



DTE Energy[®]

**ICF Energy Efficiency
Products Workshop**

Irene Dimitry

VP of Business Planning & Development

August 2, 2017

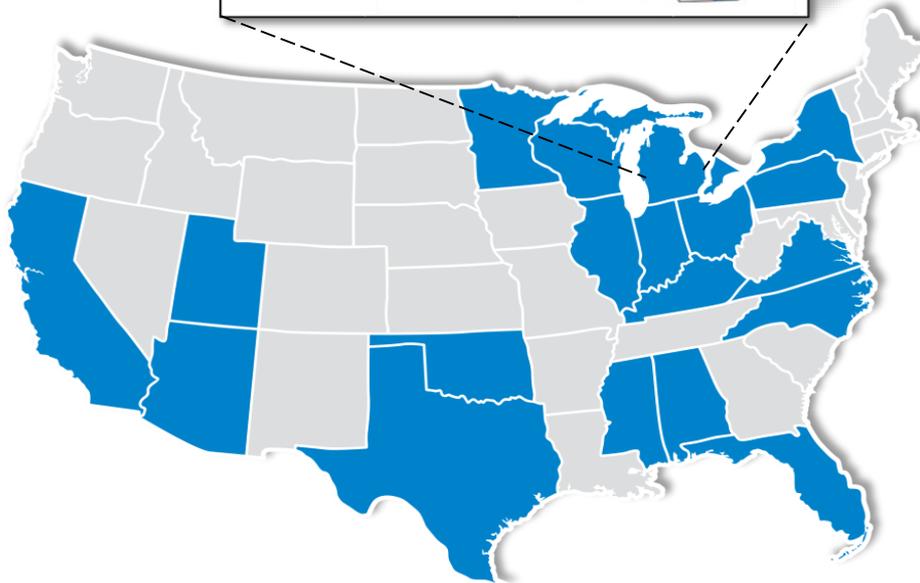
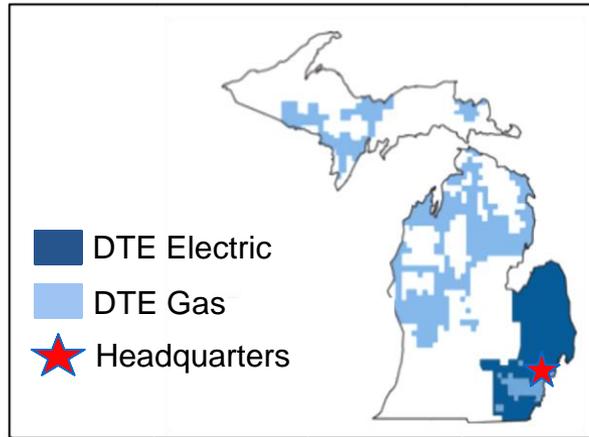
Today's Discussion



- **DTE Energy Company Overview**

- Legislative Overview

DTE Energy is a diversified energy company with deep Michigan roots



Our Businesses

- Fortune 300 company
- Market cap ~\$16 billion
- Two utilities serving Michigan
 - DTE Electric (founded 1886)
 - DTE Gas (founded 1849)
- Non-utility businesses with operations in nearly 20 states

Our Regulated Utility

- 2.1 million electric customers
- 1.2 million gas customers
- Approximately 10,000 employees

