



Via Electronic Case Filing

October 3, 2024

Executive Secretary Lisa Felice  
Michigan Public Service Commission  
7109 W. Saginaw Highway  
Lansing, MI 48917

**RE: Case No. U-21534**

Dear Executive Secretary Felice:

Please find attached the following for paperless filing in the above captioned matter.

EVgo's Initial Brief  
Proof of Service

Thank you for your consideration.

Sincerely,

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CC: Parties to Case No. U-21534

**STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION**

|  |   |                   |
|--|---|-------------------|
| In the matter of the application of DTE      | ) |                   |
| ELECTRIC COMPANY for authority to            | ) | Case No. U-21534  |
| increase its rates, amend its rate schedules | ) |                   |
| and rules governing the distribution and     | ) | ALJ Sally Wallace |
| supply of electric energy, and for           | ) |                   |
| miscellaneous accounting authority           | ) |                   |

**EVGO'S INITIAL BRIEF**

October 3, 2024

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**EVGO’S INITIAL BRIEF**

In this proceeding, DTE Electric Company (DTE) proposes its inaugural multi-year “Transportation Electrification Plan” (TEP). The TEP builds on DTE’s experience implementing a portfolio of electric vehicle (EV) charging pilots under an umbrella program known as “Charging Forward.” The TEP aims to support and accelerate EV adoption by facilitating charger deployment in DTE’s service territory while also ensuring that DTE’s EV program portfolio maintains affordability benefits for all DTE customers. To balance those objectives, DTE carefully forecasts the growth of EVs in its service territory over the TEP period (2025-2028); considers the charging infrastructure required to serve that growth; and assesses the public, private, government and utility investment required to support that infrastructure. Importantly, DTE proposes TEP programs that will work in tandem with the private market to drive the deployment of charging infrastructure.

EVgo Services LLC (EVgo) applauds DTE for taking a proactive and deliberate approach to planning for the growth of electrified transportation in its service territory. EVgo is particularly supportive of DTE’s emphasis on public fast charging in its TEP, which, as DTE points out, is critical to help customers overcome “range anxiety”—a key barrier to EV adoption. Indeed, DTE’s existing “Business Charger Rebates” program, through which DTE provides incentives that support the installation of public fast chargers, has been one of the most popular and successful

components of DTE's Charging Forward program. EVgo supports DTE's proposal to continue to invest in that program under the inaugural TEP.

EVgo is concerned, however, by DTE's proposal to narrow incentives available through the Business Charger Rebates program to public fast chargers located near major thoroughways (also known as "corridor" locations), and to eliminate incentives to chargers in all other locations (also known as "community" or "destination" locations). DTE's proposal, if approved, could result in the inequitable distribution of chargers in DTE's service territory, adversely impacting EV drivers—especially multifamily housing residents and renters who rely on public fast chargers at community locations for their charging needs. The Commission should therefore direct DTE to restore incentives for community charging locations—those greater than one mile from major thoroughways—under its Business Charger Rebates program. To the extent DTE remains interested in prioritizing charging locations near major thoroughways, DTE can and should do so by incorporating that preference into its program application scoring rubric.

In this brief, EVgo also addresses Commission Staff and intervenor recommendations regarding DTE's EV program budget; public charging program prioritization criteria; and rate design for EV fast charging. With respect to DTE's EV program budget, the Commission should approve DTE's proposed budget and should not adopt the proposals of Staff and Attorney General witnesses who recommend reductions to that budget without adequate evidentiary support. With respect to prioritization criteria for DTE's public charging programs, the Commission should not adopt Michigan Environmental Council/Natural Resources Defense Council/Sierra Club/Citizens Utility Board (MNSC) witness Jester's recommendation that DTE prioritize applicants receiving funding through Michigan's National Electric Vehicle Infrastructure (NEVI) program. And with respect to rate design for EV fast charging, the Commission should remove the two-year limit on

the exemption from the 1,000 kW demand restriction for EV charging stations in Rate Schedule D3 to encourage the deployment of public fast charging, and should not take any action on DTE's EV Fast Charger Rate. EVgo's brief is presented in accordance with the Administrative Law Judge's briefing instructions and the briefing outline directed therein.

**I. TEST YEAR**

**II. RATE BASE**

**III. CAPITAL STRUCTURE AND RATE OF RETURN**

**IV. ADJUSTED OPERATING INCOME**

**V. COST OF SERVICE**

**VI. RATE DESIGN AND TARIFFS**

**A. Rate Design for EV Fast Charging<sup>1</sup> (Disputed Issue 81)**

*1. Summary of Positions*

DTE presents an EV Fast Charger rate design and alternative cost of service study (COSS) in its testimony. It does not recommend the Commission approve its EV Fast Charger rate. No party disputes DTE's recommendation.

Electrify America witness Shah and Michigan Energy Innovation Business Council, Institute for Energy Innovation and Advanced Energy United (MEIBC) witness Sherman recommend the Commission extend the existing exemption from the 1,000 kW demand restriction for EV charging stations on DTE's Rate Schedule D3, to facilitate fast charger deployment while

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<sup>1</sup> Per the ALJ's Briefing Instructions, this issue is addressed by the following witnesses and in the following exhibits/schedules: DTE witness Willis Direct Testimony, 6 Tr. 2603-2605; DTE witness Willis Rebuttal Testimony, 6 Tr. 2644-2654; DTE witness Maroun Direct Testimony, 6 Tr. 2776-2777; DTE Exhibit A-16, Schedules F1.6-F1.8; EVgo witness Stegall Direct Testimony, 6 Tr. 3303-3306; EVgo witness Stegall Rebuttal Testimony, 6 Tr. 3322-3324; Electrify America witness Shah Revised Direct Testimony, 6 Tr. 4784-4787; MPSC Staff witness Krause Rebuttal Testimony, 6 Tr. 5203-5206; Walmart witness Perry Direct Testimony, 6 Tr. 4740-4742; The Michigan Energy Innovation Business Council, Institute for Energy Innovation and Advanced Energy United (MEIBC) witness Sherman Direct Testimony, 6 Tr. 4097-4099.

utilization rates ramp up. EVgo witness Stegall supports that recommendation. DTE witness Willis and Staff witness Krause oppose that recommendation.

2. *The Commission Should Take No Action on DTE's EV Fast Charger Rate Design*

As directed by the Commission in its last rate case,<sup>2</sup> DTE describes an EV Fast Charger rate design and alternative cost of service study in its testimony. DTE presents this rate as “a starting point for discussion only and not as a rate to be implemented at the conclusion of this case.”<sup>3</sup> DTE explains that determinants and load shape for the EV Fast Charger rate were based on usage from a small set of current, known EV fast chargers on separate meters with more than 300 read days—a total of 21 chargers.<sup>4</sup> The Company readily acknowledges concerns about the data sample size and quality, noting that “[t]he sample size is small because the overall density of EV fast chargers is still small relative to customer counts in other cost of service classes. Very small cost of service classes such as this one can lead to volatile determinants, [cost of service], and rate design from case to case and individual customers may have an outsized impact on the overall class.”<sup>5</sup> DTE also points out “[t]he sample size, while reasonably defined, does not include all EV fast chargers served by the Company given the co-location of charging load with other general service loads.”<sup>6</sup> In conclusion, the Company states “[t]he data constraints and generally small customer set indicate that this proposal should be used as a starting point for discussion only and not as a rate to be implemented at the conclusion of this case.”<sup>7</sup>

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<sup>2</sup> Case No. U-21297, Final Decision at 342.

