

# Our Energy Future

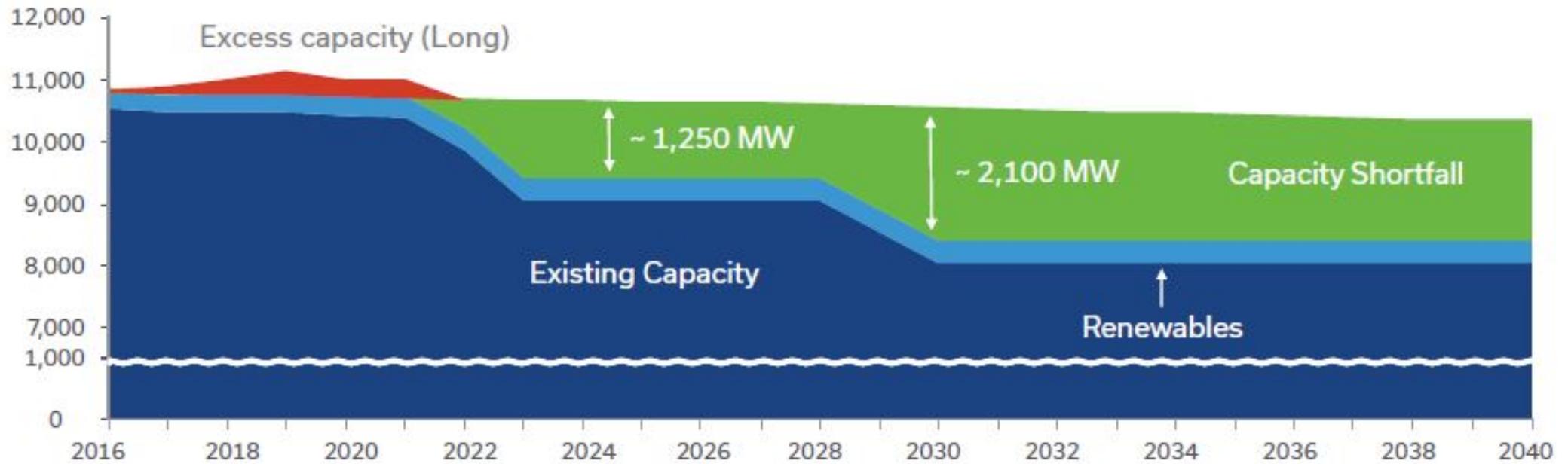
DTE's proposed shift from coal to natural gas, and why cleaner alternatives offer a better path forward



DTE's shift away from coal is driving a need for additional resources.

Figure 2.2.6-1: 2016-2040 Capacity Outlook

**CAPACITY SHORTFALL (MW)**  
SYSTEM DEMAND

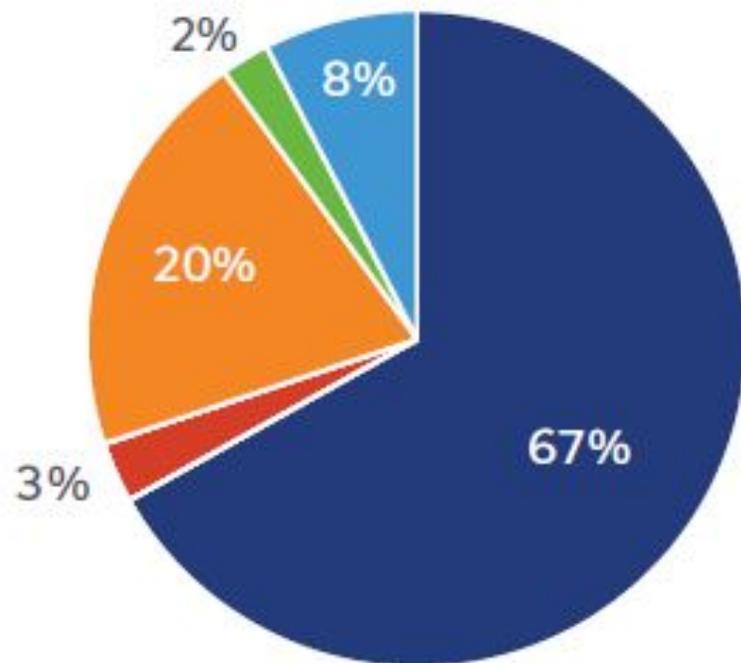


DTE's proposal relies primarily on a new \$1 billion natural gas power plant.

