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Timothy J. Lundgren

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April 23, 2018

Ms. Kavita Kale
Executive Secretary
Michigan Public Service Commission
7109 W. Saginaw Highway
P.O. Box 30221
Lansing, MI 48909

Re: MPSC Case No. U-18352

Dear Ms. Kale:

Attached for electronic filing in the above-referenced matter, please find the Direct Testimony of John Domagalski on behalf of Energy Michigan, Inc., as well as Proof of Service. Thank you for your assistance in this matter.

Sincerely yours,

VARNUM

Timothy J. Lundgren

TJL/kc

Enclosures

c. All parties of record.

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own motion,)
regarding the regulatory reviews, revisions,)
determination and/or approvals necessary for)
DTE ELECTRIC COMPANY to comply)
with Section 61 of 2016 PA 342.)
_____)

Case No. U-18352

DIRECT TESTIMONY OF
JOHN DOMAGALSKI
ON BEHALF OF
ENERGY MICHIGAN, INC.

JOHN DOMAGALSKI
DIRECT TESTIMONY

1 **Q. Please state your name and business address.**

2 A. My name is John Domagalski. My business address is 20 N. Wacker Drive, Suite 2100,
3 Chicago, Illinois 60606.

4
5 **Q. On whose behalf are you testifying in this proceeding?**

6 A. I am testifying on behalf of Energy Michigan, Inc. ("Energy Michigan").
7

8 **Q. Please state your professional experience.**

9 A. As the Director of Market Analytics, I oversee Constellation's analysis and evaluation of
10 retail growth opportunities and strategic direction, retail market entry and expansion, and
11 competitive market intelligence. I began my career at Constellation in 2004 as a retail
12 energy pricing and product management leader, and then pivoted to product and market
13 development leadership roles in retail energy from 2009 to 2013. Before joining
14 Constellation, I spent over ten years as an international strategy consultant for
15 PricewaterhouseCoopers (PwC), International Business Machines, and Ernst & Young. I
16 took a sabbatical from PwC in 2003 to work for The Office of Gas and Electricity
17 Markets, the UK energy regulator. I received a degree in finance from DePaul University
18 and a joint MBA from Northwestern University's Kellogg School of Management and
19 WHU – the Otto Beisheim School of Management.
20

21 **Q. What is the purpose of your testimony?**

22 A. I am testifying to share Energy Michigan's recommendations that DTE Electric Company
23 ("DTE" or "the Company") expand the offerings required under Section 61 of Public Act

JOHN DOMAGALSKI
DIRECT TESTIMONY

1 342 (“Section 61”) beyond what is included in its Application.

2

3 **Q. Are you sponsoring any exhibits?**

4 A. No.

5

6 **Q. What is your understanding of DTE’s proposal to satisfy Section 61?**

7 A. Section 61, which became law on December 21, 2016, requires that electric providers
8 offer customers the opportunity to participate in a voluntary green pricing program. As
9 the sole means of complying with that statute, DTE seeks approval of its MIGreenPower
10 Program and accompanying Standard Contract Rider No. 17, which the Michigan Public
11 Service Commission (“MPSC”) originally approved as a pilot program in 2016 in Case
12 No. U-18076.

13

14 **Q. What are Energy Michigan's concerns with DTE’s proposal?**

15 A. Energy Michigan has two concerns that I will address: First, the sole program that DTE is
16 now proposing had already been approved by the MPSC when the legislature mandated
17 that electric providers offer customers opportunities to participate in voluntary green
18 pricing programs. Had the legislature considered existing programs such as DTE’s pilot
19 to have been sufficient, there would have been no need for inclusion of the requirement
20 within the law.

21

22 Second, the MIGreenPower Program and accompanying Standard Contract Rider No. 17
23 are very restrictive, in that the program is limited to a scant 150,000 MWh annually, and

JOHN DOMAGALSKI
DIRECT TESTIMONY

1 the renewable energy is planned to be generated only from DTE-owned solar and wind
2 facilities included in the Company’s Renewable Energy Plan.

3

4 **Q. What does Energy Michigan recommend instead?**

5 **A.** Energy Michigan recommends that DTE have an additional voluntary green offering,
6 allowing all customers of 1 MW and above to either build or purchase all or a portion of
7 their renewable energy requirements from any certified renewable energy source located
8 within the Midcontinent Independent System Operator, Inc. (“MISO”) footprint.

9

10 **Q. What are the benefits of this recommendation?**

11 **A.** From an individual perspective, this program allows larger customers, who are arguably
12 more sophisticated in procurement of renewable energy resources, to enter into contracts
13 with counter-parties of their choosing, and to have their renewable energy needs satisfied
14 by their preferred type of renewable energy resource, or perhaps a specific renewable
15 resource of their choosing. From a policy perspective, it allows more customers to
16 participate in, and enjoy the benefits of, voluntary green pricing programs, and is a
17 vehicle for renewable energy resources to serve a greater amount of the energy needs to
18 consumers DTE’s service territory.

19

20 **Q. Does this conclude your testimony?**

21 **A.** Yes.

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PROOF OF SERVICE

STATE OF MICHIGAN)
) ss.
COUNTY OF INGHAM)

Kimberly Champagne, the undersigned, being first duly sworn, deposes and says that she is a Legal Secretary at Varnum LLP and that on the 23rd day of April, 2018, she served a copy of the Direct Testimony of John Domagalski on behalf of Energy Michigan, Inc. upon those individuals listed on the attached Service List via email at their last known addresses.

Kimberly Champagne

SERVICE LIST
MPSC CASE NO. U-18352

Administrative Law Judge

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