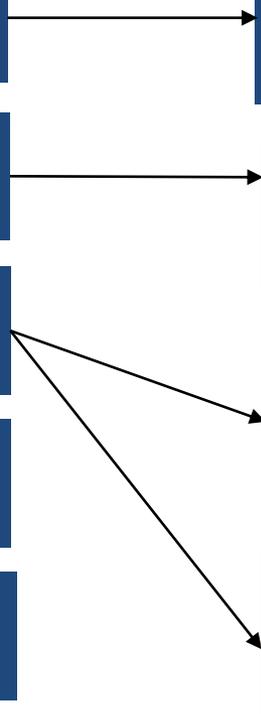
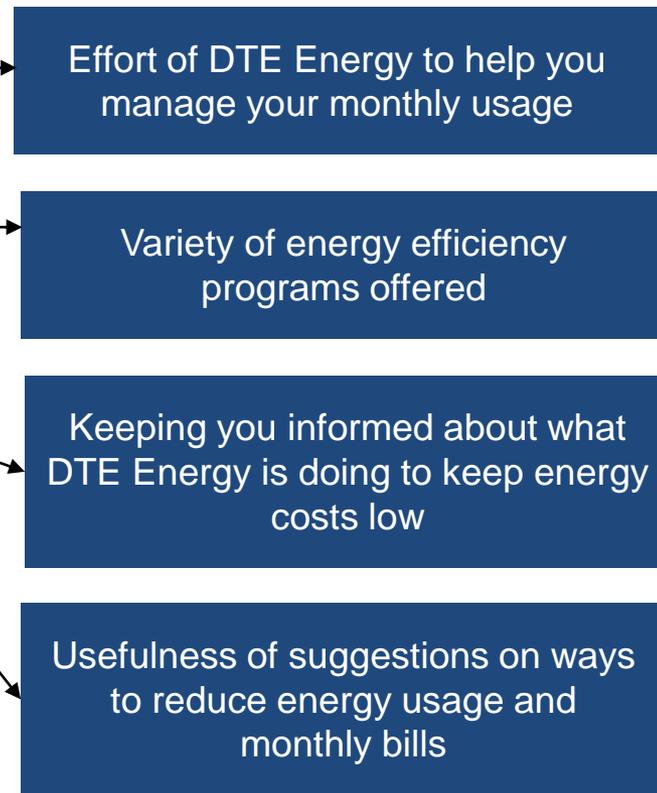
Energy Efficiency impacts customer satisfaction for both residential and business customers



JD Power Drivers



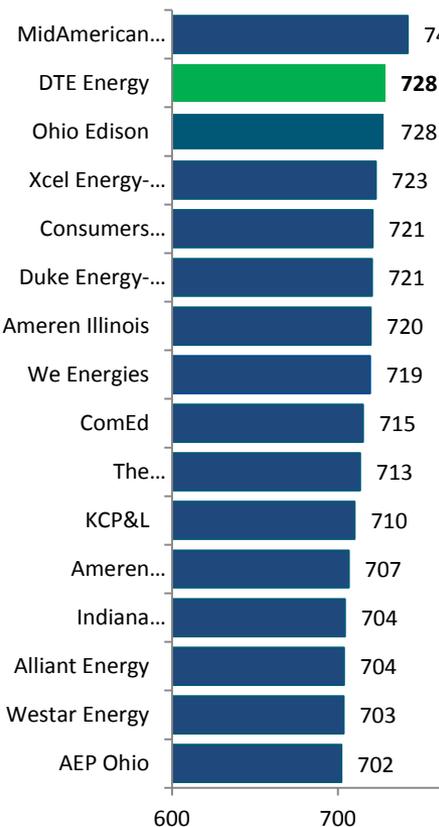
JD Power Attributes



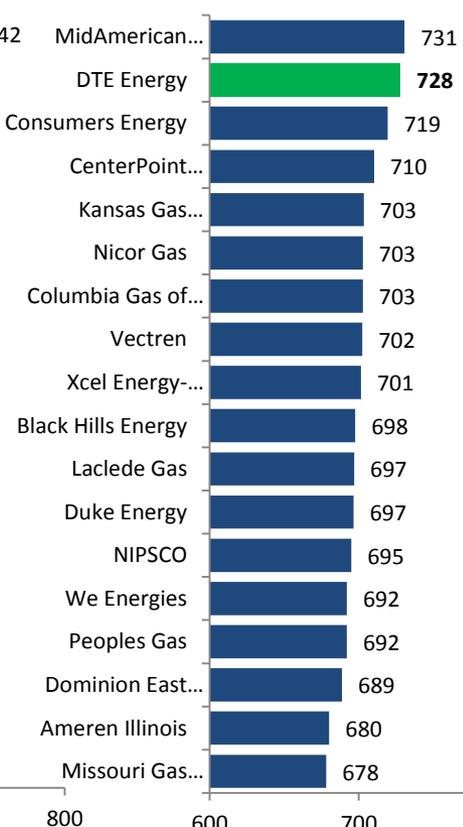
DTE's overall customer satisfaction scores remain high for both residential studies



