPER PENINSULA POWER	24.86	21.67	20.08	17.61	15.87	12.71	11.84	11.31	8.98	7.21	6.06
UMERC (FORMERLY WEPCO)	15.79	13.66	12.59	14.57	12.37	12.02	11.97	10.11	8.57	8.13	5.78
UMERC (FORMERLY WPSC)	15.44	13.04	11.84	11.22	8.94	9.40	9.29	9.23	7.67	7.25	6.67
AVERAGE INVESTOR OWNED	17.66	15.60	14.84	14.16	13.28	13.05	12.05	11.39	9.37	8.23	7.84

Source: Michigan Public Service Commission Utility Rate Books
Compiled by the Regulated Energy Division

COMPARISON OF AVERAGE RATES (IN CENTS PER kWh) FOR MPSC-REGULATED ELECTRIC UTILITIES IN MICHIGAN
August 1, 2020

	RESIDENTIAL			SMALL COMMERCIAL		LARGE COMMERCIAL			INDUSTRIAL		
kW				5	25	100	100	100	1,000	10,000	50,000
kWh	250	500	1,000	1,000	5,000	21,600	28,800	36,000	432,000	4,320,000	21,600,000
INVESTOR OWNED											
ALPENA POWER	14.47	13.29	12.70	13.13	12.20	12.30	10.94	9.99	8.59	6.36	6.32
CONSUMERS ENERGY	17.39	15.71	16.10	16.21	14.58	18.02	15.22	13.92	11.28	9.64	8.56
DTE ELECTRIC	18.94	17.26	17.39	14.20	13.04	12.15	12.09	13.16	8.16	7.28	6.96
AEP (I&M) COMBINED	19.03	16.80	15.68	14.00	18.02	15.53	13.93	12.98	10.02	8.07	10.83
NORTHERN STATES POWER	14.98	13.00	12.00	12.00	10.78	11.87	10.70	10.00	11.24	11.15	11.14
UPPER PENINSULA POWER	24.86	21.68	20.08	17.61	15.87	12.71	11.84	11.31	8.98	7.21	6.06
UMERC (FORMERLY WEPCO)	15.91	13.71	12.61	14.67	12.39	12.02	11.97	10.15	8.57	8.13	5.78
UMERC (FORMERLY WPSC)	15.43	13.03	11.83	11.24	8.95	9.39	9.29	9.23	7.67	7.25	6.66
AVERAGE INVESTOR OWNED	17.63	15.56	14.80	14.13	13.23	13.00	12.00	11.34	9.31	8.13	7.79

Source: Michigan Public Service Commission Utility Rate Books
Compiled by the Regulated Energy Division

COMPARISON OF AVERAGE RATES (IN CENTS PER kWh)
FOR MPSC-REGULATED ELECTRIC UTILITIES IN MICHIGAN
July 1, 2020

	RESIDENTIAL			SMALL COMMERCIAL		LARGE COMMERCIAL			INDUSTRIAL		
kW				5	25	100	100	100	1,000	10,000	50,000
kWh	250	500	1,000	1,000	5,000	21,600	28,800	36,000	432,000	4,320,000	21,600,000
INVESTOR OWNED											
ALPENA POWER	15.72	14.54	13.95	14.38	13.45	13.55	12.19	11.24	9.84	7.61	7.57
CONSUMERS ENERGY	17.55	15.87	16.26	16.04	14.42	18.08	15.31	13.64	11.35	9.81	8.73
DTE ELECTRIC	18.94	17.26	17.39	14.20	13.04	12.15	12.09	13.16	8.16	7.28	6.96
AEP (I&M) COMBINED	19.03	16.80	15.68	14.00	18.08	15.54	13.94	12.99	10.06	8.49	10.83
NORTHERN STATES POWER	14.98	13.00	12.00	12.00	10.78	11.87	10.70	10.00	11.24	11.15	11.14
UPPER PENINSULA POWER	24.86	21.68	20.08	17.61	15.87	12.71	11.84	11.31	8.98	7.21	6.06
UMERC (FORMERLY WEPCO)	15.91	13.71	12.61	14.67	12.39	12.02	11.97	10.15	8.57	8.13	5.78
UMERC (FORMERLY WPSC)	15.43	13.03	11.83	11.24	8.95	9.39	9.29	9.23	7.67	7.25	6.66
AVERAGE INVESTOR OWNED	17.80	15.73	14.97	14.27	13.37	13.17	12.17	11.46	9.49	8.36	7.97

Source: Michigan Public Service Commission Utility Rate Books
Compiled by the Regulated Energy Division

COMPARISON OF AVERAGE RATES (IN CENTS PER kWh)
FOR MPSC-REGULATED ELECTRIC UTILITIES IN MICHIGAN
June 1, 2020

	RESIDENTIAL			SMALL COMMERCIAL		LARGE COMMERCIAL			INDUSTRIAL		
kW				5	25	100	100	100	1,000	10,000	50,000
kWh	250	500	1,000	1,000	5,000	21,600	28,800	36,000	432,000	4,320,000	21,600,000
INVESTOR OWNED											
ALPENA POWER	15.97	14.79	14.20	14.63	13.70	13.80	12.44	11.49	10.09	7.86	7.82
CONSUMERS ENERGY	17.65	15.96	16.35	16.13	14.51	18.17	15.40	13.73	11.45	9.90	8.83
DTE ELECTRIC	18.94	17.26	17.39	14.20	13.04	12.15	12.09	13.16	8.16	7.28	6.96
AEP (I&M) COMBINED	19.03	16.80	15.68	14.00	18.08	15.54	13.94	12.99	10.06	8.49	10.83
NORTHERN STATES POWER	14.98	13.00	12.00	12.00	10.78	11.87	10.70	10.00	11.24	11.15	11.14
UPPER PENINSULA POWER	24.86	21.68	20.08	17.61	15.87	12.71	11.84	11.31	8.98	7.21	6.06
UMERC (FORMERLY WEPCO)	16.76	14.63	13.57	15.58	13.38	13.02	12.97	11.11	9.53	9.10	6.76
UMERC (FORMERLY WPSC)	16.21	13.81	12.61	12.03	9.74	10.17	10.06	10.00	8.43	8.00	7.42
AVERAGE INVESTOR OWNED	18.05	15.99	15.24	14.52	13.64	13.43	12.43	11.72	9.74	8.62	8.22

Source: Michigan Public Service Commission Utility Rate Books
Compiled by the Regulated Energy Division

COMPARISON OF AVERAGE RATES (IN CENTS PER kWh)
FOR MPSC-REGULATED ELECTRIC UTILITIES IN MICHIGAN
May 1, 2020

	RESIDENTIAL			SMALL COMMERCIAL		LARGE COMMERCIAL			INDUSTRIAL		
kW				5	25	100	100	100	1,000	10,000	50,000
kWh	250	500	1,000	1,000	5,000	21,600	28,800	36,000	432,000	4,320,000	21,600,000
INVESTOR OWNED											
ALPENA POWER	15.86	14.67	14.08	14.52	13.68	13.75	12.40	11.46	10.06	7.85	7.82
CONSUMERS ENERGY	17.58	15.89	15.05	15.96	14.35	16.02	13.71	12.32	10.75	7.80	6.77
DTE ELECTRIC	18.62	16.94	16.89	14.36	13.20	12.31	12.24	12.37	8.65	7.75	7.45
AEP (I&M) COMBINED	18.57	16.33	15.22	13.60	17.68	15.14	13.54	12.59	9.73	8.15	10.49
NORTHERN STATES POWER	14.98	13.00	12.00	12.00	10.78	11.87	10.70	10.00	11.24	11.15	11.14
UPPER PENINSULA POWER	24.86	21.68	20.08	17.61	15.87	12.71	11.84	11.31	8.98	7.21	6.06
UMERC (FORMERLY WEPCO)	16.91	14.70	13.60	15.68	13.40	13.03	12.98	11.12	9.54	9.10	6.76
UMERC (FORMERLY WPSC)	16.21	13.81	12.61	12.03	9.74	10.17	10.06	10.00	8.43	8.00	7.42
AVERAGE INVESTOR OWNED	17.95	15.88	14.94	14.47	13.59	13.12	12.18	11.40	9.67	8.38	7.99

Source: Michigan Public Service Commission Utility Rate Books
Compiled by the Regulated Energy Division

COMPARISON OF AVERAGE RATES (IN CENTS PER kWh)
FOR MPSC-REGULATED ELECTRIC UTILITIES IN MICHIGAN
April 1, 2020

	RESIDENTIAL			SMALL COMMERCIAL		LARGE COMMERCIAL			INDUSTRIAL		
kW				5	25	100	100	100	1,000	10,000	50,000
kWh	250	500	1,000	1,000	5,000	21,600	28,800	36,000	432,000	4,320,000	21,600,000
INVESTOR OWNED											
ALPENA POWER	16.11	14.92	14.33	14.77	13.93	14.00	12.65	11.71	10.31	8.10	8.07
CONSUMERS ENERGY	17.61	15.92	15.08	15.99	14.38	16.05	13.74	12.35	10.94	7.84	6.80
DTE ELECTRIC	18.62	16.94	16.89	14.36	13.20	12.31	12.24	12.37	8.65	7.75	7.45
AEP (I&M) COMBINED	18.57	16.33	15.22	13.60	17.68	15.14	13.54	12.59	9.73	8.15	10.49
NORTHERN STATES POWER	14.90	13.00	12.00	11.92	10.70	11.81	10.63	9.93	11.18	11.08	11.08
UPPER PENINSULA POWER	24.86	21.68	20.08	17.61	15.87	12.71	11.84	11.31	8.98	7.21	6.06
UMERC (FORMERLY WEPCO)	16.98	14.85	13.79	15.80	13.60	13.24	13.19	11.33	9.75	9.32	6.98
UMERC (FORMERLY WPSC)	16.08	13.68	12.48	12.73	10.44	10.66	10.56	10.49	8.69	8.26	7.68
AVERAGE INVESTOR OWNED	17.96	15.91	14.98	14.60	13.72	13.24	12.30	11.51	9.78	8.46	8.07

Source: Michigan Public Service Commission Utility Rate Books
Compiled by the Regulated Energy Division

COMPARISON OF AVERAGE RATES (IN CENTS PER kWh)
FOR MPSC-REGULATED ELECTRIC UTILITIES IN MICHIGAN
March 1, 2020

	RESIDENTIAL			SMALL COMMERCIAL		LARGE COMMERCIAL			INDUSTRIAL		
kW				5	25	100	100	100	1,000	10,000	50,000
kWh	250	500	1,000	1,000	5,000	21,600	28,800	36,000	432,000	4,320,000	21,600,000
INVESTOR OWNED											
ALPENA POWER	16.11	14.92	14.33	14.77	13.93	14.00	12.65	11.71	10.31	8.10	8.07
CONSUMERS ENERGY	17.68	15.99	15.15	16.06	14.45	16.13	13.81	12.42	11.01	7.91	6.87
DTE ELECTRIC	18.62	16.94	16.89	14.17	13.04	12.27	12.22	12.35	8.55	7.74	7.45
AEP (I&M) COMBINED	18.57	16.33	15.22	13.60	17.68	15.14	13.54	12.59	9.73	8.15	10.49
NORTHERN STATES POWER	14.98	13.00	12.00	12.00	10.78	11.87	10.70	10.00	11.24	11.15	11.14
UPPER PENINSULA POWER	24.86	21.68	20.08	17.61	15.87	12.71	11.84	11.31	8.98	7.21	6.06
UMERC (FORMERLY WEPCO)	17.13	14.92	13.82	15.90	13.62	13.25	13.20	11.34	9.76	9.32	6.98
UMERC (FORMERLY WPSC)	16.08	13.68	12.48	12.73	10.44	10.66	10.56	10.49	8.69	8.26	7.68
AVERAGE INVESTOR OWNED	18.00	15.93	15.00	14.60	13.73	13.25	12.31	11.53	9.78	8.48	8.09

