



V2G and Stationary Storage Outflow Tariff

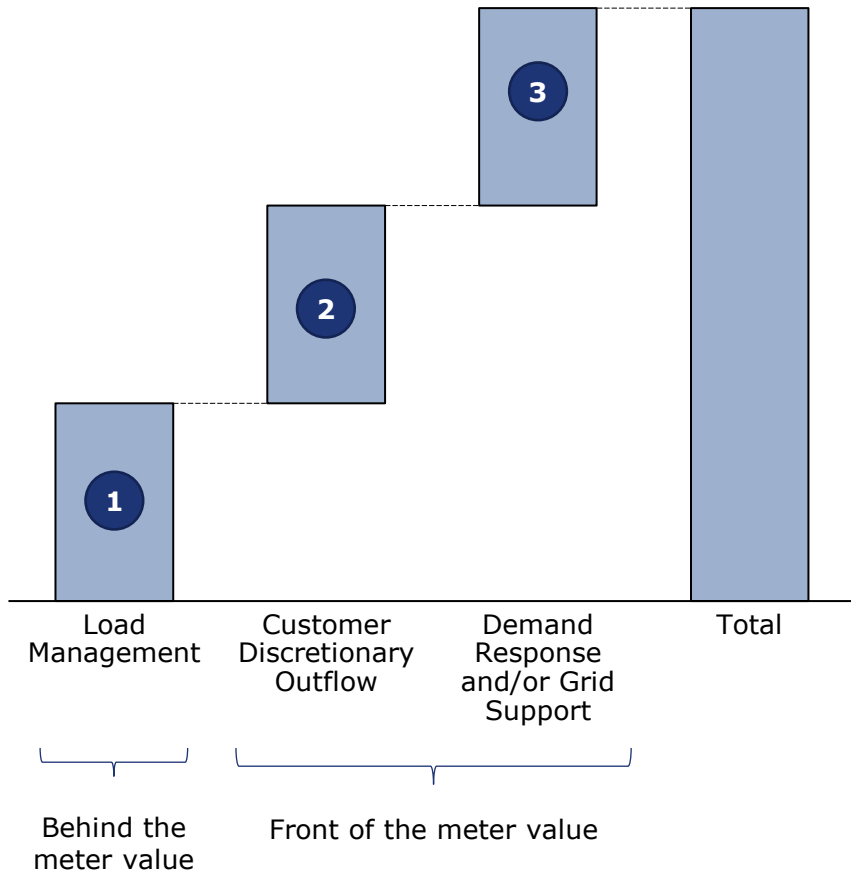
April 1, 2024

Vehicle to Grid (V2G) and stationary storage compensation was discussed in DTE's 2023 rate case

- There is currently no tariff for V2G and stationary storage energy outflow compensation
 - DTE proposed to remedy this in its 2023 rate case and recommended compensation for V2G and stationary storage outflows on the existing Rider 14, an LMP-based outflow rate
 - The proposal was intended to be administratively efficient by utilizing an existing rate while also reflecting actual avoided cost
- In response, MEIBC and the MEC coalition proposed to compensate these assets at full retail rates
- Staff alternatively proposed a "demand response tariff using the same principles as other such tariffs"
- The Commission declined to adopt any of the specific proposals and directed a Staff-led workgroup to explore tariff options for V2G and stationary storage

Outflow is one element of the V2G and stationary storage value stack

Illustrative V2G / Storage Value Stack



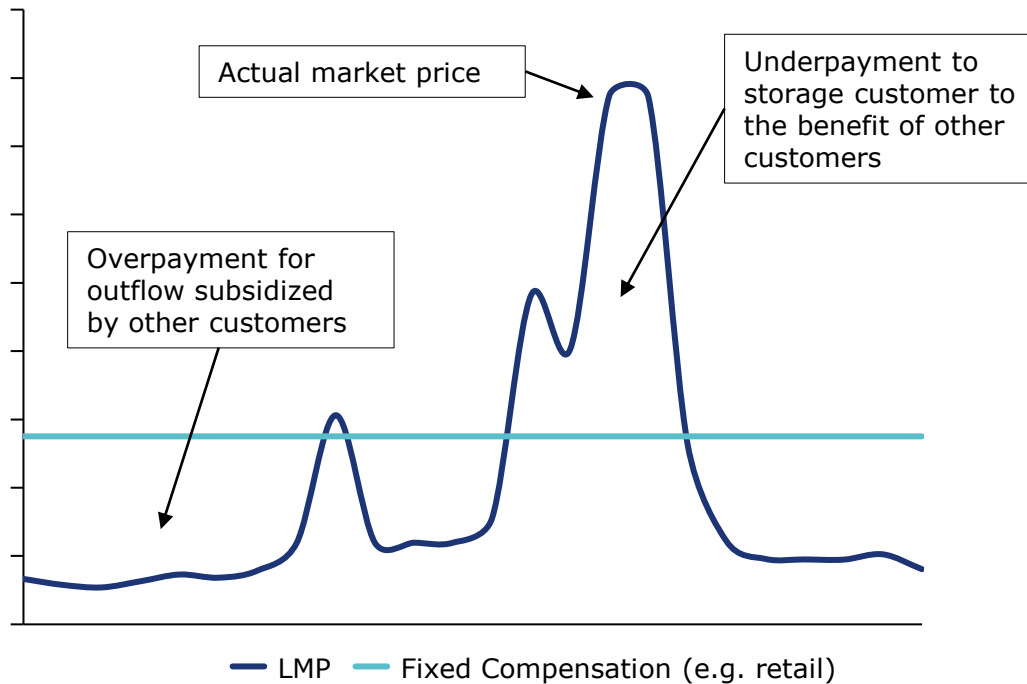
- 1 Customers may use storage discharge to manage their loads and **retail rates** (e.g. time of use or demand charge management)

DTE 2023 Rate Case Proposal

- 2 Customers may outflow to the grid at their discretion and receive **market-based compensation**
- 3 Customers may participate in demand response or other programs to align discharge with specific grid conditions and customer responsibilities, resulting in possible additional customer compensation

Market pricing is most aligned with discretionary discharge and as such is appropriate for the energy component of storage discharge

Illustrative Energy-Only Outflow Compensation



- Storage assets may discharge energy at their discretion without an obligation to timing or duration
- The LMP signals economic demand or excess in the energy market, and it is the cost avoided if outflow displaces a utility energy purchase or the value realized if the utility reduces an energy purchase
- A compensation rate which is fixed, or otherwise unaligned with the market, will result in either an overpayment subsidized by other customers or an underpayment to the customer

The value of attributes other than energy (e.g., capacity) should be aligned with customer obligations, utility/system needs, and the actual cost avoided through storage discharge