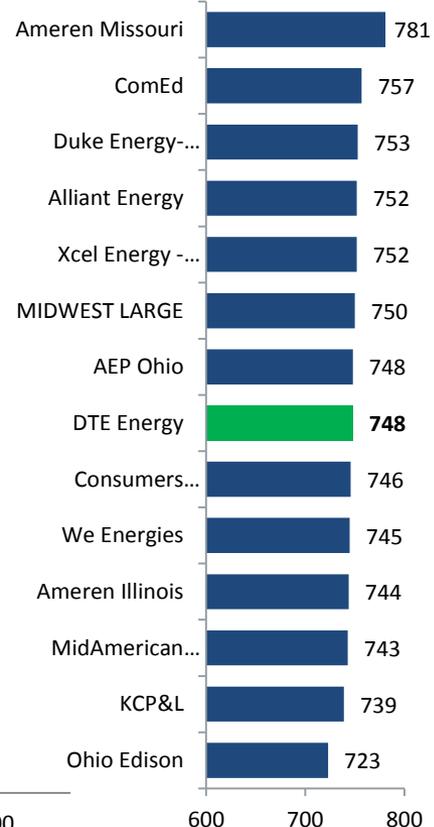
Residential Electric¹



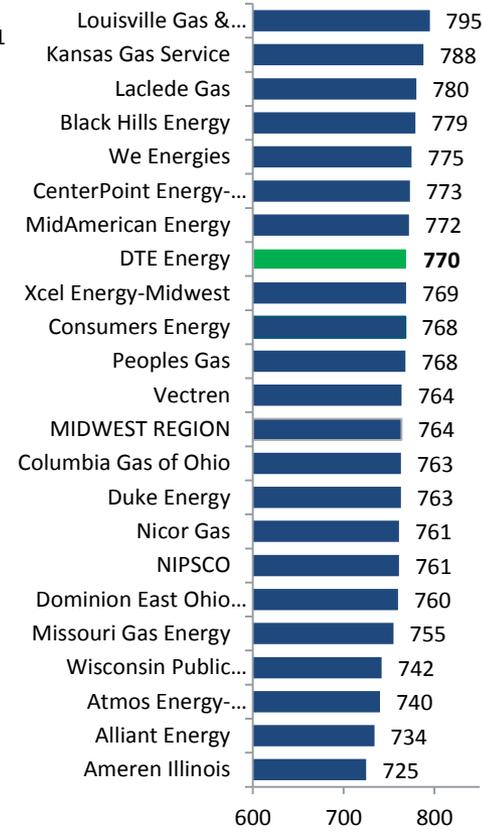
Residential Gas²



Business Electric³



Business Gas³



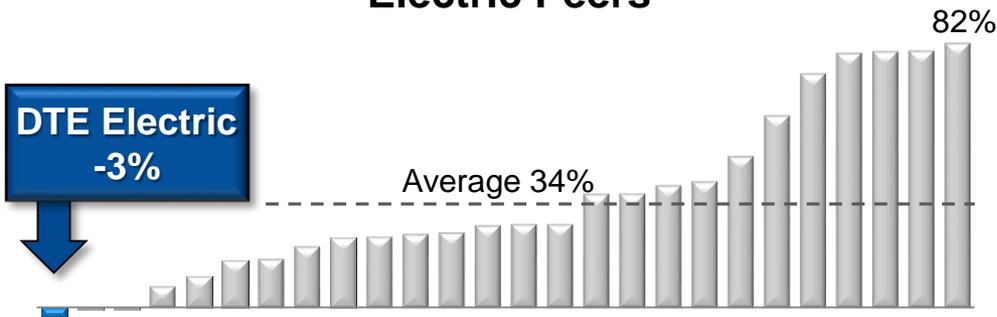
1. Residential Electric 2017 Overall CSI: Midwest Large Segment
 2. Residential Gas 2016 Overall CSI: Midwest Large Segment
 3. Business Electric and Business Gas: 2016 Calendar-Year Overall CSI: Midwest Region

Continuous improvement has enabled us to be an industry leader in cost management