Source: Michigan Public Service Commission Utility Rate Books

Compiled by the Regulated Energy Division

FRANK PALLONE, JR., NEW JERSEY
CHAIRMAN

CATHY McMORRIS RODGERS, WASHINGTON
RANKING MEMBER

ONE HUNDRED SEVENTEENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON ENERGY AND COMMERCE
2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6115

Majority (202) 225-2927
Minority (202) 225-3641

March 21, 2022

Mr. Jerry Norcia
President & Chief Executive Officer
DTE Energy
1 Energy Plaza
Detroit, MI 48226

Dear Mr. Norcia:

Despite broad assurances from the electric utility industry in early 2020, we have seen alarming reports of high customer shutoff rates during the coronavirus disease of 2019 (COVID-19) pandemic for certain utilities, including yours. In an effort to further examine these concerns, pursuant to Rules X and XI of the U.S. House of Representatives, the Committee on Energy and Commerce requests information regarding DTE Energy's shut-off data, arrearage data, and energy assistance programs during the COVID-19 pandemic.

In the spring of 2020, the utility industry made the argument to this Committee, as well as to other committees and agencies, that a federal mandatory shutoff moratorium was not necessary because a patchwork of state and local moratoriums had already begun to take shape. In a letter circulated on April 28, 2020, the investor-owned utility industry argued that a state-level approach was sufficient to address shutoff concerns.[1]

Nevertheless, a September 2021 report entitled *Powerless in the Pandemic* identified electric utilities that lobbied against a federal shutoff moratorium, received Coronavirus Aid Relief and Economic Security Act (CARES) funding, and still shut off utilities for customers. The report found that American families had their power cut nearly one million times between July 2020 and June 2021 by 16 utilities that also received $1.25 billion in federal aid.[2] This money, the report argues, would be more than enough to cover the costs of the power shutoffs. The report further argues that a correlation exists between utility shutoffs and increased COVID-19 infection and death rates.

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[1] *Congress under pressure as states lift electricity shut-off bans during coronavirus crisis*, The Washington Post (Aug. 6, 2020).

[2] Bailout Watch and the Center for Biological Diversity, *Powerless in the Pandemic After Bailouts, Electric Utilities Chose Profits Over People* (Sept. 2021).

Furthermore, a working paper published by the National Bureau for Economic Research found that, had a nationwide ban on disconnections been in effect from March to November 2020, COVID-19 infections could have been reduced by 8.7 percent and COVID-related deaths could have been reduced by 14.8 percent.[3]

According to the National Energy Assistance Directors' Association (NEADA), total utility arrearages increased from $20.2 billion in 2020 to about $22.3 billion in 2021, with average arrearages increasing from $879 to $1,060.[4] These trends, coupled with rising energy prices and the destabilization in volatile global energy markets as a result of the crisis in Ukraine, are especially concerning for low-income families.

Congress and two administrations have taken steps to alleviate the pressure of rising energy prices on Americans since the beginning of the pandemic, including $5.4 billion in supplemental funding for the Low Income Home Energy Assistance Program (LIHEAP) through CARES and the American Rescue Plan. Furthermore, the Infrastructure Investment and Jobs Act, also known as the Bipartisan Infrastructure Law, included an additional $500 million for LIHEAP and $3.5 billion for the Weatherization Assistance Program. Despite these critical investments, we remain concerned about the financial impacts on struggling Americans. According to the U.S. Census Bureau's Household Pulse Survey, in the last year, 29 percent of Americans surveyed had to reduce or forego expenses for basic necessities to pay an energy bill.[5]

We understand that federal money received by utilities over the course of the pandemic has multiple applications, but we are disturbed by the alarming reports of shutoffs over the last two years. Additionally, as state shutoff moratoriums expire, we are concerned about the financial pressure on customers. Therefore, we write to collect additional data on the shutoff and arrearage numbers in your service territory, and to ensure that vulnerable Americans are protected.

In order for this Committee, Congress, and the Administration to provide assistance effectively and efficiently to those who need it most, we ask you to respond to the following regarding shut off data, arrearage data, and energy assistance by no later than April 4, 2022.

Please provide us with the following:

1. The current 30-, 60-, and 90-day arrearage data for residential customers, including the number of households in each category and how many receive LIHEAP assistance;

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[3] National Bureau of Economic Research, *Housing Precarity & the COVID-19 Pandemic: Impacts of Utility Disconnection and Deaths Across US Counties* (Jan. 2021).

[4] National Energy Assistance Directors' Association, *Arrearage and Moratorium Update* (Jan. 20, 2022) (neada.org/wp-content/uploads/2022/01/arrearagesjan2022.pdf).

[5] The National Energy Assistance Directors' Association, *Press Release: Gasoline and Home Heating Will Cost More than Christmas Gifts this Winter* (Nov. 22, 2021) (press release).

2. A comparison of the current 30-, 60-, and 90-day arrearage data against pre-pandemic 30-, 60-, and 90-day arrearage data from 2019, and the same data from 2020 and 2021;

3. Total arrearage data for the 2019, 2020, and 2021 calendar years, including the range of amount owed and distribution of amount owed;

4. Electricity shutoff data for 2019, 2020, and 2021, and the average duration of such shutoffs;

5. A summary of the duration of the pandemic-related shut off moratorium in your state and any resulting actions you took related to customer outreach regarding shutoff moratoriums and the availability of assistance programs;

6. A summary of your shutoff policies when there is no active moratorium;

7. Your plan for addressing the needs of your most vulnerable customers in the coming months, and whether any shutoff moratoriums are currently in effect;

8. A description of any programs or assistance you currently offer to low-income customers;

9. An accounting of any programs or assistance you began to offer specifically related to the COVID-19 pandemic, and an explanation of whether or not these programs and assistance continue to this day;

10. Your assessment of need for energy assistance in your service territory;

11. A summary of your experiences with your state's LIHEAP administration;

12. A summary of whether supplemental LIHEAP assistance provided through COVID relief bills helped avert shutoffs in your service territory, and whether LIHEAP assistance received met the need in your territory;

13. According to the Center for Budget and Policy Priorities, the Child Tax Credit helped low-income families pay for basic necessities, including utility bills.[6] Looking ahead, with the expiration of the child tax credit, are you anticipating additional shutoffs?

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[6] Center on Budget and Policy Priorities, *9 in 10 Families With Low Incomes Are Using Child Tax Credits to Pay for Necessities, Education* (Oct. 21, 2021) (www.cbpp.org/blog/9-in-10-families-with-low-incomes-are-using-child-tax-credits-to-pay-for-necessities-education).

We look forward to your timely response to this request. If you have any questions, please contact Medha Surampudy or Rebekah Jones on the Committee staff at (202) 225-2927.

Sincerely,

Frank Pallone, Jr.
Chairman

Diana DeGette
Chair
Subcommittee on Oversight
and Investigations

Bobby L. Rush
Chairman
Subcommittee on Energy

cc: The Honorable Cathy McMorris Rodgers
Ranking Member
Committee on Energy and Commerce

ENERGY NEWS NETWORK

MIDWEST

Detroit energy activists push to hold utilities accountable during power outages

Activists gathered last week to support a new package of bills to increase financial relief for customers during power outages and force more accountability from utilities.

by **Eleanore Catolico** and **Nina Ignaczak / Planet Detroit**
May 3, 2022

Michelle Jones speaks to a crowd at an energy accountability rally at the Avalon Village community space in Highland Park. Credit: Eleanore Catolico

This article is co-published by the Energy News Network and Planet Detroit with support from the Race and Justice Reporting Initiative at the Damon J. Keith Center for Civil Rights at Wayne State University.

When Michelle Jones lost electricity for three days last summer, the $200 worth of food she had just bought to feed herself, her daughter, and her granddaughter got spoiled in the fridge and then thrown into the garbage.

After she couldn't salvage her groceries, she was denied a $25 reimbursement credit for her troubles. It was frustrating for Jones, who was on a $300 monthly payment plan for utility service.

The issue is top of mind for many Detroiters, who already pay a significant share of their income in utility bills, after severe storms last year left thousands of people across southeast Michigan without electricity for days.

Jones, an energy activist, rattled off these grievances to over a dozen bundled-up onlookers on a chilly afternoon last Wednesday at the Avalon Village community space in Highland Park. Environmental justice activist groups, including Soulardarity, We the People, Detroit Action, the Michigan Environmental Justice Coalition, and others, organized the rally.

Invoking the oratorical gifts of a pastor, Jones asked the crowd a few simple questions.

"Are you tired yet?" she asked.

They responded with a smattering of yeses.

"Are you tired of watching your energy bill go up?"

"Yes," the crowd answered, this time louder.

U-20836
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"While your energy service goes down? Are you tired of power outages where you lose food?"

A third yes resounded. Jones was tired. They were all tired.

Activists at an energy accountability rally at the Avalon Village community space in Highland Park.

Jones was among dozens of energy activists who gathered to support a new package of bills introduced by state Reps. Abraham Aiyash, D-Hamtramck, and Yousef Rabhi, D-Ann Arbor, to increase financial relief for customers during power outages and force more accountability from utilities.

House Bill **6043** sets a formula for utilities to issue bill credits to residents for losses incurred during power outages that increases with the time of the outage. **HB 6045** would give customers a $100 credit if they experienced four service interruptions lasting an hour or more within the previous 12 months.

If the customer experiences more than four outages, they'd receive a $200 credit on their bill.

The bills come on the heels of a March **order** by the Michigan Public Service Commission, the state's utility oversight body, to increase the previously required credit of $25 per day to $35 per day.

Under "catastrophic conditions" with more than 10% of customers losing power, credits would kick in after 96 hours instead of the previous 120 hours. The new order added a new "gray sky" scenario that would trigger credits after 48 hours when between 1% and 10% of customers lose power. Under normal conditions, credits kick in after 16 hours, the same as the prior rule.

The order also requires utilities to automatically issue bill credits to customers rather than requiring customers to request them. According to Amy Bandyk, executive director of the nonprofit advocacy group Citizens Utility Board of Michigan, that's important because many Michigan utility customers don't know they are eligible for bill credits. A CUB report showed that in 2017, Consumers Energy and DTE Energy **paid a fraction of the eligible credits** owed to affected customers.

"Ultimately, it was on the customer to say, 'I had this outage, it fell within the credit guidelines, and now I'm requesting the credit.' So people weren't doing that," Bandyk said. "They weren't aware it existed, and they weren't getting the money."

CUB had lobbied for a $2 per hour credit that increased with the power outage duration; in its order, the Public Service Commission wrote that CUB's proposal was "unreasonable."