<sup>3</sup> 6 Tr. 2605 (DTE Willis Direct).

<sup>4</sup> 6 Tr. 2604(DTE Willis Direct).

<sup>5</sup> 6 Tr. 2604 (DTE Willis Direct).

<sup>6</sup> 6 Tr. 2604 (DTE Willis Direct).

<sup>7</sup> 6 Tr. 2604 (DTE Willis Direct).

No party contests DTE’s conclusion on this issue. EVgo shares DTE’s concerns regarding the size and quality of the data used to design the EV Fast Charger rate. As EVgo witness Stegall notes, a set of 21 customers is an exceedingly small sample size—susceptible to outside effects from the characteristics of a single customer’s usage.<sup>8</sup> Designing a rate based on such a small set of customers could have adverse effects both on individual customers and the industry more broadly.<sup>9</sup>

Moreover, while many Commissions across the country have approved EV fast charging rates, EV charging customers are rarely, if ever, placed in a separate rate class.<sup>10</sup> To date, Commissions and utilities have generally rejected proposals for developing a separate rate class for EV charging customers for reasons similar to those presented by DTE in this case. In Illinois, for example, the Commission rejected Commonwealth Edison Company’s proposal to create separate EV charging delivery classes, expressing concerns regarding the lack of data on the proposed new delivery classes, and finding that the proposal was premature.<sup>11</sup> Similarly, through a settlement agreement in a 2021 proceeding in Colorado, Public Utilities Commission Staff and the utility, Public Service Company of Colorado, agreed to avoid a standalone rate class for commercial EV charging and a separate cost allocation for the EV rates in the next rate case due to the relatively small number of EV charging customers and total load.<sup>12</sup> Finally, in a recent Jersey Central Power & Light Company (JCP&L) Base Rate Filing the utility noted “there is limited data to develop a [cost of service study] and design a commercial Direct-current fast charger (“DCFC”)

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<sup>8</sup> 6 Tr. 3303 (EVgo Stegall Direct).

<sup>9</sup> 6 Tr. 3303 (EVgo Stegall Direct).

<sup>10</sup> 6 Tr. 3304 (EVgo Stegall Direct).

<sup>11</sup> Ill. Commerce Comm’n, Docket Nos. 22-0432 and 22-0442 (cons.), Final Order at 237.

<sup>12</sup> Colorado Public Utilities Commission, 21AL-0494E, Non-Unanimous Comprehensive Settlement Agreement at 4.

rate...” showing that there was only 8 months of DCFC data and only 7 out of 13 chargers with data available during June and July—the system peak.<sup>13</sup>

In sum, the Company’s assessment that the EV Fast Charger rate should not be implemented at the conclusion of this case is appropriate. The Commission should take no further action related to the EV Fast Charger rate at this time.

3. *The Commission Should Remove the Two-Year Limit on the Exemption from the 1,000 kW Demand Restriction for EV Charging Stations on Rate Schedule D3*

DTE’s Rate Schedule D3—which does not include demand charges—is typically available to commercial customers with a demand lower than 1,000 kW, including EV fast-charging customers that fall below that limit. The rate also includes an exemption from the 1,000-kW demand restriction for EV charging stations until January 1, 2026, enabling EV charging stations with demands greater than 1,000 kW to access the rate until that time.

Walmart witness Perry, along with Michigan Energy Innovation Business Council/Institute for Energy Innovation/Advanced Energy United (MEIU) witness Dr. Sherman and other intervenors,<sup>14</sup> expresses concern over the limited availability of Rate Schedule D3 to separately metered DC fast chargers, and explains that a more durable rate for EV fast chargers would foster market certainty and encourage investments in public EV charging.<sup>15</sup> Like DTE, EVgo and other parties, Ms. Perry does not support the approval of an EV fast charging-specific rate based on the alternative cost of service study DTE presented in this rate case because the data used in that study is limited.<sup>16</sup> To address the lack of viable and durable rate options for EV fast chargers, Ms. Perry

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<sup>13</sup> JCP&L (Docket No. ER23030144) p 29:20-30:5  
<https://www.firstenergycorp.com/content/dam/customer/OpCoHome/files/JCPLRegulatory/JCPL-2023-Base-Rate-Case-Incl-REV-Exh-10.pdf>

<sup>14</sup> 6 Tr. 4784-4787 (Electrify America Shah Direct).

<sup>15</sup> 6 Tr. 4742 (Walmart Perry Direct).

<sup>16</sup> 6 Tr. 4742 (Walmart Perry Direct).

recommends the Commission direct DTE to “either remove the two-year limitation from Rate Schedule D3 or require the Company to collaborate with interested parties to develop a public EV charging-specific rate that is informed by data from the alternative COSS presented in this case as well as future data, and require the Company to seek approval of such rate in its next general rate case.”<sup>17</sup>

EVgo shares Ms. Perry’s concern, and recommends the Commission address that concern by removing the two-year limit on the exemption from the 1,000 kW demand restriction for EV charging stations in Rate Schedule D3. Doing so would create a more inclusive rate that promotes market certainty over the long term and fosters private investment in EV charging, particularly as charger power levels trend upward to accommodate increasing vehicle charging speeds. The Commission should not, however, require the Company to seek approval of an EV charging-specific rate in its next general rate case as Walmart witness Perry suggests because—as the Company’s EV Fast Charger rate discussed in this proceeding demonstrates—such a directive would be premature. Given that DTE typically files rate cases on an annual basis, the data sample size and quality limitations related to the EV Fast Charger Rate discussed in this proceeding will likely remain next year, when DTE files its next rate case.<sup>18</sup>

DTE witness Willis and Staff witness Krause disagree that the Commission should make any change to the two-year exemption limit in Rate Schedule D3, for similar reasons. Ignoring the practical concerns raised by Walmart, Electrify America, and MEIBC regarding the instability and uncertainty a two-year exemption creates, witness Krause states “[a]fter two years on Rate D3, the customer should assume they will be moved to rate D4 if their demand is more than 1,000 kW.

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<sup>17</sup> 6 Tr. 4742 (Walmart Perry Direct).

<sup>18</sup> 6 Tr. 3323 (EVgo Stegall Rebuttal).

While the switch to rate D4 may not be desirable it is incorrect to characterize it as uncertainty, or instability.”<sup>19</sup> Mr. Krause correctly describes the mechanics of DTE’s tariffs, but overlooks the core issue. The “uncertainty” at issue is over the charges the customer will pay, not over the mechanics of the DTE’s tariffs. The fundamental goal of creating an exemption from the 1,000 kW demand restriction in Rate Schedule D3 was to allow large public fast chargers to access a demand charge alternative rate that does not penalize those charging installations with unpredictable charges as demand remains spiky. While a two-year exemption from demand charges might be helpful in the near-term, the timelines associated with DCFC site development and investment justification are far longer, and therefore two years of demand charge relief is not sufficient to alleviate the customer’s uncertainty.<sup>20</sup>

The Commission should therefore remove the two-year exemption limit in Rate Schedule D3. However, if the Commission declines to remove the two-year exemption limit in Rate Schedule D3, the Commission should direct DTE to collaborate with stakeholders to develop an optional successor rate to Schedule D3 for EV fast-charging customers, and make that successor rate available upon the expiration of the Schedule D3 exemption.<sup>21</sup>

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<sup>19</sup> 6 Tr. 5205 (MPSC Staff Krause Rebuttal).