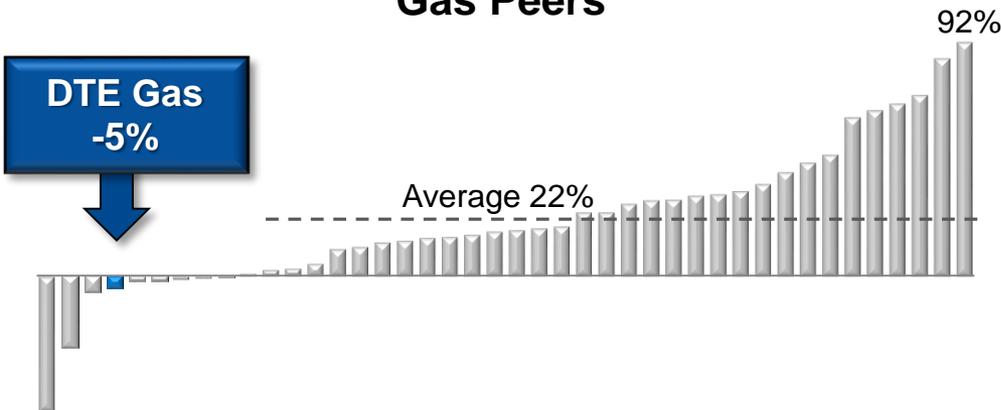


2008 to 2015 Change in O&M Costs

Electric Peers*



Gas Peers**



Daily focus on problem solving

- ✓ Metrics drive progress
- ✓ Scorecards monitor success



* Source: SNL Financial, FERC Form 1; major US Electric Utilities with O&M greater than \$800 million; excluding fuel and purchased power

** Source: SNL Financial, FERC Form 2; gas distribution companies with greater than 300,000 customers; excluding production expense

Today's Discussion



- DTE Energy Company Overview

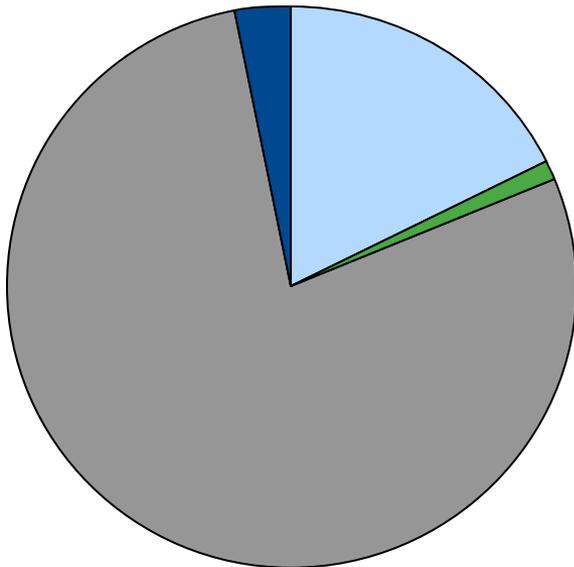
- **Legislative Overview**

DTE is in the process of transitioning its electric fleet to a portfolio that is less reliant on coal and composed of cleaner energy sources

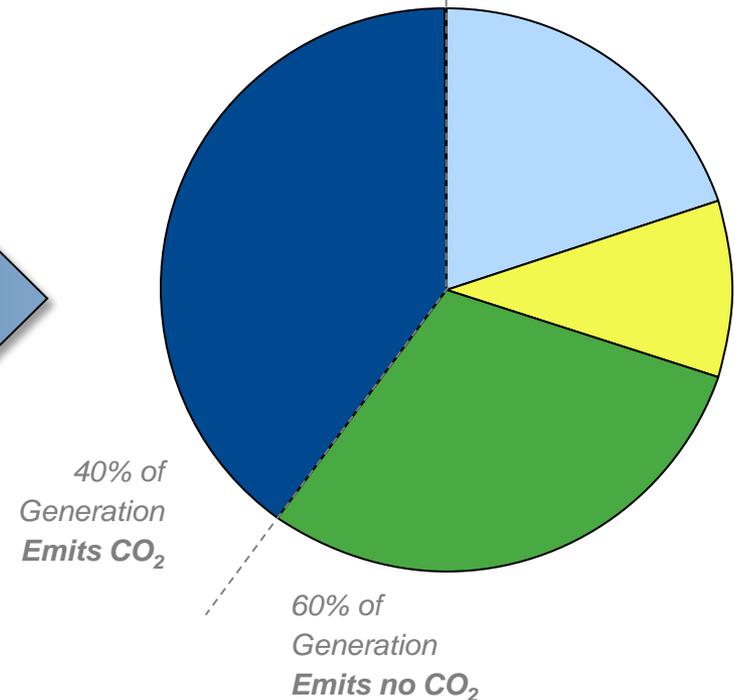
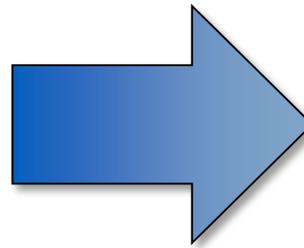