In an email statement to Planet Detroit, Commissioner Dan Scripps provided context for the decision: "In response to comments received from utility stakeholders that raised concerns about both the mechanics of allocating credits on an hourly basis and the likelihood that such an approach would lead to an increased number of complaints from customers, the Commission determined that the $35 credit for each additional day a customer remains without power was more reasonable than CUB's initial proposal," Scripps said.

Other bills in the package would create additional accountability measures. **HB 6044** would prohibit utilities from including bill credits for outages in rate applications; **HB 6047** would require the commission to conduct reviews of distribution grid plans as contested cases, allowing advocates to intervene; **HB 6046** would require utilities to report the duration and frequency of outages on customers' bills.

Aiyash said the compensation figures in HB 6043 were outlined in collaboration with community organizations.

"We sat down with those who know where the impacts are and where the pain is. And we were able to draft that legislation together. So the number came from a sound perspective," he said.

If passed, the utility compensation measure would be the first of its kind in Michigan, Aiyash said.

Rep. Abraham Aiyash, D-Hamtramck, speaks to a crowd at an energy accountability rally at the Avalon Village community space in Highland Park. Credit: Angela Lugo-Thomas / Planet Detroit

Rabhi told Planet Detroit that the legislative package is designed to counter the power of electric and gas utilities in Michigan that "run Lansing unchecked," he said, with "disastrous consequences of what happens when you leave utilities essentially unregulated."

"There's very little accountability when the power goes out to make sure that the utilities are fixing their grid and upgrading it and ensuring that there's not going to be future outages like this," he added.

The state's energy grid is **one of the least reliable in the country**, with frequent and lengthy outages. And as climate change intensifies, the aging energy infrastructure is more vulnerable to the pummeling of the elements.

"We have more outages, and there's a reason for that," Rabhi said. "We have what I see as the worst of the worst-case scenario. We don't have competition, on the one hand. And on the other hand, we don't have true government regulation because the utilities have the ability to influence elections in a very serious and dramatic way." Campaign finance records **show** that DTE Energy, Consumers Energy, ITC Holdings, and SEMCO gave over $50,000 to Rabhi's utility-friendly rivals in 2018. Rabhi would like to see a ban on utilities making campaign contributions.

Despite some bipartisan co-sponsorship and support from activists, citizens, business owners, and ratepayers, Rabhi is less than optimistic that these bills will progress this year.

"Of course, the opposition from the utilities is still very strong. And I doubt, if I'm being realistic, that they will allow for this to come forward because they control the process in a real way. And so they're going to do everything in their power to make sure that this doesn't happen," he said.

DTE Energy called the proposed legislation "unnecessary."

The Public Service Commission "has already conducted a thorough review, with input from all interested parties, and issued orders last month approving new service quality and technical standards including compensation and automatic credits for customers experiencing an outage," DTE spokesperson Jill M. Wilmot said in an email.

Wilmot added that DTE is also addressing the cause of outages by accelerating investments in grid hardening and has committed $90 million to improve tree trimming efforts without raising rates. And under a five-year plan, the company is working to make the grid more resilient against severe weather, in hopes of reducing the cost of outages to utility customers.

In January, DTE asked the commission for a rate increase to help pay for improvements to its service, infrastructure, and clean energy initiatives. If approved, a residential utility customer's monthly bill would increase by $10.

However, Wilmot said the true financial impact of the proposed rate increase won't be determined until the commission makes a decision later this year. Any new rate would not go into effect until this November.

"DTE's average monthly residential electric bill is below the industry average, and the company is committed to continuing to keep bills affordable for customers," she said.

But Aiyash called on utilities to up their game to fix the region's electric grid.

"The idea here is we want our utility companies to hire more utility workers to fix the issues as they happen," he told the crowd. "We want them to actually invest in retrofitting and upgrading and making sure that our grid is climate resilient, so [the utility company] can't blame a little bit of wind and a little bit of rain, which shouldn't be taking out people's power in the first place."

"I live in Detroit. I'm from the east side," said Kamau Clark, an organizer with We the People. In the wake of last year's outages, the organization helped people who lost power get groceries and shelter. "All my life, we had power outages; they would run up to three days, four days, five days."

Bridget Vial, an organizer with the Michigan Environmental Justice Coalition, wants to see solar panels atop her neighbors' roofs as well as schools. She hopes that no person would come home to an energy bill they can't afford.

"Our bills go up every year, and the electric grid is crumbling," she said. "We've had a chance to truly push back on this kind of corruption with people power to demand that our elected officials are putting their constituents over DTE profit."

ELEANORE CATOLICO

Eleanore is a writer and reporter living in Detroit. She's currently the environment and energy fellow for Planet Detroit and Energy News Network, where she covers how policies impact communities of color. Her work previously appeared in Chalkbeat, WDET 101.9 FM, Bridge Detroit, Yes! Magazine, and other local and national publications.

More by Eleanore Catolico

NINA IGNACZAK / PLANET DETROIT

Nina Ignaczak is the founder and executive editor of Planet Detroit.

More by Nina Ignaczak / Planet Detroit

VIBRANT CLEAN ENERGY

Electrification and Decarbonization Pathways for Michigan

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1 Study Description

Major utilities in the state of Michigan have released their Integrated Resource Plans (IRPs) outlining their projections for meeting demand out to 2050. The Governor of Michigan, in the meantime, signed an Executive Directive for Michigan to become carbon neutral economy-wide by 2050. In the present study, Vibrant Clean Energy, LLC (VCE®) was commissioned by Vote Solar to study the IRPs released by the major utilities in the lower peninsula of Michigan and compare them against scenarios that achieve the Governor's carbon neutrality goal for the state. The modeling in this study was performed through 2050 using WIS:dom®-P, a state-of-the-art model capable of performing detailed capacity expansion and production cost while co-optimizing utility-scale generation, storage, transmission, and distributed energy resources (DERs). The modeled scenarios use the National Renewable Energy Laboratory (NREL) Annual Technology Baseline (ATB) 2020 "advanced" cost projections for installed capital and Operation and Maintenance (O&M) costs. For fuel costs, projections from the Annual Energy Outlook (AEO) 2020 High Oil and Gas supply scenario are used.[1]

The scenarios modeled in the present study are as follows:

(1) **Business-as-usual with major utilities in Michigan following their respective IRPs ("IRP"):** In this scenario, major utilities in Michigan follow their respective IRPs for capacity additions or retirements. The portions of Michigan not covered by the IRPs undergo optimal capacity expansion. The model does not co-optimize the distribution system with the utility-scale generation (as this is not included in the IRPs released by the utilities in Michigan). The model follows all existing RPS and greenhouse gas mandates passed into law. In addition, the model enforces Consumers Energy to reduce its electricity sector emission by 90% as declared by the utility in a recent announcement.[2] WIS:dom-P is constrained to follow the capacity changes in the IRP unless additional capacity is needed for reliability or to meet emission reduction goals or mandates. In this scenario, Michigan does not undergo economy-wide electrification.

(2) **Electrify and decarbonize Michigan in line with the Governor's Executive Directive without distribution co-optimization ("Decarb+nonOptDER"):** In this scenario, Michigan undergoes economy-wide electrification of energy related activities and completely decarbonizes the electricity sector by 2050. In addition, the scenario must meet 30% of demand from renewable electricity by 2025. In this scenario the distribution system is not co-optimized with the utility-scale grid. Natural gas fired power plants with carbon capture and sequestration (CCS) and advanced nuclear power plants [small modular reactors (SMR) and molten salt reactors (MSR)] are allowed to be installed after 2025 and 2035, respectively, if determined cost-optimal by WIS:dom-P.

[1] https://www.eia.gov/outlooks/aeo/data/browser/#/?id=3-AEO2020&region=1-0&cases=highogs&start=2018&end=2050&f=A&linechart=highogs-d112619a.3-3-AEO2020.1-0~highogs-d112619a.36-3-AEO2020.1-0~highogs-d112619a.37-3-AEO2020.1-0~highogs-d112619a.38-3-AEO2020.1-0~highogs-d112619a.39-3-AEO2020.1-0~highogs-d112619a.40-3-AEO2020.1-0&map=highogs-d112619a.4-3-AEO2020.1-0&sourcekey=0

[2] https://www.usnews.com/news/best-states/michigan/articles/2021-06-23/consumers-energy-plans-to-complete-coal-phaseout-by-2025

(3) **Electrify and decarbonize Michigan in line with the Governor's Executive Directive with distribution co-optimization ("Decarb+optDER"):** This scenario is identical to "Decarb+nonOptDER" scenario with the single exception that the distribution system grids are co-optimized with the utility-scale grid.

The scenarios are initialized and calibrated with 2018 generator, generation, and transmission topology datasets. The model then determines a pathway from 2020 through 2050 with results outputted every 5 years. As part of the optimal capacity expansion, WIS:dom-P must ensure each grid meets reliability constraints through enforcing the planning reserve margins specified by the North American Electric Reliability Corporation (NERC) and having a 7% load following reserve available at all times. Detailed technical documentation describes the mathematics and formulation of the WIS:dom-P software along with input datasets and assumptions.[3]

[3] https://vibrantcleanenergy.com/wp-content/uploads/2020/08/WISdomP-Model_Description(August2020).pdf

1.1 WIS:dom®-P Model Setup

To investigate the various scenarios, as described in the previous section, WIS:dom-P modeled the state of Michigan (upper and lower peninsula) with its existing generator topology, transmission, and weather inputs obtained from National Oceanic and Atmospheric Administration (NOAA) High Resolution Rapid Refresh (HRRR) model[4] at 3-km horizontal resolution and 5-minute time resolution. The initialized generator dataset is created by aligning the Energy Information Administration Form 860 (EIA-860) dataset[5] with the 3-km HRRR model grid. The existing generator topology in Michigan in 2018 along with existing transmission at 3-km resolution is shown in Figure 1.1.

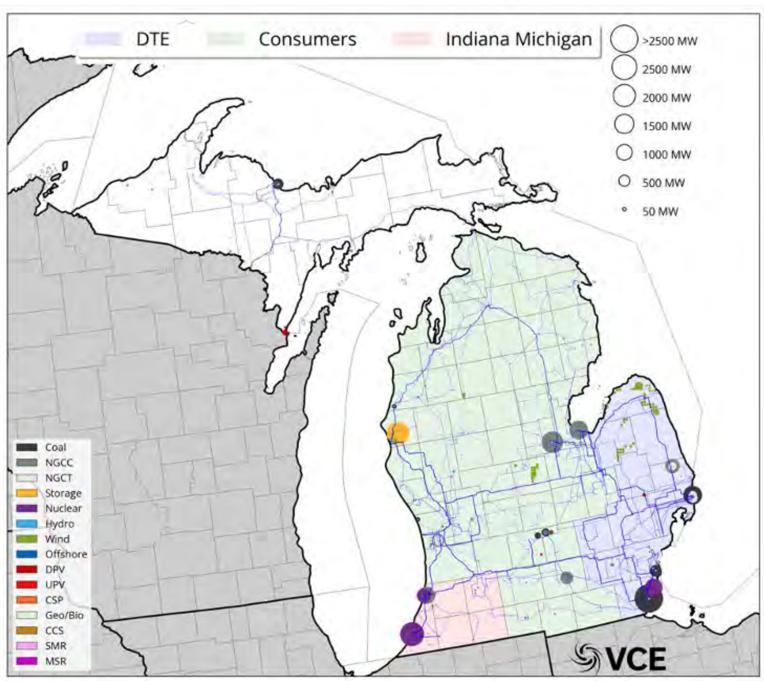

Figure 1.1: WIS:dom-P model domain and existing generators with transmission. The regions shaded show territories of the major Michigan utilities.