<sup>20</sup> See 6 Tr. 4787 (Electrify American Shah Direct)(“Given the timelines associated with DCFC site development and investment justification, which are often over a 10-year or longer period, two years of guaranteed demand charge relief is not a long enough period to provide enough cost certainty to Electrify America when it is making investment decisions in DTE’s service territory.”)

<sup>21</sup> Developing this optional EV fast-charging rate should not necessitate creating a separate EV fast-charging rate class. As explained above, many Commissions across the country have approved EV fast charging rates, though EV charging customers are rarely, if ever, placed in a separate rate class. 6 Tr. 3324 (EVgo Stegall Rebuttal) citing 6 Tr. 3305-3306 (EVgo Stegall Direct).

## VII. OTHER ISSUES

### A. Business Charger Rebates Program Design<sup>22</sup> (Disputed Issues 98, 100)

#### 1. *Summary of Positions*

DTE proposes to eliminate incentives for “community” or “destination” charging locations from its Business Charger Rebates program going forward, and provide incentives only to “on-route” locations. EVgo, Electrify America, and MEIBC oppose that proposal, and recommend DTE continue to provide incentives to both “on-route” and “community” locations through its Business Charger Rebate program to better ensure the equitable deployment of public fast chargers in DTE’s service territory. DTE and MPSC Staff oppose those recommendations. EVgo also supports the reallocation of funds remaining in DTE’s current Business Charger Rebate program at the end of the calendar year to DTE’s successor Business Charger Rebate program. In response, DTE offers to first hold funds for any customer who has already applied to the existing Business Charger rebates program prior to December 31, 2024 and whose projects are showing progress to protect customers who are in the process of making these large investments. If there is funding remaining after this, DTE says it is open to reallocating the remaining funding into the non-DAC/rural subsegment of the proposed successor Business Charger Rebate program, should there be no significant opposition from other stakeholders. EVgo supports the Company’s balanced suggestion.

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<sup>22</sup> Per the ALJ’s Briefing Instructions, this issue is addressed by the following witnesses and in the following exhibits/schedules: DTE witness Bennett Direct Testimony, 6 Tr. 1963-1964; DTE witness Bennett Rebuttal Testimony, 6 Tr. 1995, 2006-2007; EVgo witness Stegall Direct Testimony 6 Tr. 3294-3303; MEIBC witness Sherman Direct Testimony, 6 Tr. 4089-4091; Electrify America witness Davis Direct Testimony, 6 Tr. 4769-4770; MPSC Staff witness Revere Rebuttal Testimony 6 Tr. 4981-4984.

2. *EV DCFC Infrastructure Programs Can Accelerate EV Adoption and Deliver Benefits to Ratepayers and Society*

Public or commercial DCFC charges a vehicle’s battery using direct current at high power, which allows for fast charging in minutes instead of hours.<sup>23</sup> DCFC is well-suited for quick charging needs in and around cities, towns, and suburbs and along high-traffic travel corridors.<sup>24</sup> DCFC stations are located at or near places where drivers live, drive, and shop, including retail locations, restaurants, grocery stores, and other locations where an EV driver will be for 15-45 minutes.<sup>25</sup> By contrast, Level 2 charging typically provides a full charge in 4 to 8 hours and is sought in longer duration, long dwell-time locations such as at workplaces, homes, amusement parks, or other destinations where drivers may spend several hours.<sup>26</sup> Public DCFC helps drive EV adoption—and therefore increases charging and electric load—by serving a variety of drivers’ needs.<sup>27</sup> DCFC builds the range confidence of EV drivers, especially on trips between cities or across the country.<sup>28</sup> DCFC locations serving this need are commonly known as “corridor” locations.<sup>29</sup> Public DCFC plays an equally important role in dense, urban, and suburban areas where not every home has a driveway, attached garage, or in many cases, any dedicated parking.<sup>30</sup> DCFC locations serving this need are commonly known as “community” or “destination” locations.<sup>31</sup> According to the International Council on Clean Transportation, apartment-dwelling EV drivers living in multifamily housing rely on public charging for 50-80% of their charging<sup>32</sup>

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<sup>23</sup> 6 Tr. 3292 (EVgo Stegall Direct).

<sup>24</sup> 6 Tr. 3292 (EVgo Stegall Direct).

<sup>25</sup> 6 Tr. 3292 (EVgo Stegall Direct).

<sup>26</sup> 6 Tr. 3292 (EVgo Stegall Direct).

<sup>27</sup> 6 Tr. 3292 (EVgo Stegall Direct).

<sup>28</sup> 6 Tr. 3292 (EVgo Stegall Direct).

<sup>29</sup> 6 Tr. 3292 (EVgo Stegall Direct).

<sup>30</sup> 6 Tr. 3292 (EVgo Stegall Direct).

<sup>31</sup> 6 Tr. 3292 (EVgo Stegall Direct).

<sup>32</sup> 6 Tr. 3292 (EVgo Stegall Direct, citing International Council on Clean Transportation, *Quantifying the Electric Vehicle Charging Infrastructure Gap Across U.S. Markets* at 9 (Jan. 2019), available at [https://theicct.org/sites/default/files/publications/US\\_charging\\_Gap\\_20190124.pdf](https://theicct.org/sites/default/files/publications/US_charging_Gap_20190124.pdf)).

as they typically do not have access to dedicated parking or home charging. Thus, siting DCFC in community locations near multifamily housing and existing amenities drives EV adoption by providing charging options to drivers that do not own a single-family home.<sup>33</sup> For this reason, deploying public DCFC in more dense metropolitan areas is key to achieving equity goals.<sup>34</sup>

Programs that defray the costs of deploying DCFC infrastructure foster private investment and drive the deployment of EV charging stations, which facilitate broader EV adoption and increased charging.<sup>35</sup> Increased EV charging increases the utility's electric load and thereby spreads system costs over a greater volume of customers, causing downward pressure on future rates.<sup>36</sup>

These ratepayer benefits are not just theoretical. A 2024 study by Synapse Economics (Synapse) found that across all regions in the United States, EVs have increased utility revenues more than they have increased utility costs, leading to downward pressure on electric rates for EV-owners and non-EV owners alike.<sup>37</sup> Between 2011 and 2021, Synapse estimates that EV drivers across the country have contributed \$3.12 billion more in revenues than associated costs, driving rates down for all customers.<sup>38</sup> The Synapse report shows a positive cumulative net rate impact (revenues greater than costs) from electric vehicles in Michigan between 2011-2021.<sup>39</sup>

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<sup>33</sup> 6 Tr. 3293 (EVgo Stegall Direct).

<sup>34</sup> 6 Tr. 3293 (EVgo Stegall Direct).

<sup>35</sup> 6 Tr. 3293 (EVgo Stegall Direct).

<sup>36</sup> 6 Tr. 3293 (EVgo Stegall Direct).

