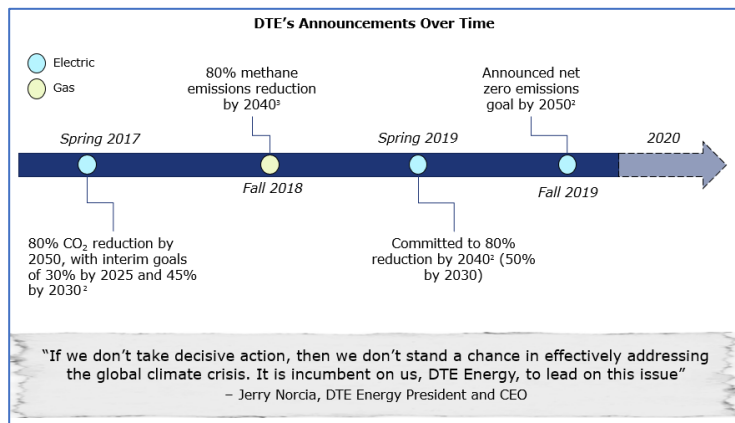




DTE believes climate change is one of the defining policy issues of this generation. This is why DTE is taking bold steps to triple our investment in renewables while cutting [carbon emissions in half](#) over the next 10 years. DTE Electric and Gas were also among the first utility companies in the nation to commit to 80% emissions reductions by 2040 and [net-zero by 2050](#).



DTE is committed to partnering with Ann Arbor and supporting their net-zero carbon emission goal.

We support many of the strategies and actions included in the proposed A2Z Living Carbon Neutrality Plan – and identified twelve specific partnerships to help Ann Arbor achieve a just transition to carbon neutrality. These partnerships can start immediately and have a measurable impact today through our energy efficiency programs and solutions including MIGreenPower, a voluntary program that allows customers to meet 100% of their electricity usage through renewable sources.

Strategy 1 Partnership Opportunities	Strategy 2 Partnership Opportunities	Strategy 3 Partnership Opportunities
<ol style="list-style-type: none"> Custom MIGreenPower solution: Develop cost-competitive, utility-scale build of renewables in Michigan, directly attributable to Ann Arbor Landfill solar: Continue collaboration between DTE and Ann Arbor, scheduled to complete the interconnection study later this year Community solar program: Collaborate for Ann Arbor sited renewables, enabling residents and companies to subscribe to the output of the program Community events: We can support community events/town halls to provide an overview of and help customers sign up for the MIGreenPower program MPSC and DTE IRP collaboratives: The MPSC is hosting a collaborative to invite comments on filing requirements and scenarios. Utilities also host public and technical conferences ahead of their IRP filings; DTE held four technical conferences prior to the 2019 filing and will host sessions before next IRP filing in 2023 	<ol style="list-style-type: none"> Charging Forward: Expand Ann Arbor's participation in the program; AA has applied for two fast charging stations and ten level 2 chargers Transportation electrification: Opportunities to electrify mass transit buses, school buses, delivery vehicles, and airport equipment with Charging Forward eFleets (Phase 2)¹ Grant application support: Experience writing and accessing grants and setting up infrastructure RNG for heavy duty fleet: Offering an economical and clean approach to heavy-duty applications like refuse trucks and tractor trailers BioGreenGas Program: Leverage voluntary program to reduce natural gas appliances emissions without impacting customer energy affordability and system reliability 	<ol style="list-style-type: none"> Gas and electric energy efficiency programs: DTE offers 26 EE programs for residential, commercial and industrial customers. Some of our most popular offerings include the following rebate programs: <ul style="list-style-type: none"> Energy Star Lighting and Appliances Appliance Recycling HVAC C&I Prescriptive C&I Custom programs Mid-stream Lighting • Our robust programs for low income customers could help engage Ann Arbor's low-income communities Community events: We can support community events/town halls to provide education on EE programs <ul style="list-style-type: none"> The energy efficiency education team specializes in increasing awareness, education, and interest in the many EE options available

While there are many areas where we can and want to partner, there are specific actions within the A2Zero plan that we do not support due to the impacts to customer affordability and reliability, as well as long term impacts for the state should certain policy actions be taken.

Two of the areas of action DTE does not support are electric market deregulation and the restrictions to access to natural gas as a fuel option for space heating or business functions. Below, we provide an overview of the challenges posed by these proposed actions. We want to reiterate that we support further collaboration and evaluations of alternative paths to achieving the overall goal of a net-zero future.

Areas of challenges with deregulation and CCAs

Increased electric price volatility	No state oversight or regulation of energy rates	Electric supply reliability challenges
Lower customer satisfaction ¹	Consumer protection issues	Cost shifting



Electric Market Deregulation

The A2Zero Strategy 1 goal of having a grid powered by 100% renewables is facilitated by an action to change state law to allow for community choice aggregation, or CCA. This action would require the state to deregulate its electric market. Over the last 20 years, deregulated states across the country have experienced challenges with affordability, reliability planning, customer satisfaction and consumer protection, electric price volatility, and cross-subsidization.¹²³

“Competitive electric suppliers promise big energy savings but are actually burdening customers with hundreds of dollars in extra costs. In two years, Massachusetts **residents lost over \$176 million to these predatory companies**. I’m calling for an end to this industry because that’s the best way to protect our seniors, low-income residents, and minority communities from these persistent scams.”
- Massachusetts Attorney General Maura Healey, March 2018

“California officials expressed concern that the state’s push toward 100% clean energy and the rapid growth of community choice aggregators could imperil grid reliability if not carefully orchestrated”

Deregulated market structures also cede oversight authority over reliability planning and regulatory oversight of costs to customers for energy. No state has passed deregulation in almost 20 years because of these challenges, and we do not support actions to attempt to move Michigan down that path.

Alterations of Statewide Building Codes to Restrict Access to Natural Gas

While DTE is focused on working to decarbonize the entire gas value chain, we have concerns with altering statewide building codes that facilitate the restriction of access to natural gas. Efforts to restrict natural gas usage must take into account the full cost of conversion to other energy sources for residents and businesses,⁴ along with an evaluation of the secondary effects to infrastructure costs in addition to potential impacts to local businesses such as restaurants and home builders.

Areas of challenges with restricting access to natural gas



Customer Affordability

- Electric space heating in Michigan today is significantly **more expensive than high efficiency natural gas** space heating and could cost customers an **additional ~\$1,300 per year**



System Reliability

- Given Michigan’s colder climate, energy reliability and system performance for heating is critical



Electrification Grid Impacts

- **Rapid building electrification** would also **require significant power generation and electric grid infrastructure investment**

DTE once again reiterates our support for moving toward a net-zero future, and we look forward to partnering with Ann Arbor on our shared journey to net-zero carbon emissions. We encourage the City Council and Staff to continue their active dialogue with community stakeholders to seek further input on alternative actions to proposed statewide policy changes, like those mentioned here, to reach net-zero carbon emissions by 2030.

¹ RTO Insider. 2019. “Calif.: CCAs, Decarbonization Pose Reliability Challenges”

² The Energy Daily. 2018. “Illinois AG urges end to residential power choice over retailer abuses.”

³ The Energy Daily. 2017. “Court upholds NY ban on energy retailers in low-income markets”

⁴ Estimation of approximately \$1,300 per year: up-front costs levelized over the expected useful life of the equipment (15 years for most appliances); variable cost is based on home’s usage load and marginal fuel cost and excludes air conditioning equipment and energy costs