Existing transmission corridors between Michigan and neighboring states are modeled as imports and exports and are constrained to be consistent with limits set by MISO. The energy prices for the imports and exports are provided by a background modeling scenario ("CE-DER") from a previous study.[6] In addition, the transmission capacities between Michigan and neighboring states are assumed to remain constant over the modeling period.

Weather inputs obtained from National Oceanic and Atmospheric Administration (NOAA) High Resolution Rapid Refresh (HRRR) model[7] at 3-km horizontal resolution

[4] https://rapidrefresh.noaa.gov/hrrr/
[5] https://www.eia.gov/electricity/data/eia860/
[6] https://www.vibrantcleanenergy.com/wp-content/uploads/2020/12/WhyDERs_TR_Final.pdf
[7] https://rapidrefresh.noaa.gov/hrrr/

and 5-minute time resolution are used in WIS:dom-P for applications with load, transmission and most noticeably with the dispatch and placement of solar and wind. The average fixed latitude tilt solar capacity factors and 100-m hub-height wind capacity factors calculated from the HRRR model output over the model domain are shown in Fig. 1.2. Michigan's wind resource is highest over the eastern part of the lower peninsula (the "thumb") and western portion of the upper peninsula along with a significantly stronger offshore resource. The solar resource is highest over the over the western part of upper peninsula and central portion of the lower peninsula.

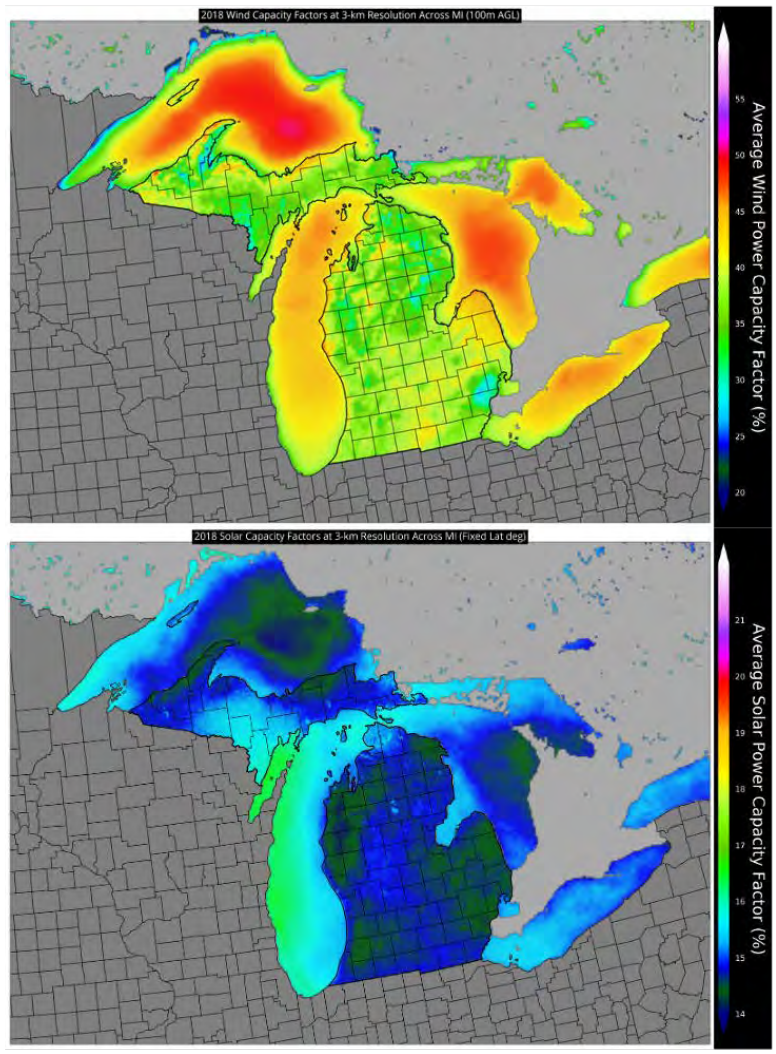

Figure 1.2: Average capacity factors for 100-m hub-height wind (top) and fixed axis latitude tilt solar (bottom) over the state of Michigan calculated from the HRRR model outputs.

2 Modeling Results

2.1 System Costs, Retail Rates & Jobs

In order to study the impact of each scenario on customer bills, the energy burden on customers is calculated for each of the scenarios modeled. The energy burden calculations include customer spending on traditional electricity, space and water heating, transport and industrial operations. The energy burden calculations are combined for residential and commercial customers, while the energy burden for industrial customers is calculated separately. The annual energy burden for an average residential and commercial customer in the "IRP" (top panel) and "Decarb+optDER" (bottom panel) scenario is shown in Fig 2.1.

In the "IRP" scenario, the economy-wide energy related activities are assumed to continue to operate on the current fuel mix and use coal[8], natural gas[9] and oil[10] cost projections from AEO High Oil and Gas Supply scenario. The energy burden in the "IRP" scenario reduces from approximately $4,950 in 2018 to $4,126 in 2030 as a result of reduced retail rates and reduced petroleum prices. After 2030, the energy burden remains almost constant as any reductions in the electricity sector spending (due to reduced retail rates) is offset by increased spending in the heating and transportation sector due to increasing natural gas and petroleum costs.

In the "Decarb+optDER" scenario, the energy burden reduces from approximate $4,950 in 2018 to $3,305 in 2030 as a result of the greater reduction in retail rates and electrification of some of the energy related activities, which cost less due to the lower-cost electricity rates and higher energy efficiency. After 2030, the rate of reduction of the energy burden slows down as any savings from electrification of heating and transport are offset by the increase in spending in the traditional electricity sector due to load growth from electrification of cooking and clothes drying as well as from the increasing electricity rates. Cumulatively by 2050, the "Decarb+optDER" scenario results in savings of $24,741 per customer compared to the "IRP" scenario. This cumulative savings translates to an annual savings of $773 per average residential and commercial customer. Therefore, the "Decarb+optDER" scenario achieves the Governor's goals of electrification and decarbonization of economy-wide energy related activities while reducing costs on energy related activities for residential and commercial customers.

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[8]https://www.eia.gov/outlooks/aeo/data/browser/#/?id=15-AEO2020&region=0-0&cases=highogs&start=2018&end=2050&f=A&linechart=~highogs-d112619a.37-15-AEO2020&map=&ctype=linechart&sourcekey=0

[9]https://www.eia.gov/outlooks/aeo/data/browser/#/?id=13-AEO2020&region=0-0&cases=highogs&start=2018&end=2050&f=A&linechart=~highogs-d112619a.35-13-AEO2020~highogs-d112619a.36-13-AEO2020&map=&ctype=linechart&sourcekey=0

[10]https://www.eia.gov/outlooks/aeo/data/browser/#/?id=12-AEO2020&region=0-0&cases=highogs&start=2018&end=2050&f=A&linechart=~~highogs-d112619a.12-12-AEO2020~highogs-d112619a.17-12-AEO2020&map=&ctype=linechart&sourcekey=0

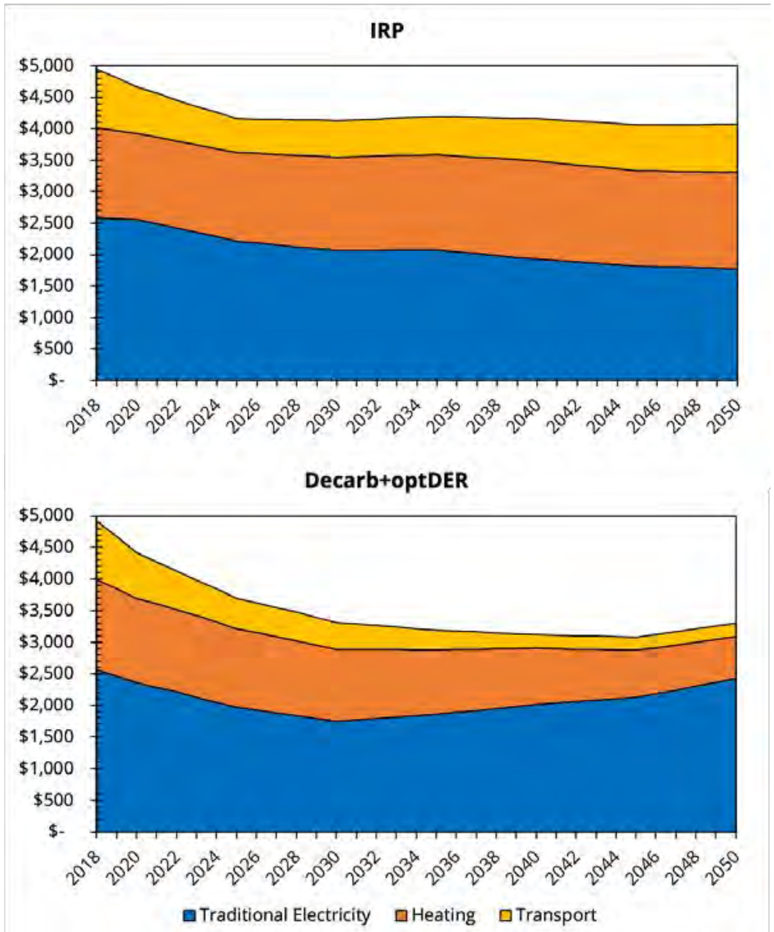


Figure 2.1: Annual spending for an average residential and commercial customer in Michigan in the "IRP" scenario (top panel) and the "Decarb+optDER" scenario (bottom panel).

The "Decarb+optDER" scenario also results in savings for industrial customers who electrify most of their operations with some high heat processes using green hydrogen. As a result of electrification, industrial customers save a cumulative of $2.23 million per customer in the "Decarb+optDER" scenario between 2018 and 2050, which is equivalent to an annual savings of $69,680 per customer. This annual savings is roughly 10% of the average annual operating cost over the modeling period. These savings in industrial energy spending can result in increased profits or be passed on to customers through reduces prices for goods.

The change in total resource costs (which are electricity sector and hydrogen[11] costs) and retail rates in Michigan for the scenarios modeled is shown in Fig. 2.2. In the "IRP" scenario, the total resource costs reduce from approximately $10.7 billion in 2018 to about $7 billion in 2050. The cost reductions come from retirement of expensive coal generation and replacing it with mostly variable renewable energy (VRE) generation along with some imports from other MISO load zones. As a result, the retail rates in

[11] Hydrogen is produced only in the "Decarb+nonOptDER" and "Decarb+optDER" scenarios. No hydrogen is produced in the "IRP" scenario.

the "IRP" scenario also decrease from approximately 11.4 ¢/kWh in 2018 to about 8 ¢/kWh in 2050.