<sup>37</sup> 6 Tr. 3293 (EVgo Stegall Direct, citing Sarah Shenstone-Harris, Paul Rhodes, Jason Frost, Ellen Carlson, Eric Borden, Courtney Lane, Melissa Whited. *Electric Vehicles Are Driving Rates Down for All Customers* at 3 (Jan. 2024)).

<sup>38</sup> 6 Tr. 3293 (EVgo Stegall Direct).

<sup>39</sup> 6 Tr. 3293 (EVgo Stegall Direct).

As the State of Michigan has recognized in its MI Healthy Climate Plan,<sup>40</sup> programs that effectively support accelerated TE can generate benefits for multiple stakeholders. EV drivers can benefit from reduced vehicle operating costs for EVs as compared to traditional vehicles. The state as a whole can benefit from reduced greenhouse gas emissions, improved air quality and associated health benefits, economic development, and job creation.<sup>41</sup> The economic benefits of transportation electrification for ratepayers are widely recognized by utilities and public service commissions across the country.<sup>42</sup>

3. *The Commission Should Direct DTE to Support Both Corridor and Community Charging Locations To Ensure the Business Charger Rebates Program Supports the Equitable Deployment of Public Fast Charging Infrastructure*

The Business Charger Rebates program is a core<sup>43</sup>, highly popular, and—by DTE’s admission—successful<sup>44</sup> component of DTE’s Charging Forward program. Through the Business Charger Rebates program, DTE issues rebates to business and commercial customers. Those rebates defray the costs of installing charging infrastructure. DTE provides rebates of up to \$55,000 per DCFC and \$2,000 per Level 2 port with no limitations with regard to the geography of participating sites. The Business Charger Rebates program has been a critical factor contributing to the growth of EV charging station deployment in DTE’s service territory. Historically, the program has been so popular that its funding has quickly been exhausted, and applicants have been waitlisted.<sup>45</sup> According to DTE, the program has led to the installation of 310 sites with over 1,400

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<sup>40</sup> 6 Tr. 3294 (EVgo Stegall Direct, citing Michigan Department of Environment, Great Lakes and Energy, MI Healthy Climate Plan, April 2022, available at: <https://www.michigan.gov/egle/about/organization/climate-and-energy/mi-healthy-climate-plan>).

<sup>41</sup> 6 Tr. 3294 (EVgo Stegall Direct).

<sup>42</sup> 6 Tr. 3294 (EVgo Stegall Direct).

<sup>43</sup> 6 Tr. 3294 (EVgo Stegall Direct, citing Case No. U-21297, Direct Testimony of DTE witness Peterson at KP-41, lines 23-25).

<sup>44</sup> Exhibit EVG-1 (LRS-1), DTE response to EVgoDE-1.4.

<sup>45</sup> 6 Tr. 3295 (EVgo Stegall Direct, citing Case No. U-20836, Direct Testimony of DTE witness Burns at BJHB-38).

ports operational as of May 17, 2024.<sup>46</sup> The Company also has 149 sites (593 ports) in the pipeline to receive funding through DTE Electric’s Business Charger Rebates program.

In this proceeding, the Company proposes to change the Business Charger Rebates program in a way that risks making the program both less equitable and less successful. Specifically, DTE proposes to impose geographic limitations on projects that are eligible to receive support from the Business Charger Rebates Program. In order to participate under DTE’s new eligibility requirements, sites must be in “on-route” locations. DTE defines “on route” as fast charging within one mile of a major throughway exit,<sup>47</sup> with major throughway referring to “a high-traffic road that is likely to be a limited access Interstate or State highway.”<sup>48</sup> DTE proposes to offer a rebate of \$70,000 per on-route DCFC in disadvantaged communities and rural areas and \$50,000 per on-route DCFC in other areas.<sup>49</sup> Importantly, DTE proposes to eliminate incentives for DCFC “destination charging”—also known as community charging—from its Business Charger Rebates program.

DTE’s proposal to eliminate incentives for “community” locations raises three main concerns. First, narrowing program support to “on-route” locations while excluding community locations could lead to distorted, inequitable results.<sup>50</sup> If the private market is incented to deploy chargers only along major corridors (*i.e.*, on-route locations), the number of community charging sites may not keep pace with demand, leading to gaps in some urban and suburban areas in DTE’s service territory.<sup>51</sup> This would lead to fewer conveniently located chargers along EV drivers’ daily

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<sup>46</sup> This is very near the Company’s previous target of 1,500 ports. *See* Exhibit EVG-1 (LRS-1), DTE response to EVgoDE-1.4.

<sup>47</sup> 6 Tr. 1963 (DTE Bennett Direct).

<sup>48</sup> Exhibit EVG-1 (DTE response to EVgoDE-1.5).

<sup>49</sup> 6 Tr. 1963 (DTE Bennett Direct).

<sup>50</sup> 6 Tr. 3296-3297 (EVgo Stegall Direct).

<sup>51</sup> 6 Tr. 3296-3297 (EVgo Stegall Direct).

routes in community locations that may be more than one mile away from a corridor.<sup>52</sup> Similarly, fast charging sites serving multifamily housing residents and renters—who typically do not have access to home charging and rely on public DCFC in community locations to charge their vehicles—would likely lag demand, slowing EV adoption among drivers that do not own single-family homes, all else equal.<sup>53</sup> This dynamic would undermine DTE’s objective of breaking down barriers for low- and moderate-income customers and disadvantaged communities.<sup>54</sup>

Second, DTE’s approach may limit future participation in a program that has historically been popular. DTE is proposing a \$37 million budget for the Business Charger Rebates program over the TEP timeframe from 2025 to 2028—an increase in annual budget compared to previous years. However, with additional program restrictions, it may be difficult to achieve the level of program participation DTE is expecting.<sup>55</sup> There are many factors that charging service providers and site hosts must consider when siting a charging station, such as traffic patterns, EV density, proximity of other DCFC, environmental justice considerations, multifamily housing proximity, amenities, and existing relationships with potential site hosts.<sup>56</sup> Additional geographic requirements will further limit the pool of potential sites and may create a barrier to program participation.<sup>57</sup>

Third, the Company has not adequately explained *why* its proposal to narrow program eligibility is necessary, justified, or reasonable. In its direct testimony, DTE notes that “[r]eliable, on-route fast charging, defined as fast charging within one mile of a major throughway exit, can

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<sup>52</sup> 6 Tr. 3297 (EVgo Stegall Direct).

<sup>53</sup> 6 Tr. 3297 (EVgo Stegall Direct).

<sup>54</sup> 6 Tr. 3297 (EVgo Stegall Direct); 6 Tr. 1931 (DTE Bennett Direct).

<sup>55</sup> 6 Tr. 3297 (EVgo Stegall Direct).

<sup>56</sup> 6 Tr. 3297 (EVgo Stegall Direct).

