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July 20, 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 Reply Brief of the Michigan Energy Innovation Business Council, Institute for Energy Innovation, and Advanced Energy Economy. 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

**REPLY BRIEF OF THE
MICHIGAN ENERGY INNOVATION BUSINESS COUNCIL,
INSTITUTE FOR ENERGY INNOVATION,
AND ADVANCED ENERGY ECONOMY**

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Contents

I.	INTRODUCTION.....	1
II.	ARGUMENT.....	1
	A. DTE's MIGreenPower Program is Not Alone Sufficient to Satisfy Customer Needs for Multiple Options	1
	B. DTE Has Failed to Justify the Costs of Its Proposed Program.	2
III.	CONCLUSIONS AND PRAYER FOR RELIEF.....	2

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I. INTRODUCTION

This Reply Brief is filed on behalf of the Michigan Energy Innovation Business Council (“Michigan EIBC”), the Institute for Energy Innovation (“IEI”), and Advanced Energy Economy (“AEE”) by their attorneys, Varnum LLP. Failure to address any issues or positions raised by other parties should not be taken as agreement with those issues or positions.

II. ARGUMENT

A. DTE's MIGreenPower Program is Not Alone Sufficient to Satisfy Customer Needs for Multiple Options

As the Commission noted in its December 20 Order in this proceeding, "the proposed VGP programs should optimally contain . . . a menu of options for customers with varying RE needs to choose from." Order of December 20, 2017, p. 5. As Michigan EIBC, IEI and AEE pointed out at some length in our Initial Brief, DTE's proposed MIGreenPower Program is not alone sufficient to provide this "menu of options" to satisfy varying customer needs. See

Michigan EIBC, IEI, and AEE Initial Brief, pp. 4-7. DTE argues in its Initial Brief that flexibility to set target spending satisfies the need to "give customers options for their renewable energy needs." p. 18. Plainly, however, being able to scale spending up or down on a single program does not equate to a "menu of options" aimed at satisfying varying customer needs. Therefore, for these reasons, as well as those set forth in our Initial Brief, we continue to recommend that the Commission grant only conditional approval of DTE's application, and require that it introduce a new program tailored for C&I customers as discussed more fully in our Initial Brief.

B. DTE Has Failed to Justify the Costs of Its Proposed Program.

In our Initial Brief, Michigan EIBC, IEI, and AEE raised a number of concerns about the costs in DTE's proposal. Those concerns still remain and need not be repeated at length here. However, we do wish to note that Staff too finds that DTE's marketing and administration fee of \$0.002/kWh is "unreasonably high." Staff Initial Brief, p. 6. We also agree with and support Staff's recommendation that "the Commission should weigh the degree to which fees are utilized for marketing versus VGP products and find that the Company's fee is unreasonably high." Staff Initial brief, p. 7. Finally, we believe that the correct measure for the customer credit under the program is, as set forth by Mr. Jester and in our Initial Brief, the Company's avoided cost rate as set in its PURPA proceedings. Michigan EIBC, IEI and AEE Initial Brief, pp. 8-9.

III. CONCLUSIONS AND PRAYER FOR RELIEF

WHEREFORE, the Michigan Energy Innovation Business Council, Institute for Energy Innovation, and Advanced Energy Economy hereby respectfully request that the Commission grant conditional approval of DTE's application, with the stipulation that DTE must (1) continue the existing MIGreenPower program, with some amendments, including a closer evaluation of its

cost structure; and (2) introduce a new program tailored for C&I customers that meets certain Commission requirements, to be filed at the Commission within six months. These adjustments, as more fully set forth in our Initial Brief, are necessary to ensure that DTE's application fully complies with the requirement in Section 61 to provide customers with options to purchase renewable energy, and with the criteria set forth by the Commission in its July 12 Order.

Respectfully submitted,

Varnum LLP
Attorneys for the Michigan Energy
Innovation Business Council,
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and Advanced Energy Economy

July 20, 2018

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_____)

Case No. U-18352

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 20th day of July, 2018, she served a copy of the Reply Brief of the Michigan Energy Innovation Business Council, Institute for Energy Innovation, and Advanced Energy Economy upon those individuals listed on the attached Service List via email at their last known addresses.

Kimberly Champagne

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