In the two electrification and decarbonization scenarios ("Decarb+nonOptDER" and "Decarb+optDER"), the total resource costs reduce more than the "IRP" scenario until 2030 despite serving additional electricity demand due to electrification. Therefore, the retail rates in the electrification scenarios are substantially lower than the "IRP" scenario bringing significant cost savings to customers. The retail rates in the electrification scenarios drop from 11.4 ¢/kWh in 2018 to approximately 7 ¢/kWh in 2030.

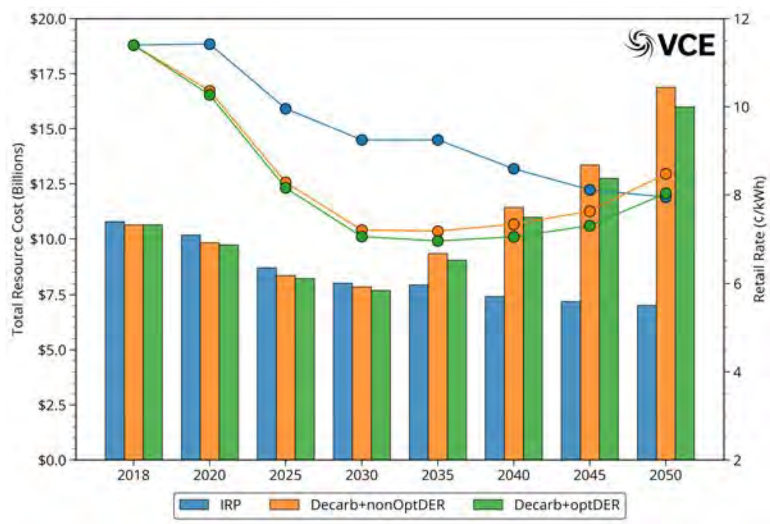


Figure 2.2: Total system cost (bars) and retail rates (solid lines) in Michigan for the scenarios modeled.

After 2030, the rate of electrification accelerates brings in significant new demand into the electricity sector, and the electrification scenarios experience greater investment in the electricity sector to build clean generation to meet the Governor's goal of electrifying and decarbonizing the economy. As a result, by 2050, the annual system cost in the "Decarb+nonOptDER" scenario is $16.8 billion, while in the "Decarb+optDER" scenario it is $15.9 billion due to savings from the distribution system co-optimization. These systems costs are however spread over a much larger load which results from electrification of energy related activities in the rest of the economy. The retail rates also start to increase slowly after 2030 as a result of the additional investments in the electricity sector and decarbonizing the economy. By 2050, the retail rates in the "Decarb+nonOptDER" scenario are slightly higher than the "IRP" scenario at 8.4 ¢/kWh, while the retail rates in the "Decarb+optDER" scenario are almost the same as the "IRP" scenario at 8 ¢/kWh. Therefore, in the "Decarb+optDER" scenario, Michigan can electrify and decarbonize its economy without causing increases in rates for customers compared to the "IRP" scenario. It is to be noted that the maximum import and exports from Michigan are held constant at 2018 levels. Therefore, it may be possible to reduce costs and thus retail rates further if the transmission capacity were allowed to grow beyond 2018 levels with the rest of MISO and possibly PJM.

The contributions to the cost per kWh of electricity delivered broken out by sectors in the scenarios modeled is shown in Fig. 2.3. In 2018, almost half the cost of electricity is due to fossil fuel generators, with coal being the largest contributor to cost of energy. In the "IRP" scenario, as the coal is gradually retired, the cost of energy reduces as the VRE generation provides energy at much lower cost.

In the electrification scenarios ("Decarb+nonOptDER" and "Decarb+optDER"), the cost of energy reduces faster than the "IRP" scenarios because the fossil fuel generation is retired at a faster rate and the cost of energy is distributed over a larger demand. The cost of energy in the electrification scenarios stays below the costs in the "IRP" scenario until 2045. After 2045, as Michigan decarbonizes the electricity sector completely, the cost of energy in the electrification scenarios increases slightly compared to the "IRP" scenario. The cost of energy increase in the electrification scenarios could be tied to limiting the amount of imports and exports out of Michigan to 2018 levels and allowing the expansion of transmission to other load zones in MISO could help Michigan achieve decarbonization at a lower cost. Compared with the "Decarb+nonOptDER" scenario, the "Decarb+optDER" scenario has lower cost of energy throughout the modeling period. The co-optimization of the distribution system ensures that the distribution system costs in the "Decarb+optDER" scenario remain lower as a result of deferring distribution system capital investment.

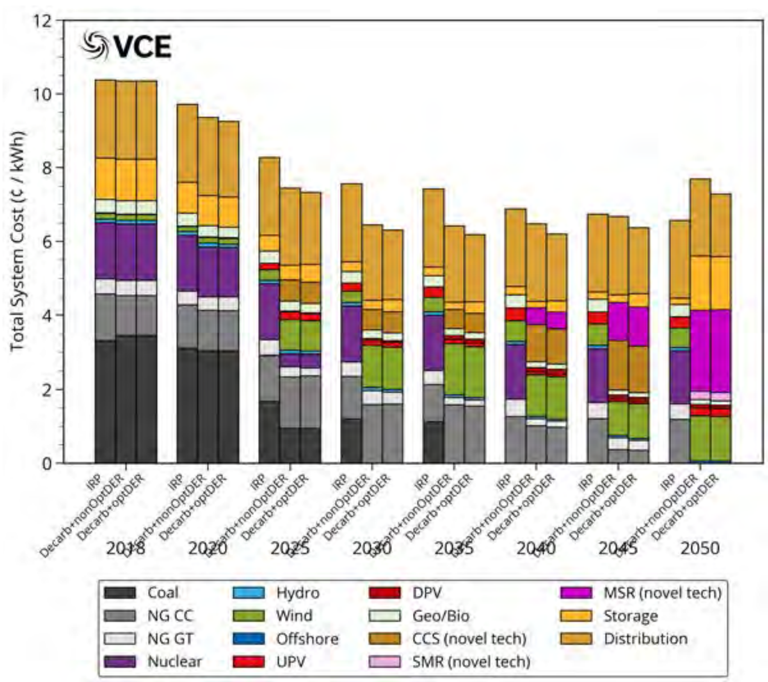


Figure 2.3: Contribution to total system cost per kWh load from each energy system sector for the scenarios modeled.

The total full-time equivalent electricity sector jobs in the scenarios modeled is shown in Fig. 2.4. The total full-time equivalent jobs in the electricity sector in the "IRP" scenario increase from about 45,000 in 2018 to 90,000 in 2050 driven largely by jobs supported by the solar industry. In the electrification scenarios, the job growth over the investment periods is higher than the "IRP" scenario due to the larger VRE deployment. By 2045, the electrification scenarios see 150,000 and 159,000 jobs in the "Decarb+nonOptDER" and "Decarb+optDER" scenarios, respectively. The largest job growth is observed in the distributed solar sector. Between 2045 and 2050, the electrification scenarios deploy large amounts of solar and storage in order to meet the 100% decarbonization goal. As a result, these scenarios see a large increase in workforce in the electricity sector to support this increase in generation deployment. By 2050, the storage industry supports the largest number of jobs in the electrification scenarios, followed by the solar industry. The "Decarb+optDER" scenario see slightly less jobs created in the distribution sector due to the distribution co-optimization deferring investments in the distribution grid.

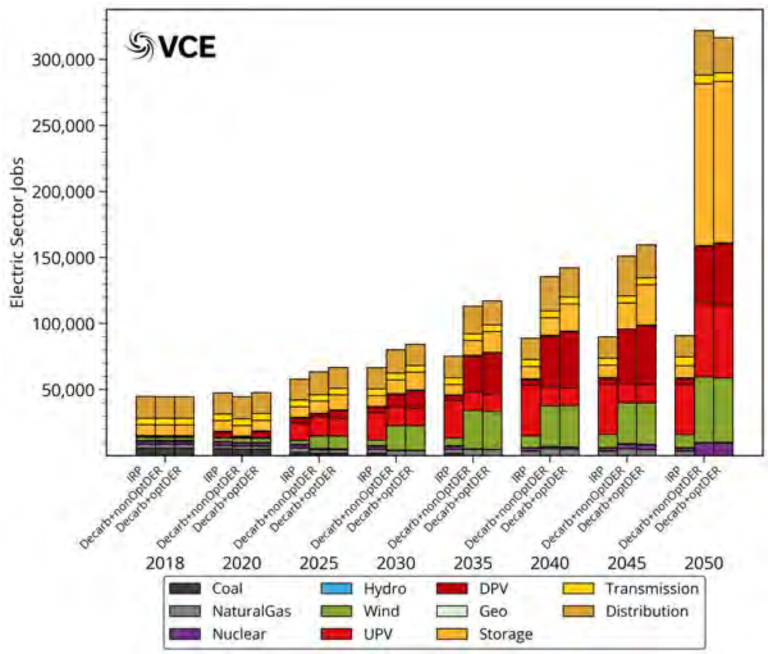


Figure 2.4: Direct full-time equivalent jobs created in the electricity sector by industry for the scenarios modeled.

2.2 Changes to Installed Capacity & Generation

The changes to installed capacity and generation mix in Michigan for the three scenarios modeled are shown in Fig. 2.5. The “IRP” scenario is the slowest to retire coal generation keeping it online until 2040. The retired coal generation in the “IRP” scenario is replaced with some new natural gas combined cycle (NGCC) generation and VRE generation with solar being the dominant addition. WIS:dom-P models both utility scale photvoltaic (UPV) and distributed photovoltaic (DPV). The distributed solar (DPV) includes both rooftop solar and community solar installations. In the electrification scenarios, the capacity turnover takes on very similar paths. Coal is completely retired by 2030 along with some older natural gas generation. Wind makes up a significant portion of new VRE generation added due to the better wind resource available in Michigan along with wind generation’s better correlation with electrification load, especially in winter. The electrification scenarios deploy carbon capture and sequestration (CCS), molten salt reactors (MSR) and small modular reactors (SMR) to provide dense clean dispatchable generation. All CCS in the electrification scenarios is retired by 2050 as they are not 100% emission free.

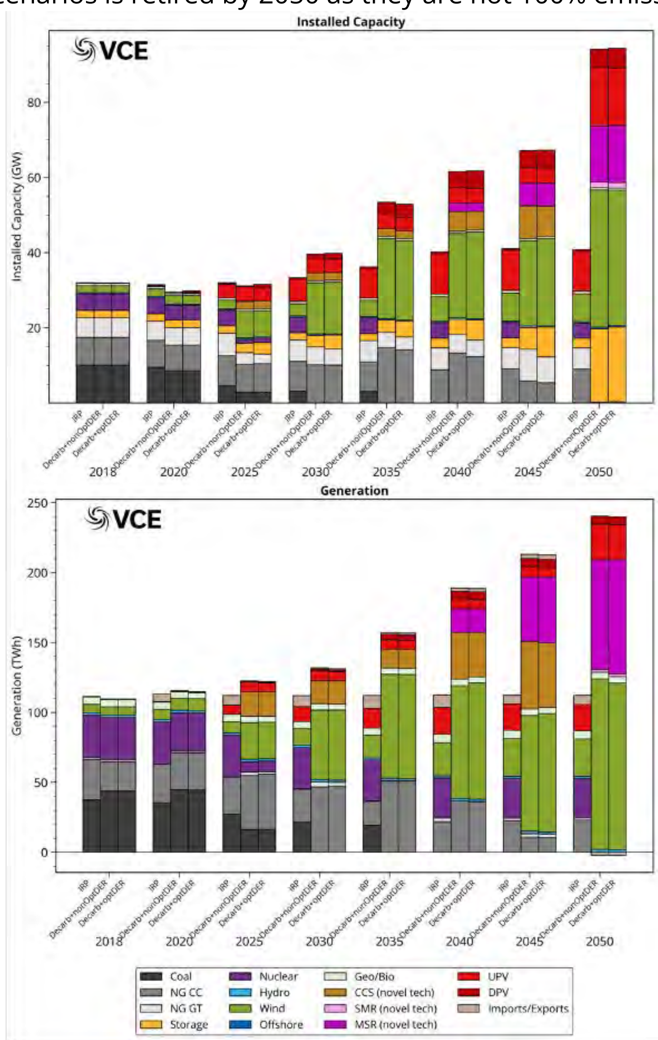


Figure 2.5: WIS:dom-P installed capacities (top) and generation (bottom) for the scenarios.