<sup>57</sup> 6 Tr. 3297 (EVgo Stegall Direct).

increase customer’s confidence in the refueling infrastructure.”<sup>58</sup> The Company also states that it “does not, however, propose rebates for the destination charging segments as the economics of Level 2 charger deployment are not as challenging, and businesses have other motivation for installation such as increased foot traffic. For site hosts installing a destination DCFC, DTE Electric will continue to offer a commercially available rate without demand charges for sites less than one megawatt.”<sup>59</sup> In response to an EVgo discovery request asking DTE to explain why it is eliminating incentives for community charging locations, DTE states “[d]estination chargers, by definition, are located at businesses like hotels, restaurants, or grocery stores, that may not be located within one mile of a major throughway. In order to balance public charger support with overall customer affordability the Company considered that these businesses have other incentives and motivations for charger installation, like increasing foot traffic and attracting customers to their businesses. Therefore, the Company determined to direct finite incentives to locations with fewer such incentives and inherent benefits.”<sup>60</sup> The Company’s reasoning, however, is flawed because these same types of businesses—grocery stores, restaurants, and other retailers—can also be located *within* one mile of a major throughway.<sup>61</sup> DTE never explains why the incentives for installing chargers would differ for businesses based solely on their distance from a major throughway.

Importantly, DTE’s proposal is at odds with the feedback it received from stakeholders when developing its TEP. As DTE notes, “[s]takeholders ranked all the public charging subsegments, including on-route *and destination charging*, as the most important for utility action

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<sup>58</sup> 6 Tr. 1964 (DTE Bennett Direct).

<sup>59</sup> 6 Tr. 1964 (DTE Bennett Direct).

<sup>60</sup> Exhibit EVG-1 (LRS-1) (DTE Response to EVgoDE-1.12).

<sup>61</sup> 6 Tr. 3298 (EVgo Stegall Direct).

because the availability of public charging is critical to reducing range anxiety, which is a key barrier to EV adoption.”<sup>62</sup> (Emphasis added). When EVgo asked DTE to provide any feedback the Company received supporting the exclusion of rebates for community DCFC in its TEP, DTE provided no direct feedback from stakeholders.<sup>63</sup>

EVgo was one of the stakeholders that provided feedback to DTE as it prepared its TEP. DTE’s initial proposal was to limit the Business Charger Rebate program to DAC and rural on-route deployments. Prior to this rate case filing, EVgo and ChargePoint provided joint feedback to DTE<sup>64</sup> supporting the Business Charger Rebate program in its current form and recommending DTE extend the availability of this program, without geographic limitations, in the TEP. EVgo and ChargePoint expressed the concern that DTE’s proposal to narrow the availability of Business Charger rebates to DACs and rural on-route deployments in its TEP could stall the market’s momentum and adversely impact market stability in DTE’s territory. The companies also explained that the NEVI Formula program will already support sites near corridors—areas similar to DTE’s “on-route” areas—and therefore recommended DTE support the deployment of chargers in areas that *do not qualify* for NEVI funding in order to encourage the broad geographic distribution of charging infrastructure.<sup>65</sup> In this way, DTE can provide a critical funding source that would be complementary and not duplicative of federal funding to encourage corridor charging. Finally, the charging companies recommended options that would allow DTE to address DAC/rural charging gaps while also supporting the broader market.

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<sup>62</sup> 6 Tr. 1963 (DTE Bennett Direct).

<sup>63</sup> See Exhibit EVG-1 (LRS-1) (DTE response to EVgoDE-1.12).

<sup>64</sup> See Exhibit EVG-2 (LRS-2).

<sup>65</sup> See Exhibit EVG-2 (LRS-2). The Michigan Department of Transportation has since announced 41 NEVI project selections amounting to \$22.9 million in requested funds. 6 Tr. 3300 (EVgo Stegall Direct).

Ultimately, the Company expanded its Business Charger Rebate program to on-route DCFCs outside of DAC or rural areas in response to feedback it received.<sup>66</sup> While expanding eligibility to “on route” locations outside of DACs and rural areas was a step in the right direction, DTE’s modification did not alleviate EVgo’s concerns because the Business Charger Rebates program (as-proposed) continues to limit eligibility to on-route locations, which, as noted above, does not enable equitable charging access for those living in multifamily housing and others without access to home charging.

Staff witness Revere dismisses EVgo’s equity concerns, arguing that “limiting program participation to that most beneficial to other ratepayers is a feature, not a bug, of the Company’s proposal.”<sup>67</sup> But witness Revere never explains why on-route locations would be “most beneficial to ratepayers.” Indeed, nothing in the record demonstrates that an on-route fast charging location would provide *more* benefits to ratepayers than a community charging location located a couple miles away from a corridor. Witness Revere goes on to assert that “those who rely exclusively on public DCFC charging are not producing the very benefit that is produced by the residential EV program and basically the entire reason for ratepayers funding the program in the first place, spreading out of costs through off-peak charging, and should therefore not receive rebates regardless of what other sites that do assist in providing these benefits are allowed the rebates.”<sup>68</sup> Putting aside Mr. Revere’s failure to support his assertions regarding the ratepayer benefits produced by public charging, Mr. Revere’s assertion is particularly concerning because it suggests he does not support the Company’s *equity* objectives. As explained above, multifamily housing residents and renters often lack access to home charging and therefore rely on public chargers to

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<sup>66</sup> 6 Tr. 1963 (DTE Bennett Direct).

<sup>67</sup> 6 Tr. 4983 (MPSC Staff Revere Rebuttal).

<sup>68</sup> 6 Tr. 4983 (MPSC Staff Revere Rebuttal).

meet their charging needs. To the extent DTE focused on home charging and neglected public charging as witness Revere appears to suggest, it would have the inequitable impact of disadvantaging multifamily housing residents and renters in DTE's service territory.

EVgo therefore recommends the Commission direct DTE to support both corridor and community locations through the Business Charger Rebate program (similar to scope of the existing program) and eliminate the requirement that participating sites be located "on-route" in both the DAC/rural and the non-DAC/rural subsegments of the program. Electrify America and MEIBC also support a geographically inclusive approach that remains consistent with the eligibility requirements of the existing, successful Business Charger Rebates program.<sup>69</sup> Allowing sites in both DAC/rural and non DAC/rural areas to be located either on corridors or in communities will result in a more equitable distribution of charging infrastructure across DTE's service territory.<sup>70</sup> Critically, making Business Charger Rebates available for corridor and community charging will help make EVs accessible to multifamily housing residents, renters and others without access to home charging.<sup>71</sup> Providing this flexibility will also increase the number of communities that can be served by the program, particularly in disadvantaged and rural areas, and ensure that chargers are conveniently located, even if a resident lives farther from a major throughway.<sup>72</sup> Additionally, making Business Charger Rebates available for both corridor and community charging will allow DTE to leverage the expertise of the private market in siting chargers to ensure they are located in the most convenient locations where the greatest need

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<sup>69</sup> MEIBC witness Sherman Direct Testimony, 6 Tr. 4089-4091; Electrify America witness Davis Direct Testimony, 6 Tr. 4769-4770.

<sup>70</sup> 6 Tr. 3301 (EVgo Stegall Direct).

<sup>71</sup> 6 Tr. 3301-3302 (EVgo Stegall Direct).