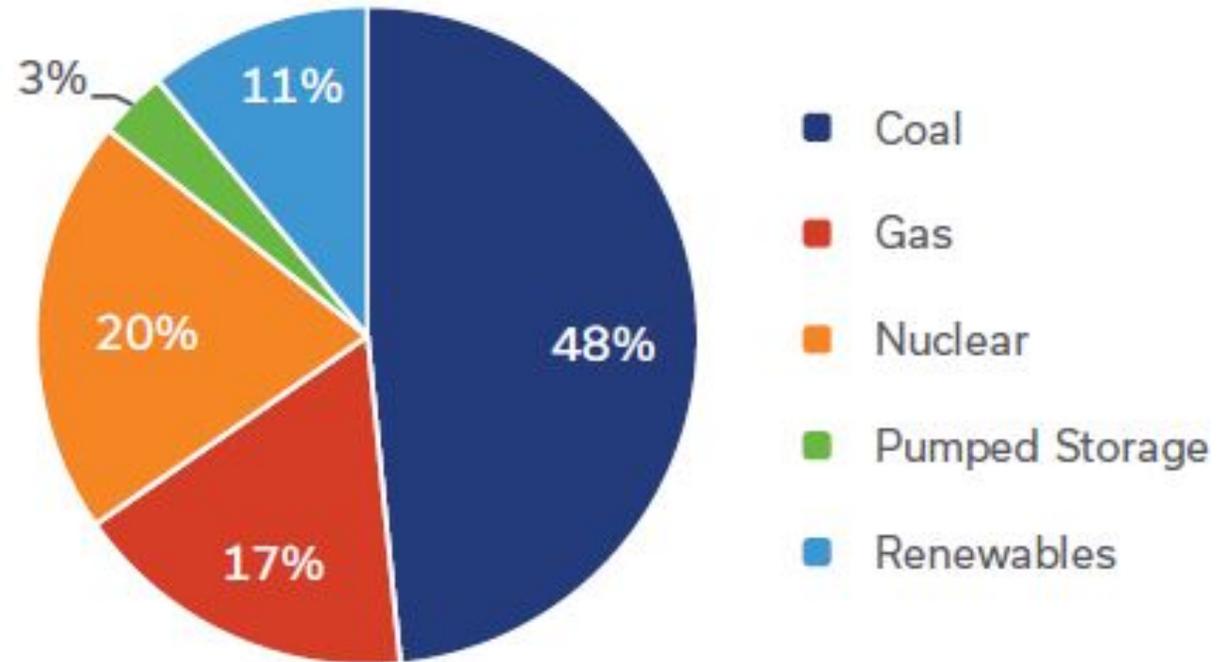
- 1,100 MW natural gas combined cycle power plant
- 1.5% energy efficiency savings annually
- 125 MW of additional demand response
- 60 MW of new solar
- 686 MW of new wind
- 227 MW of additional pumped storage capacity
- 2<sup>nd</sup> 1,100 MW natural gas plant in 2027