The VRE generation deployed in the "IRP" scenario is higher than that proposed in the IRPs of the major utilities in Michigan. The larger deployment in mainly to satisfy the 90% decarbonization by 2040 goal of Consumers Energy utility. In order to meet its 90% decarbonization goal, Consumers Energy utility needs to deploy about 1,400 MW of additional wind generation, 1,300 MW of additional utility-scale solar and 236 MW of additional storage over that proposed in its IRP. Furthermore, Consumers Energy depends on imports of clean generation from DTE which deploys an additional 3,000 MW of wind and 487 MW of utility-scale solar to export clean energy to Consumers Energy. Therefore, the IRP proposed by Consumers Energy through 2034 falls well short of reaching its own 90% decarbonization goal by 2040.

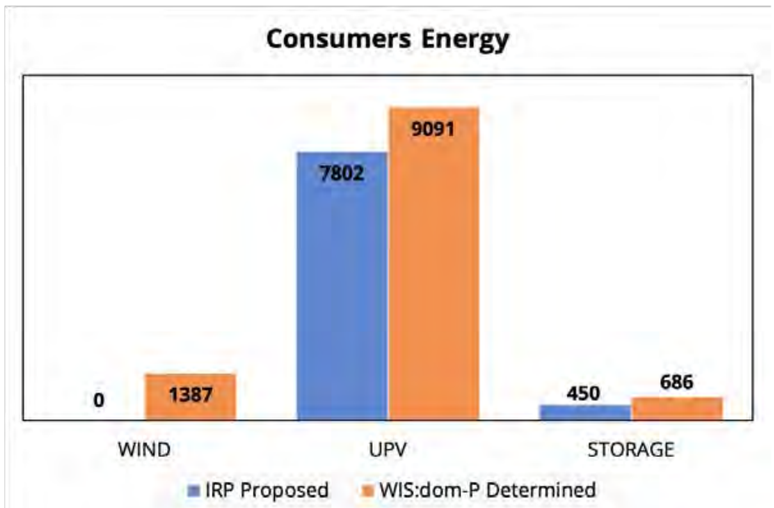


Figure 2.6: Additional VRE deployed by WIS:dom-P to ensure Consumers Energy meets it 90% decarbonization by 2040 goal.

The storage power and energy capacities installed over the investment periods in the scenarios modeled is shown in Fig. 2.7. In the "IRP" scenario, very little new storage is added until 2040 at which point about 700 MW of storage is added to the grid. In comparison, the electrification scenarios add significantly more storage over the investment periods along with a large deployment of storage between 2045 and 2050 to meet the 100% decarbonization goal. By 2045, the "Decarb+nonOptDER" scenario deploys 5,800 MW of storage to the grid to effectively utilize the installed VRE generation. The average storage duration in 2045 in the "Decarb+nonOptDER" scenario is 7.5 hours to help cover lulls in the VRE generation. The "Decarb+optDER" scenario, on the other hand, has a total of approximately 8,000 MW of storage deployed by 2045, out of which 2,000 MW is on the utility grid and the rest is on the distribution grid with an average duration of 7.5 hours.

Between 2045 and 2050, the electrification scenarios deploy large amounts of storage to the grid with the total storage installed reaching about 19,500 MW in both the electrification scenarios. In the "Decarb+optDER" scenario, 8,300 MW of the total storage is on the distribution grid. The average duration of the storage installed is approximately 24 hours. The long storage duration is specifically aimed at meeting load during the long lulls in wind generation that occur over the course of the year.

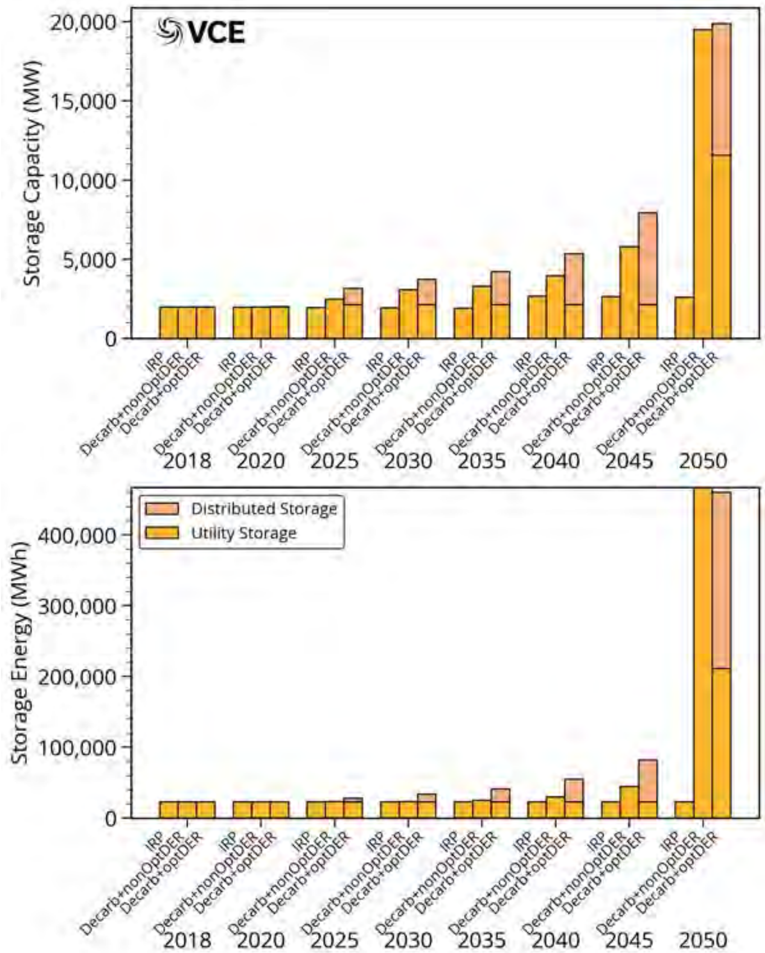


Figure 2.7: Utility storage and distributed storage installed in each investment period for the "Optimized DER" scenario.

Although the wind resource is significantly better in Michigan compared with the solar resource, the electrification scenarios add substantially more solar generation on the grid compared with the "IRP" scenario. The "IRP" scenario installs about 11,000 MW of solar by 2040. About 1,800 MW of this is additional solar added by WIS:dom-P over the values prescribed by the IRPs in order to ensure Consumers Energy meets its 90% decarbonization goal.

The electrification scenarios install more wind generation over solar until 2045 due to the better wind resource in Michigan. After 2045, the electrification scenarios install about 12,000 MW of solar to help meet the 100% decarbonization goal. The "Decarb+optDER" scenario installs slightly more distributed solar compared with the "Decarb+nonOptDER" scenario as the distribution co-optimization uses the distributed solar along with the distributed storage to defer distribution system upgrades and save costs.

2.3 CO_2 Emissions & Pollutants

The percentage reductions in economy-wide carbon dioxide (CO_2) emissions from 2005 levels for energy related activities is shown in Fig. 2.8. The "IRP" scenario reduces the economy-wide emissions by 25% from 2005 levels by 2025 and, thus, falls short of the Governor's goal of 28% reduction by 2025. By 2050, the annual economy-wide emissions reduce by 38% from 2005 level in the "IRP" scenario as a result of retirement of coal generation and replacing it with VRE generation. The additional VRE installations by WIS:dom-P over the IRP proposed values help the "IRP" scenario reach the 38% reduction by 2050. The electrification scenarios, by contrast, reduce annual economy-wide emissions by 37% by 2025, exceeding the Governor's goal. This reduction in annual emissions is possible through a combination of electrification and decarbonization of the electricity sector. By 2050, the electrification scenarios reduce annual economy-wide emissions by almost 97% from 2005 levels as the economy-wide energy related activities are electrified and the electricity sector is 100% decarbonized.

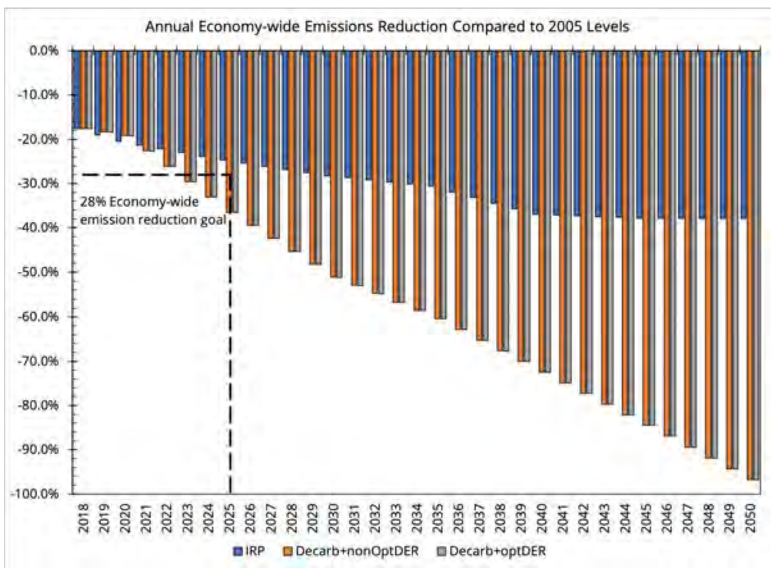


Figure 2.8: Percentage reduction in economy-wide energy related carbon emissions from 2005 levels. The black dashed line indicates the Governor's emission reduction goal of 28% by 2025.

Figure 2.9 shows the cumulative economy-wide CO_2 emissions from the three scenarios modeled. The "IRP" scenario, which does not electrify economy-wide energy related activities, has the highest cumulative CO_2 emissions of 4,374 million metric tons (mmT) by 2050. The "Decarb+nonOptDER" and the "Decarb+optDER" scenarios, which have similar emission reduction profiles, cumulatively emit 2,650 mmT of carbon dioxide by 2050. Therefore, electrification and decarbonization of the electricity sector can cumulatively reduce Michigan CO_2 emissions by 1,724 mmT by 2050, which is more than 10 times the economy-wide emissions in 2018. A majority of these emission savings (1,650 mmT) come from electrification of economy-wide energy related activities. Therefore, electrificatinon is a key element for effective decarbonization.