<sup>72</sup> 6 Tr. 3302 (EVgo Stegall Direct).

exists.<sup>73</sup> EV charging providers like EVgo have a significant amount of experience siting fast charging locations and have the ability to utilize tools that incorporate years of data and several critical factors into charger siting.<sup>74</sup> This allows EVgo to understand which locations have the greatest need and predict the extent to which each location will be utilized by drivers.<sup>75</sup> Thus, removing the restrictive on-route requirement will increase the pool of potential sites and applicants and will ensure robust program participation.<sup>76</sup> Ultimately, a successful program that effectively drives charging infrastructure deployment will maximize DTE ratepayer benefits and other public interest benefits, while helping the State of Michigan meet the ambitious transportation electrification goals in its MI Healthy Climate Plan.<sup>77</sup>

To the extent DTE wishes to encourage participants to develop “on-route” sites, it should incorporate this preference into its scoring rubric instead of eliminating support for DCFC community charging altogether.<sup>78</sup> In its last rate case, the Commission ordered DTE to work with stakeholders to develop a points-based scoring rubric to transparently evaluate applicants to the Business Charger Rebates program.<sup>79</sup> To the extent DTE has a reasonable preference for certain types of deployments (*i.e.*, corridor locations) they can reflect that preference by assigning additional points to specific types of deployments in the scoring rubric.<sup>80</sup> This would have the practical effect of encouraging DTE’s “preferred” deployments without eliminating support for

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<sup>73</sup> 6 Tr. 3302 (EVgo Stegall Direct).

<sup>74</sup> 6 Tr. 3302 (EVgo Stegall Direct).

<sup>75</sup> 6 Tr. 3302 (EVgo Stegall Direct).

<sup>76</sup> 6 Tr. 3302 (EVgo Stegall Direct).

<sup>77</sup> 6 Tr. 3302 (EVgo Stegall Direct, citing Michigan Department of Environment, Great Lakes and Energy, MI Healthy Climate Plan, April 2022, available at: <https://www.michigan.gov/egle/about/organization/climate-and-energy/mi-healthy-climate-plan>).

<sup>78</sup> 6 Tr. 3301 (EVgo Stegall Direct).

<sup>79</sup> 6 Tr. 3301 (EVgo Stegall Direct, citing Case No. U-21297, Final Decision at 373-374).

<sup>80</sup> 6 Tr. 3301 (EVgo Stegall Direct).

other deployments; ultimately allowing private market participants to continue to optimize siting for the benefit of EV drivers.<sup>81</sup>

4. *DTE should allocate any funding remaining in the existing Business Charger Rebates program at the end of this year to the new version of the program.*

In discovery, DTE noted that there was approximately \$5 million in funding remaining in Business Charger Rebate program as of May 17, 2024.<sup>82</sup> DTE explained this funding will only be available to applicants for sites operationalized by December 31, 2024<sup>83</sup> and “[i]f funding for the Business Charger Rebate program is not depleted by the time the Company’s proposed Transportation Electrification Program (TEP) is implemented, the Company plans to consult with stakeholders regarding potential reallocation of the remaining funds approved for the Business Charger Rebates program to other programs such as the TEP’s Public charging for Other On-route DCFC segment.”<sup>84</sup> While DTE suggests that funding *may* be reallocated to the non-DAC/rural subsegment of the Business Charger Rebates program proposed in this proceeding, this outcome is not certain.

EVgo witness Stegall therefore suggested that DTE reallocate any funds remaining from the existing Business Charger Rebate program into the non-DAC/rural subsegment of the proposed Business Charger Rebate program.<sup>85</sup> That approach would provide greater funding certainty for the charging industry, which is crucial for creating a stable market environment that supports continuous deployment, rather than a “start and stop” cycle of development.<sup>86</sup>

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<sup>81</sup> 6 Tr. 3301 (EVgo Stegall Direct).

<sup>82</sup> See Exhibit EVG-1 (LRS-1), DTE Response to EVgoDE-1.1d

<sup>83</sup> See Exhibit EVG-1 (LRS-1), DTE Response to EVgoDE-1.2

<sup>84</sup> See Exhibit EVG-1 (LRS-1), DTE Response to EVgoDE-1.3

<sup>85</sup> 6 Tr. 3303 (EVgo Stegall Direct).

<sup>86</sup> 6 Tr. 3303 (EVgo Stegall Direct).

In response to EVgo witness Stegall’s suggestion, DTE witness Bennett offered to “first hold funds for any customer who has already applied [to the Business Charger rebates program] prior to December 31, 2024 and whose projects are showing progress to protect customers who are in the process of making these large investments. If there is funding remaining after this, the Company is open to reallocating the remaining funding into the non-DAC/rural subsegment of the proposed Business Charger Rebate program, should there be no significant opposition from other stakeholders.”<sup>87</sup> EVgo supports the Company’s balanced suggestion, and recommends the Commission adopt it.

**B. EV Program Budget<sup>88</sup> (Disputed Issues 8, 22, 23)**

*1. Summary of Positions*

DTE witness Bennett describes DTE’s proposed spending on EV-related programs under its TEP umbrella. MPSC Staff witness Freeman and Attorney General witness Coppola recommend reductions to DTE’s EV program budget and EV-related spending. DTE witness Bennet, EVgo witness Stegall, Electrify America witness Davis, and MEIBC witness Sherman oppose witness Freeman’s and witness Coppola’s recommendations.

*2. The Commission Should Approve DTE’s Proposed EV Program Budget*

Staff witness Freeman suggests DTE’s proposed spending on its Business and eFleet Charger Rebates programs (\$16 million in 2025) represents a “significant increase” from past rebate programs and indicates Staff would prefer DTE implement a “scaled down rebate effort.”<sup>89</sup>

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<sup>87</sup> 6 Tr. 1995-1996 (DTE Bennett Rebuttal).

<sup>88</sup> Per the ALJ’s Briefing Instructions, this issue is addressed by the following witnesses and in the following exhibits/schedules: DTE witness Bennett Direct Testimony, 6 Tr. 1955, 1977; DTE witness Bennett Rebuttal Testimony, 6 Tr. 1998-2001, 2003; MPSC Staff witness Freeman Direct Testimony 6 Tr. 5086-5088; AG witness Coppola Direct Testimony 6 Tr. 3607-3609, 3637-3638; MEIBC witness Sherman Rebuttal Testimony, 6 Tr. 4118-4124, 4126-4128; Electrify America witness Davis Rebuttal Testimony, 6 Tr. 4775-4780; EVgo witness Stegall Rebuttal Testimony, 6 Tr. 3313-3320; DTE Exhibit A-12, Schedule B5.9.

<sup>89</sup> 6 Tr. 5087 (MPSC Staff Freeman Direct).

The Commission should not adopt Mr. Freeman’s recommendation because he (1) mischaracterizes the scale of DTE’s funding request for its Business and eFleet Charger Rebate programs, (2) does not provide evidence for disallowing funding in the Business Charger Rebates program in particular—a program that is both critical and widely popular, (3) does not base his recommendation on any analysis of DTE’s customers’ needs, and (4) does not take into account the ratepayer benefits of these programs.

EVgo sent MPSC Staff discovery requests to clarify what Mr. Freeman means when he references a “significant increase from past rebate programs.” In response, Mr. Freeman referenced DTE’s actual and estimated Charging Forward spend between 2019 and 2023 (\$13,985,000), described in the testimony of DTE witness Peterson in DTE’s last rate case, Case No. U-21297.<sup>90</sup> Critically, that number does not include the EV program funding authorized by the Commission in Case No. U-21297. In that case, the Commission approved a total of \$24.4 million for DTE’s Business and eFleet Charger Rebate programs, including \$5.8 million to exhaust funding from the original Charging Forward pilot through 2023, \$6.9 million for eFleets Business Charger Rebates through 2024, and \$11.7 million for expanding Business Charger Rebates through 2024.<sup>91</sup> Relative to the most recently authorized funding for its EV programs, DTE’s funding request in this case (\$24,980,000 in 2025) cannot reasonably be viewed as a “significant increase” over prior funding levels. Rather, DTE’s request, if approved, would steadily scale funding for its EV programs.