# DTE's proposed gas plant maintains its heavy reliance on fossil fuels

2016 FLEET GENERATION MIX (GWh)



2025 FORECASTED FLEET GENERATION MIX (GWh)

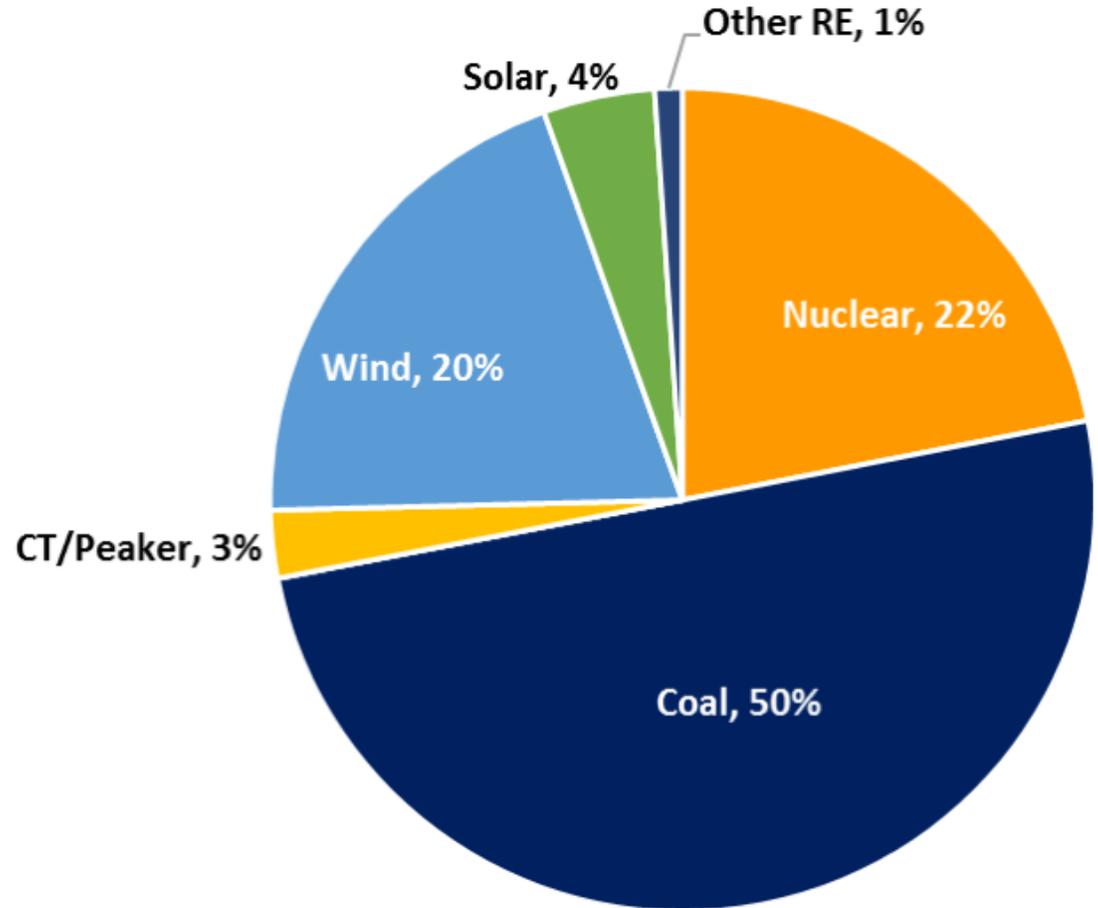


# The Burden of Proof

- DTE must show that its proposed plan is the *most reasonable and prudent* alternative for its customers.
- Several parties have intervened and are challenging DTE's assertion that the proposed natural gas plant is the best path forward
- Intervenors include: ELPC, UCS, Ecology Center, Vote Solar, MEC, NRDC, and Sierra Club.
- MPSC staff has also raised concerns with DTE's analysis, as well as an association of manufacturers.

## Alternative Clean Energy Scenario

DTE's 2025 generation mix



Our analysis modeled a portfolio of clean energy that can meet DTE's needs at lower cost while producing a more diverse and cleaner energy portfolio.

2% energy efficiency savings annually  
+ 253 MW of additional demand response

+ 1,100 MW of new solar

+ 1,100 MW of new wind

**= \$340 million in savings compared to the proposed natural gas plant**

**+ \$1 billion in savings through 2040**

Discrepancies in DTE's analysis reveal an inappropriate bias in favor of the proposed gas plant and against other resource options.

- Overly optimistic assumptions about natural gas prices
- Failure to take advantage of cost-effective energy efficiency
- Overly pessimistic assumptions about the availability, cost, and performance of renewable energy resources
- Failure to adequately consider emerging technologies such as battery storage
- Failure to adequately consider the availability of resources outside of DTE's service territory
- Failure to properly account for key risk factors associated with natural gas investments

# Jobs and Economic Impacts

Renewables and efficiency deliver superior economic benefits

- 10x more construction and 4x more permanent jobs
  - 2,649 wind-related construction jobs, another 119 permanent jobs for operations and maintenance.
  - 2,235 solar-related construction jobs, another 18 permanent jobs for operations and maintenance.
  - 658 jobs in energy efficiency
- Over \$181 million in increased local and state taxes
- Consumer savings would also result in additional economic activity

# Climate Impacts

Ann Arbor among the cities, states, nations and corporations making aggressive climate commitments

- DTE's own plan for achieving 80% reduction of CO2 by 2050 does include significant clean energy investment:
  - 6,000 MW of renewable energy
  - 3,500 MW of natural gas
  - Closure of remaining coal generation facilities
- But its proposal front-loads gas generation, postponing most renewable investments until post-2030
- 80% goal becomes more difficult, and expensive

# Timeline for a Decision

- Testimony has been filed; hearings this week
- Briefs filed by all parties in March
- Deadline for MPSC to make a decision is April 27<sup>th</sup>
- Public comments can be submitted on the MPSC's website under Case #: U-18419

# Key Takeaways

- After review of DTE's analysis and rationale for its proposed natural gas plant, we do not believe DTE has sufficiently proven that the proposed gas plant is the best path forward for meeting its customers' needs.
- Our own analysis shows that a combination of wind and solar resources, combined with increased investments in energy efficiency and demand response, can meet DTE's identified needs at lower cost while creating a more diverse, lower risk portfolio of resources.

Thank you

For More Information:

[PowerUpMI.org](http://PowerUpMI.org)