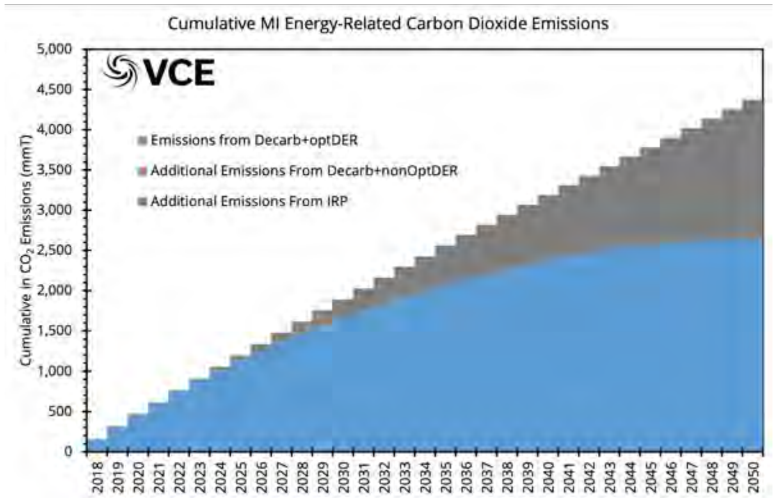


Figure 2.9: Cumulative economy-wide carbon dioxide emissions for the three scenarios modeled.

In addition to reducing CO_2 emissions, the modeled scenarios also reduce emissions of criteria air pollutants emitted by fossil fuel generation. The air pollutants tracked by WIS:dom-P emitted by the electricity sector are shown in Fig. 2.10. In the "IRP" scenario, the SO_2, PM_{10}, and $PM_{2.5}$ emissions reduce steadily from 2018 to 2035 as coal generation is retired and then sharply reduce to zero by 2040 as all coal generation gets retired. In the electrification scenarios, all coal generation is retired by 2030 and hence the SO_2, PM_{10}, and $PM_{2.5}$ emissions see rapid declines to zero by 2030. In the "IRP" scenario, some NO_x, CH_4 and VOC emissions remain due to presence of natural gas generation on the grid, while in the decarbonization scenarios these emissions are reduced to zero by 2050 as a result of the decarbonization goal. Hence the electrification scenarios not only reduce greenhouse gas emissions, but also eliminate emissions of criteria air pollutants, which will result in better health outcomes for local populations.

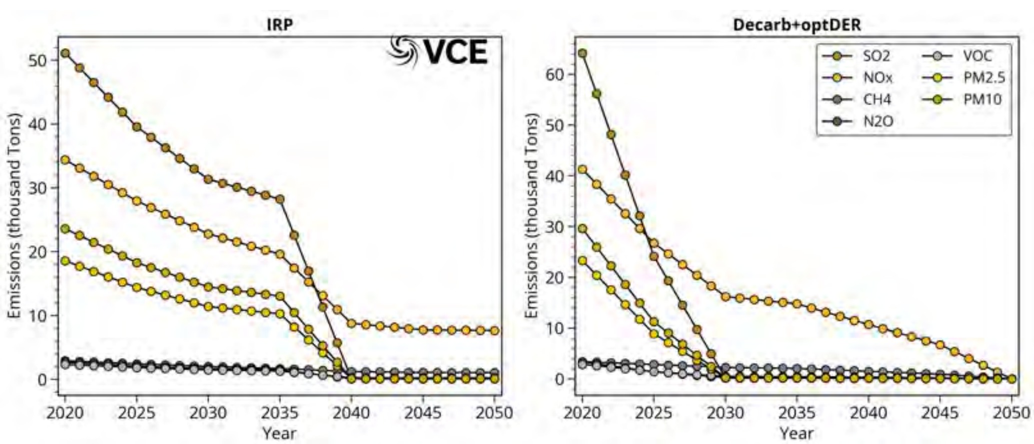
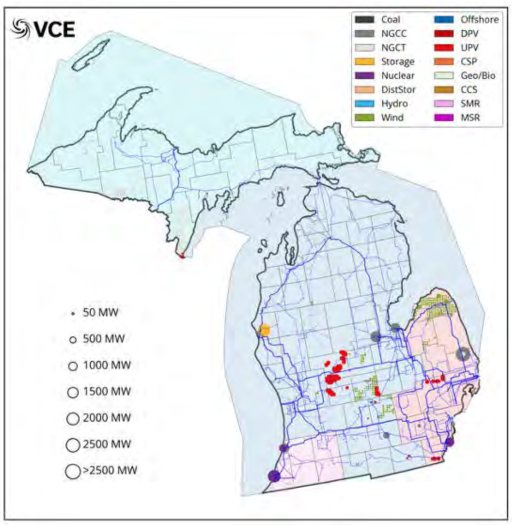


Figure 2.10: Emissions of criteria air pollutants from the electricity sector in the "IRP" scenario (left) and the "Decarb+optDER" scenario (right).

2.4 Siting of Generators (3-km)

WIS:dom-P uses weather datasets spanning multiple years at 3-km spatial resolution and 5-minute temporal intervals over the contiguous United States. WIS:dom-P performs an optimal siting of generators on the 3-km HRRR model grid. The WIS:dom-P installed capacity layout at 3-km resolution along with the transmission paths above 115 kV in 2050 for the "IRP" scenario is shown in Figure 2.11 (left panel), while the installed capacities for the "Decarb+optDER" scenario is shown in Figure 2.11 (right panel). The greater VRE deployment in the "Decarb+optDER" scenario is apparent along with deployment of dense clean dispatchable generation in the location of retired fossil fuel generation.



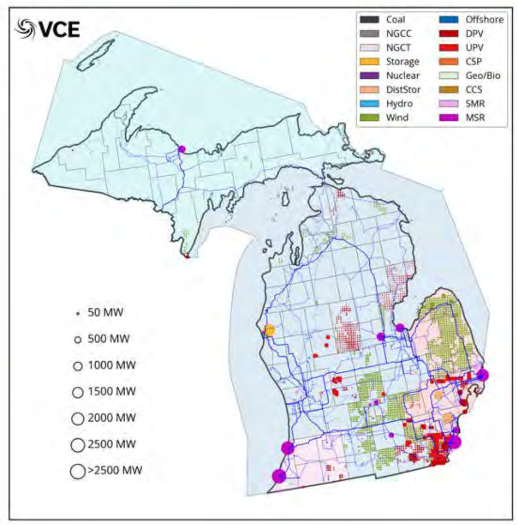


Figure 2.11: Installed generation layout in 2050 in the "IRP" scenario (left) and "Decarb+optDER" scenario (right) at 3-km resolution along with transmission paths above 115 kV.

As seen from Fig. 2.11 (left panel), the "IRP" scenario installs almost all the wind in DTE territory, and most of the solar deployed in Consumers territory. The VRE generation is more widely distributed in the "Decarb+optDER" scenario. The DTE region still installs most of the wind generation, with substantial wind installed in the Consumers regions as well. Most of the utility-scale solar is installed in the DTE region, while the Consumers region is dominated by distributed solar. The locations of retired fossil fuel generators are used to build MSRs and SMRs.

When making the siting decisions, the model takes into account several criteria to determine the optimal siting for generators. In addition to accounting for expected generation and distance from the load (for transmission considerations), the model ensures that generation is not sited in unsuitable locations. The model also ensures that the technical potential of each grid 3-km grid cell is not exceeded. The technical potential for the various VRE technologies in each grid cell is determined according to factors such as population, land cover, terrain slope, and others. In addition, each technology is limited by a maximum packing density to ensure that generators do not hamper performance of other generators in the grid cell, such as through wakes for wind turbines and excessive shading for solar panels. More information about these criteria and the WIS:dom-P model can be found in the technical documentation.[12]

[12] https://vibrantcleanenergy.com/wp-content/uploads/2020/08/WISdomP-Model_Description(August2020).pdf

COMMUNITY SOLAR

National Community Solar Partnership

Join the Partnership

Technical Assistance Opportunities

The National Community Solar Partnership (NCSP) is a coalition of community solar stakeholders working to expand access to affordable community solar to every U.S. household and enable communities to realize meaningful benefits, such as reduced energy burden, increased resilience, and workforce development. **Learn more about NCSP**.

Why Community Solar?

Community solar is a form of solar energy generation that allows community members of all types to access meaningful benefits of renewable energy, including reduced energy costs, improved environmental quality, and increased resilience.

Community solar programs make solar more accessible to all Americans, particularly to those with low-to-moderate incomes, renters, and other community members for whom traditional rooftop solar is unavailable. Rather than putting solar on their own home or building, community solar allows energy users to subscribe to a shared system of solar panels, often located within their community.

Community Solar and the Justice40 Initiative

The National Community Solar Partnership works closely with the U.S. Department of Energy's **Office of Economic Impact and Diversity** to align efforts on creating equitable access to community solar. The Energy Department is working to meet the goals established in the **Justice40 Initiative**, which requires that 40% of overall benefits of certain Federal investments—including investments in clean energy and energy efficiency—flow to disadvantaged communities. We will build on the important partnerships our program offices have with community stakeholders, Tribal nations, and communities of color, as well as Historically Black Colleges and Universities, and minority serving institutions. We will also amplify our commitments to research, development, and deployment in communities thus far left behind in the energy transition. Justice40 will require that we double down on our existing commitments to equity and racial justice. It will also challenge us to do more, to go further, and to seek out new opportunities for collaboration, engagement, and innovation.

Join Us

The National Community Solar Partnership is an active group of community members, developers, utilities, financial institutions, and governments dedicated to increasing access to community solar for all Americans. Partners receive access to technical assistance, resources, training, events, and a platform for connecting with other collaborative partners. **Register on our Mobilize website** to join the partnership today!

Partnership Updates

VIEW ALL

NCSP Releases Summary on Feedback from Community-Focused Organization Convenings

LEARN MORE

New Partnership will Boost Low-Income Community Solar Subscriptions

LEARN MORE

Community Solar Resources

Check out these useful links that can help you develop a community solar project in your community.