Moreover, based on his responses to discovery requests issued by EVgo, Mr. Freeman appears to be concerned with the scale of DTE’s **overall** 2025 EV budget (\$24,980,000), and not specifically with the budget dedicated to the Business and eFleet Charger Rebate programs.<sup>92</sup> Yet,

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<sup>90</sup> Exhibit EVG-3 (LRS-3) (MPSC Staff response to EVgo discovery request 1.01c).

<sup>91</sup> 6 Tr. 1925 (DTE Bennett Direct).

<sup>92</sup> Exhibit EVG-3 (LRS-3) (MPSC Staff response to EVgo discovery request 1.01a).

Mr. Freeman’s proposed solution is for the Commission to disallow funding for Business Charger Rebates<sup>93</sup>—incentives that would address a charging use case ranked by stakeholders as “the most important for utility action.”<sup>94</sup> Mr. Freeman’s solution does not map to his concern, and he does not explain why the Commission should address his concern by cutting funding for a popular, successful, and critical element of DTE’s broader EV program.

Mr. Freeman also fails to ground his recommendation in any analysis of DTE’s customers’ needs. In contrast, DTE’s funding request is grounded in its analysis of the forecasted market size for EV registrations in its service territory;<sup>95</sup> an analysis of the charging infrastructure required to support forecasted EV adoption;<sup>96</sup> and stakeholder engagement,<sup>97</sup> each of which are described in detail in DTE witness Bennett’s testimony. With respect to Business Charger Rebates for public charging use-cases, DTE notes “[s]takeholders ranked all the public charging subsegments, including on-route and destination charging, as the most important for utility action[.]”<sup>98</sup> DTE’s proposal to steadily scale funding for Business Charger rebates is therefore well-supported, appropriately tailored to the needs of its customers, and consistent with the state’s goals related to electrifying the transportation sector.

Finally, Mr. Freeman’s recommendation does not appear to consider the ratepayer benefits associated with transportation electrification programs, nor does it balance those benefits against program costs.<sup>99</sup> As EVgo witness Stegall explained in her direct testimony, programs that expand

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<sup>93</sup> Exhibit EVG-3 (LRS-3) (MPSC Staff response to EVgo discovery request 1.02a, confirming Mr. Freeman believes the Commission should disallow \$8,000,000 in funding from both Business Charger Rebates and eFleet rebates).

<sup>94</sup> 6 Tr. 1963 (DTE Bennett Direct).

<sup>95</sup> 6 Tr. 1940-1942 (DTE Bennett Direct).

<sup>96</sup> 6 Tr. 1942-1945 (DTE Bennett Direct).

<sup>97</sup> 6 Tr. 1948-1952 (DTE Bennett Direct).

<sup>98</sup> 6 Tr. 1963 (DTE Bennett Direct).

<sup>99</sup> 6 Tr. 3316 (EVgo Stegall Rebuttal).

EV fast-charging infrastructure promote wider EV adoption and increased charging.<sup>100</sup> This leads to increased electric load for which costs are distributed across a greater number of customers, thereby putting downward pressure on future rates. A 2024 Synapse Economics study found that EVs have increased utility revenues more than costs nationwide, resulting in lower electric rates for all customers.<sup>101</sup> From 2011 to 2021, EV drivers contributed \$3.12 billion more in revenues than associated costs, resulting in benefits for all ratepayers.<sup>102</sup> The economic benefits of TE for ratepayers are widely recognized by utilities and public service commissions across the country and should be considered along with the costs of these programs.<sup>103</sup> Mr. Freeman’s recommendation fails to do so.

Mr. Coppola’s recommendations related to DTE’s proposed EV program budget are also unsupported. Mr. Coppola argues DTE’s proposed EV program budget is not justified, and in support, alleges a litany of concerns with the EV market ranging from range anxiety to production issues to vehicle reliability.<sup>104</sup> But Mr. Coppola does not engage with DTE witness Bennett’s testimony describing that market, which paints a very different picture. As DTE witness Bennett’s testimony explains in detail, EV sales are accelerating—not slowing down, suggesting that consumer demand for EVs remains healthy. At the national level, a record 1.2 million new EVs were sold in 2023.<sup>105</sup> That trend has continued in 2024—a record-high 330,463 EVs were sold in the second quarter of 2024, representing an 11.3% increase relative to the second quarter of

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<sup>100</sup> 6 Tr. 3292-3293 (EVgo Stegall Direct).

<sup>101</sup> 6 Tr. 3293 (EVgo Stegall Direct).

<sup>102</sup> 6 Tr. 3293 (EVgo Stegall Direct).

<sup>103</sup> 6 Tr. 3293-3294 (EVgo Stegall Direct).

<sup>104</sup> 6 Tr. 3608 (AG Coppola Direct).

<sup>105</sup> 6 Tr. 3318 (EVgo Stegall Rebuttal, citing Cox Automotive, “A Record 1.2 Million EVs Were Sold in the U.S. in 2023, According to Estimates from Kelley Blue Book.” Jan. 9, 2024. Available at: <https://www.coxautoinc.com/market-insights/q4-2023-ev-sales/>).

2023.<sup>106</sup> Growth in non-Tesla EV sales has been exceptionally strong, with 35% year-over-year growth in the second quarter of 2024.<sup>107</sup> This growth in non-Tesla EV sales is notable, as these vehicles are those most likely to rely on charging networks like EVgo’s for their fueling needs. According to DTE witness Bennett, these trends extend to DTE’s service territory—the Company forecasts total EV registration growth in its service territory from 46,000 in 2023 to 65,000 in 2024, and to 326,000 by 2028,<sup>108</sup> the end of the first cycle of its proposed Transportation Electrification Plan (TEP)—a 600% increase compared to 2023. Increasing sales are driven in part by declining prices and increased availability of affordable vehicle models for consumers. Two years ago, the average EV was approximately 33% more expensive than the average internal combustion engine (ICE) vehicle, whereas at the end of last year, the price of an average EV was almost at parity with the average ICE vehicle without incentives.<sup>109</sup> Further, industry projections suggest that 38 EV models with price points less than \$35,000 will be available within the next 18 months and average EV sales prices will be lower than average ICE vehicles in 2026.<sup>110</sup>

In sum, the record is clear that the EV market is growing and programs that provide support for fast charging infrastructure will only serve to further accelerate this growth. And, even if Mr. Coppola’s diagnosis of the health of the EV market were accurate, reducing DTE’s program budget would only exacerbate the issues he describes. DTE’s Charging Forward programs are primarily

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<sup>106</sup> 6 Tr. 3318 (EVgo Stegall Rebuttal, citing Cox Automotive, “Despite Tesla Slide, EV Sales in Q2 Mark New Record.” Jul. 11, 2024. Available at: <https://www.coxautoinc.com/market-insights/q2-2024-ev-sales/>).

<sup>107</sup> 6 Tr. 3318 (EVgo Stegall Rebuttal, citing EVgo Investor Relations, EVgo Q2 Investor Presentation. Available at: <https://investors.evgo.com/overview/default.aspx>).