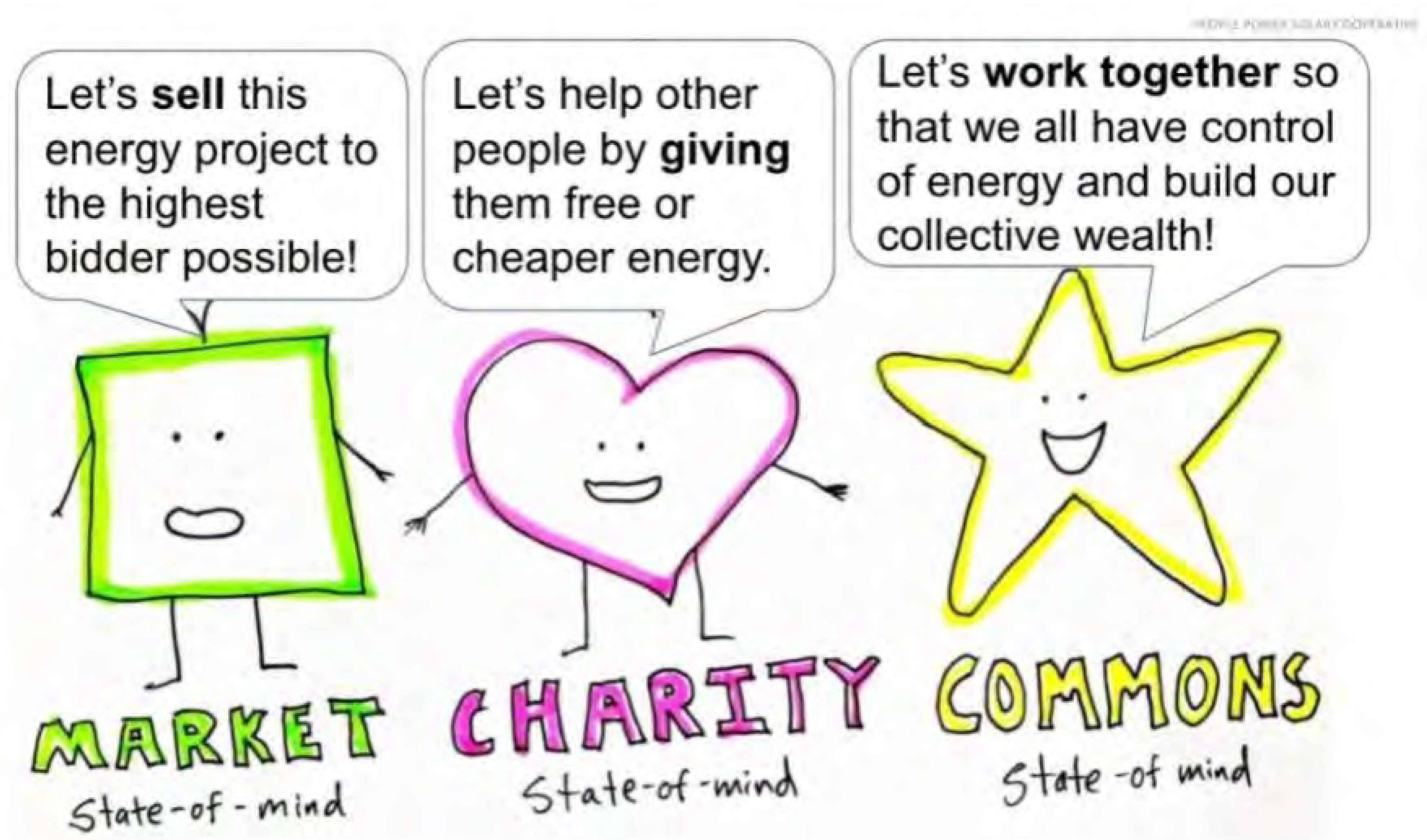
Why community-led, community-owned solar?

The People's Solar Energy Fund (PSEF) aggregates community solar projects in low- and moderate-income communities across the country to secure financing at scale with a path to local ownership. The Fund is organized as a cooperative of community-based solar developers working in BIPOC and Low Income Communities. It provides peer technical assistance, loans for community equity, project pre-development funding, project term debt, and project equity for member projects.

Add a caption to enhance the meaning of this image.

U-20836
Exhibit DAO-55
Page 2 of 4

Traditional community solar developments generally only offer up 10-20% electricity discount to residential subscribers, which is not transformative in reducing energy burden or economic exclusion. This return to the hosting community may not adequately compensate for the opportunity costs associated with the development compared to other neighborhood-serving uses. By contrast, community-led projects are more responsive to community needs and effective at balancing across stakeholder interests.



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U-20836
Exhibit DAO-55
Page 4 of 4

MPSC Case No.:	U-20836
Requestor:	DAAO
Question No.:	DAAODE-4.3a
Respondent:	A. Pizzuti
	1 of 1

Question: Ex. A-12, Schedule B5.7.3, Line 5, identifies Projected Bridge Period spending of $997,000 and Projected Test Period spending of $279,000. It identifies the Business Case Reference as "BCD-CS-22-008." Ex. A-24, Schedule N1.375 is the associated business case. It identifies a start month of January 2022, an end month of December 2022, and an "IT Financial Impact" of $257,097 in Year 1, of which $235,385 is Capital and $21,712 is O&M.

a. Please explain the discrepancy between the Projected Bridge Period funding in Schedule B5.7.3 and the associated business case.

Answer: The business case for the MIGP Low-Income Community Solar Pilot provided in Exhibit A-24 on page 501 was the incorrect business case. See the attachment for the correct business case.

In Exhibit A-24 Schedule N3 Line 155 in column M, the calendar year 2022 capital costs for this project are aligned with the attached business case, and the funding required of ~$1.276 million in capital shown in Exhibit A-12, Schedule B5.7.3 on Line 5 for the Projected Bridge and Test Periods.

Attachment: U-20836 DAAODE-4.3a Low-Income Solar Pilot Executive Summary

DTE Energy

Executive Summary

Business Case ID	BCD-CS-22-004	Business Case Name	Low Income Solar Pilot

Stakeholders

IT Portfolio	Customer	Business Unit	Renewable Energy
IT Sub-Portfolio	BPD	Business Unit Director	Brian T Calka
IT Director	Lisa LeGault	Business Unit SME	Eric J Markel
Managed by	MEP	Business Units Impacted	Electric

Project Description

Initiative Category	Regulatory/Compliance	Initiative Type	Solutions Delivery - On Prem

Business Opportunity	
What business problem are we trying to solve?	This business problem is to fulfill the following Low-income solar pilot program requirements agreed upon in the section 61 settlement. This is an MPSC requirement. Building 3 new solar parks one each year 2022, 2023 and 2024 (Detroit, Highland Park and River Rouge) based on the MPSC approval. Selective low-income customers will be able to enroll and billed participation in the solar pilot project.
What system or process is being affected?	The systems being affected are SAP CR&B (Customer Relationship and Billing), SAP ISU (Industry-Specific Solution for the Utilities Industry), SAP BW (Business Warehouse) Reporting, DTE Website and IVR (Interactive voice response system). The process being affected are Enrollment, Unenrollment, Billing, Reporting requirement, IVR changes (establishing new number) and DTE website changes.
What functionality or capability is being provided?	The functionality is being provided for building 3 new solar parks one each year 2022, 2023 and 2024 (Detroit, Highland Park and River Rouge) based on the MPSC approval. Selective low income customers will be able to enroll and billed participation in the solar pilot project.
What is the customer or employee value?	Initially qualifying low income customers (depending on program design and MPSC approval) will subscribe to this pilot program and then receive a net-bill credit. It is to fulfill the MPSC requirements, providing the Renewable energy to selected low income customers sourced from the named projects (Detroit, Highland Park and River Rouge).
What alternatives have been considered?	No alternatives identified.

Key Objectives	
1)	Ability to enroll and unenroll at the contract account level (e.g., via CR&B screens). Low Income solar pilot customers will not have the ability to join MIGP offerings.MIGP eligibility for all programs will have to be up
2)	Add information about Low Income Solar Pilot to the existing MIGreenPower website (static content only).
3)	Customer invoices will display a fixed monthly subscription charge, energy credit and subsidy credit. Must have ability to make periodic changes to credit rates with effective start dates. Each project will have diffe
4)	Develop training materials to educate renewable energy personal.
5)	Creation of multiple reports containing enrollment and total bill credit data available in Business Object Reports from the DTE Quest website. Enrollment, Unenrollment, Revenue and Audit reports.
6)	IVR (Interactive voice response system) changes may be necessary to direct customers to a specific group of customer service reps.
7)	Must have ability to rebill customers for previous billing periods at the bill credit rate they were charged at the time of past invoicing.
8)	MIMO transactions will have to be identified when low come income solar pilot customers moves (still yet to decide the criteria).
9)	Force Unenrolled transactions will have to be identified when solar pilot customer low income status changes.
10)	Net credit cannot exceed 80% of their original bill.

Start Month	April	2022
Duration to Complete	Years	12 Months
End Month	April	2023

Funding Source	ITS

IT Financial Impact

	Year 1	Year 2	Year 3	Year 4	Year 5	Total amount is sent for approval on all business cases. **Total**
Capital	$1,275,965	$850,643	$0	$0	$0	**$2,130,000**
O&M	$121,599	$81,066	$0	$0	$0	**$200,000**
Total	$1,397,564	$931,709	$0	$0	$0	**$2,330,000**

Business Unit Costs

BU O&M	$48,000	Trailing BU O&M Costs	$0

	Year 1	Year 2	Year 3	Year 4	Year 5	**Total**
OCM O&M	$0	$0	$0	$0	$0	$0

MPSC Case No.:	U-20836
Requestor:	DAAO
Question No.:	DAAODE-4.2ai
Respondent:	A. Pizzuti
	1 of 1

Question: Please refer to pages 21 and 22 of Angie M. Pizzuti's testimony and clauses 7.1 and 10.4.4 of the Partial Settlement Agreement for Case No. U-20713 and Full Settlement Agreement for Case No. U-20851.1 Ms. Pizzuti states that "The Company is investing $1.3 million in bridge period ($1.0 million) and projected test period ($0.3 million) capital in the MIGP Low-Income Community Solar Pilot. This project seeks to expand MIGP offerings to low-income customers who might not otherwise be able to participate in the program by enabling anyone, whether a DTE customer or not, the option to contribute into a low-income renewables fund."

a. Is the purpose of the requested $1.3 million to implement the MIGreenPower Low-Income Donation Pilot referenced in Clause 7.1 of the referenced settlement agreement?

i. If not, please explain how the purpose differs from implementation of this pilot.

Answer: No. The purpose of this requested funding is to support the Low-Income Solar Pilot as referenced in Clause 10 of U-20713 and U-20851 partial settlement agreement.

Attachment: None.

Co-Respondent(s): M. Rivet

MPSC Case No.:	U-20836
Requestor:	DAAO
Question No.:	DAAODE-4.2d
Respondent:	A. Pizzuti
	1 of 1

Question: Please refer to pages 21 and 22 of Angie M. Pizzuti's testimony and clauses 7.1 and 10.4.4 of the Partial Settlement Agreement for Case No. U-20713 and Full Settlement Agreement for Case No. U-20851.1 Ms. Pizzuti states that "The Company is investing $1.3 million in bridge period ($1.0 million) and projected test period ($0.3 million) capital in the MIGP Low-Income Community Solar Pilot. This project seeks to expand MIGP offerings to low-income customers who might not otherwise be able to participate in the program by enabling anyone, whether a DTE customer or not, the option to contribute into a low-income renewables fund."

d. Please explain why DTE identifies the costs for the MIGP Low-Income Community Solar Pilot as capital expenditures rather than O&M.

Answer: The MIGP Low-Income Community Solar Pilot Project will encompass all the technical development required to support and enable the Low-Income Community Solar Pilot that is part of the Section 61 Settlement. This work includes software development for enrolling, de-enrolling, notifying, billing, reporting, and updating the MIGreenPower website. This software will also connect with and enhance our current SAP Customer Relationship and Billing (CR&B) and Reporting Systems. Software development costs and enhancements are capital expenditures.

Attachment: None.

Co-Respondent(s): M. Rivet

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of **DTE ELECTRIC COMPANY** for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority.	Case No. U-20836 ALJ Sharon L. Feldman

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PROOF OF SERVICE

On the date below, an electronic copy of **Direct Testimony of Jackson Koeppel on Behalf of Soulardarity and We Want Green, Too and Accompanying Exhibits DAO-32 through DAO-57 FILING 1 OF 2** was served on the following:

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

Date: May 19, 2022 By:

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