<sup>108</sup> 6 Tr. 1941 (DTE Bennett Direct).

<sup>109</sup> 6 Tr. 3319 (EVgo Stegall Rebuttal, citing Cox Automotive, “New-Vehicle Transaction Prices Decline Further in September, Led by Price Cuts at Tesla, According to Kelley Blue Book Report.” Oct. 11, 2023. Available at: <https://www.coxautoinc.com/market-insights/kbb-atp-september-2023/>).

<sup>110</sup> 6 Tr. 3319 (EVgo Stegall Rebuttal, citing EVgo Investor Relations, EVgo Q2 Investor Presentation. Available at: <https://investors.evgo.com/overview/default.aspx>).

*charging infrastructure* programs, aimed in part at reducing customers’ range anxiety<sup>111</sup> and spurring EV adoption. Furthermore, a recent study conducted by Pew Research Center found that “Americans who live close to public chargers view EVs more positively than those who are farther away,”<sup>112</sup> which suggests that increasing exposure to EV charging infrastructure by deploying it in communities is key to driving EV adoption. Slashing the budget for these programs would discourage the deployment of public EV charging which would do little to help DTE’s customers considering an EV purchase, or DTE’s customers who are already EV drivers.

The Commission should therefore decline to adopt either Mr. Freeman’s or Mr. Coppola’s recommendations, and should approve DTE’s EV program budget as proposed.

**C. Public Charging Program Prioritization Criteria<sup>113</sup>**

*1. Summary of Positions*

MNSC witness Jester recommends DTE prioritize Business Charger Rebate program applications from prospective participants that are also seeking (or have secured) funding through Michigan’s NEVI program. EVgo witness Stegall does not support Mr. Jester’s recommendation.

*2. The Commission Should Not Direct DTE to Prioritize Business Charger Rebate Program Applications From Applicants That Are Also Seeking or Have Secured NEVI Funding*

MNSC witness Jester recommends DTE prioritize Business Charger Rebate program applications from prospective participants that are also seeking (or have secured) funding through Michigan’s NEVI program.<sup>114</sup> According to Mr. Jester, prioritizing participants that are seeking or

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<sup>111</sup> 6 Tr. 1963 (DTE Bennett Direct).

<sup>112</sup> 6 Tr. 3319 (EVgo Stegall Rebuttal, citing Samuel Bestvater and Sono Shah, Pew Research Center, “Electric Vehicle Charging Infrastructure in the U.S. (May 23, 2024). Available at: <https://www.pewresearch.org/data-labs/2024/05/23/electric-vehicle-charging-infrastructure-in-the-u-s/>).

<sup>113</sup> Per the ALJ’s Briefing Instructions, this issue is addressed by the following witnesses and in the following exhibits/schedules: MNSC witness Jester Revised Direct Testimony, 6 Tr. 3809-3812; EVgo witness Stegall Rebuttal Testimony, 6 Tr. 3320-3322.

<sup>114</sup> 6 Tr. 3811 (MNSC Jester Direct).

have secured NEVI funding will help ensure DTE’s programs complement federal funding for transportation electrification.

While EVgo supports the general goal of coordinating federal, state, and utility programs, seeking to maximize “stacking” of funding is not the optimal strategy for coordination and is likely to diminish the effectiveness and cost-efficiency of DTE’s Business Charger Rebate program. As Mr. Jester explains, the NEVI program provides support for up to 80% of project costs.<sup>115</sup> Projects receiving NEVI funding, therefore, are less likely to require *additional* funding from DTE in order to be built—those projects are likely to be built through the NEVI program without incremental support. Prioritizing applicants that have received NEVI funding would increase the number of free riders on DTE’s programs—in this case, those who would have developed sites with NEVI funding alone.

Instead of providing additional funding to sites already receiving substantial funding, DTE should aim to support projects that do not qualify for NEVI funding, such as sites in community locations, as these sites may not be developed without utility program support. This approach will serve to fill gaps in the charging network left by the NEVI program and will support the deployment of projects at “community” locations—public chargers in urban and suburban areas away from corridors, where not every home has a driveway, attached garage, or dedicated parking.<sup>116</sup> As EVgo witness Stegall explained in her direct testimony, community fast charging is particularly important for drivers that do not have access to home charging and is key to enabling equity goals.<sup>117</sup> By prioritizing projects that do not qualify for NEVI funding, DTE can not only increase the number of chargers deployed in DTE’s service territory but also broaden the

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<sup>115</sup> 6 Tr. 3810 (MNSC Jester Direct).

<sup>116</sup> 6 Tr. 3321 (EVgo Stegall Rebuttal).

<sup>117</sup> 6 Tr. 3293 (EVgo Stegall Direct).

geographic distribution of those chargers.<sup>118</sup> Targeting projects that do not qualify for NEVI funding in the Business Charger Rebate program will also ensure that ratepayer funding is used efficiently—directed toward sites that require support for development, rather than those that would have been built regardless, leveraging funding from the federal government.<sup>119</sup> The Commission should therefore decline to adopt Mr. Jester’s recommendation.

### **VIII. SUMMARY OF REQUESTS FOR RELIEF AND CONCLUSION**

For the reasons described in this brief and in EVgo’s testimony, EVgo requests that the Commission adopt the following recommendations:

- Direct DTE to support both corridor *and* community charging locations through the Business Charger Rebate program (similar to the scope of DTE’s existing Business Charger Rebates program) and eliminate the requirement that participating sites be located “on route” in both the disadvantaged community (DAC)/rural and the non-DAC/rural subsegments of the program;
- Direct the Company to reallocate any funds remaining from the existing Business Charger Rebate program on December 31, 2024 into the non-DAC/rural subsegment of the proposed Business Charger Rebate program instead of allowing the utility to determine the reallocation of these funds at a later date; and
- Adopt DTE’s proposal to take no further action related to the EV Fast Charger rate at this time.

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<sup>118</sup> 6 Tr. 3321 (EVgo Stegall Rebuttal).

<sup>119</sup> 6 Tr. 3321 (EVgo Stegall Rebuttal).

- Decline to adopt either Staff witness Freeman’s or AG witness Coppola’s recommendations related to DTE’s Charging Forward budget, and approve DTE’s funding request in its entirety;
- Decline to adopt MNSC witness Jester’s recommendation that DTE prioritize Business Charger Rebate applicants receiving NEVI funding;
- Adopt Walmart witness Perry’s recommendation to remove the two-year limit on the exemption from the 1,000 kW demand restriction for EV charging stations in Rate Schedule D3.
- Decline to adopt Walmart witness Perry’s recommendation that DTE be directed to propose a public EV charging-specific rate informed by data from the alternative COSS presented in this case, as well as future data, in its next rate case proceeding.

October 3, 2024

Respectfully submitted,



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## STATE OF MICHIGAN

### BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of DTE )  
ELECTRIC COMPANY for authority to ) Case No. U-21534  
increase its rates, amend its rate schedules )  
and rules governing the distribution and ) ALJ Sally Wallace  
supply of electric energy, and for )  
miscellaneous accounting authority )

#### PROOF OF SERVICE

On October 3, 2024, an electronic copy of EVgo's Initial Brief was served on the following via email:

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