Potential Future Generation Mix

In 2005, the vast majority of DTE's electricity came from coal



As the economics of energy change, coal will be replaced with natural gas & renewables

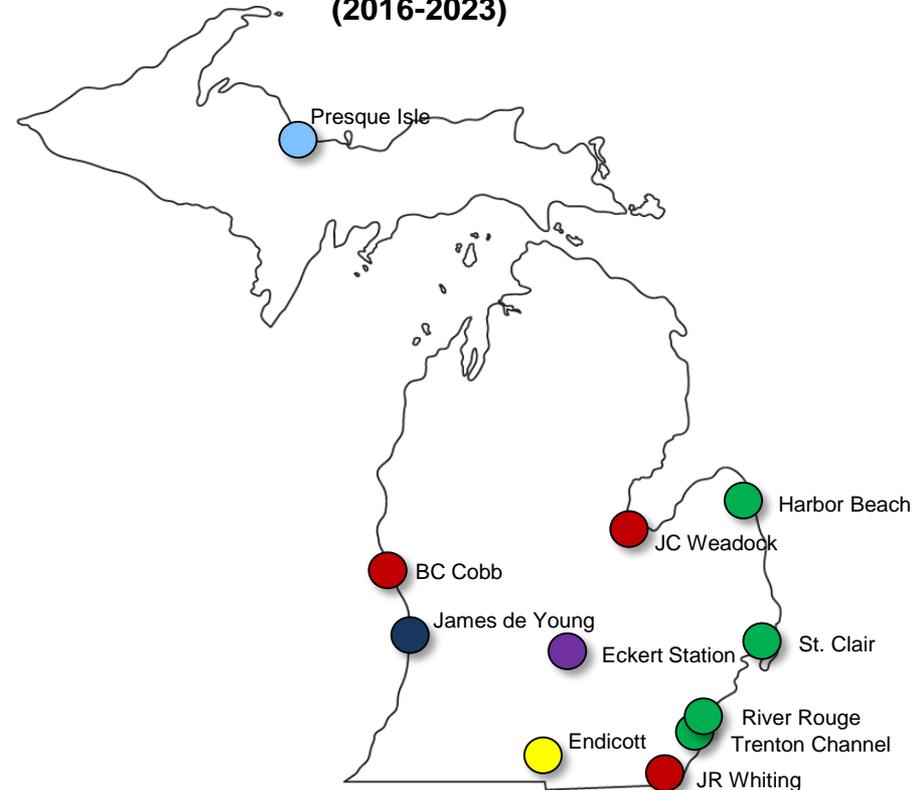


Michigan's generation assets are aging, with 30% of the fleet expected to retire by 2023



			Age of Plant (years)
DTE Electric	Harbor Beach	121 MW	45
	Trenton Channel	776 MW	64
	River Rouge	651 MW	60
	St. Clair	1,547 MW	64
Consumers Electric	BC Cobb	312 MW	60
	JC Weadock	312 MW	61
	JR Whiting	345 MW	64
Michigan South Central	Endicott	55 MW	34
Holland Board of Public Works	James de Young	63 MW	55
Lansing Board of Water & Light	Eckert	331 MW	63
Wisconsin Electric	Presque Isle	450 MW	43
Total		4,963 MW	AVG Age ~56

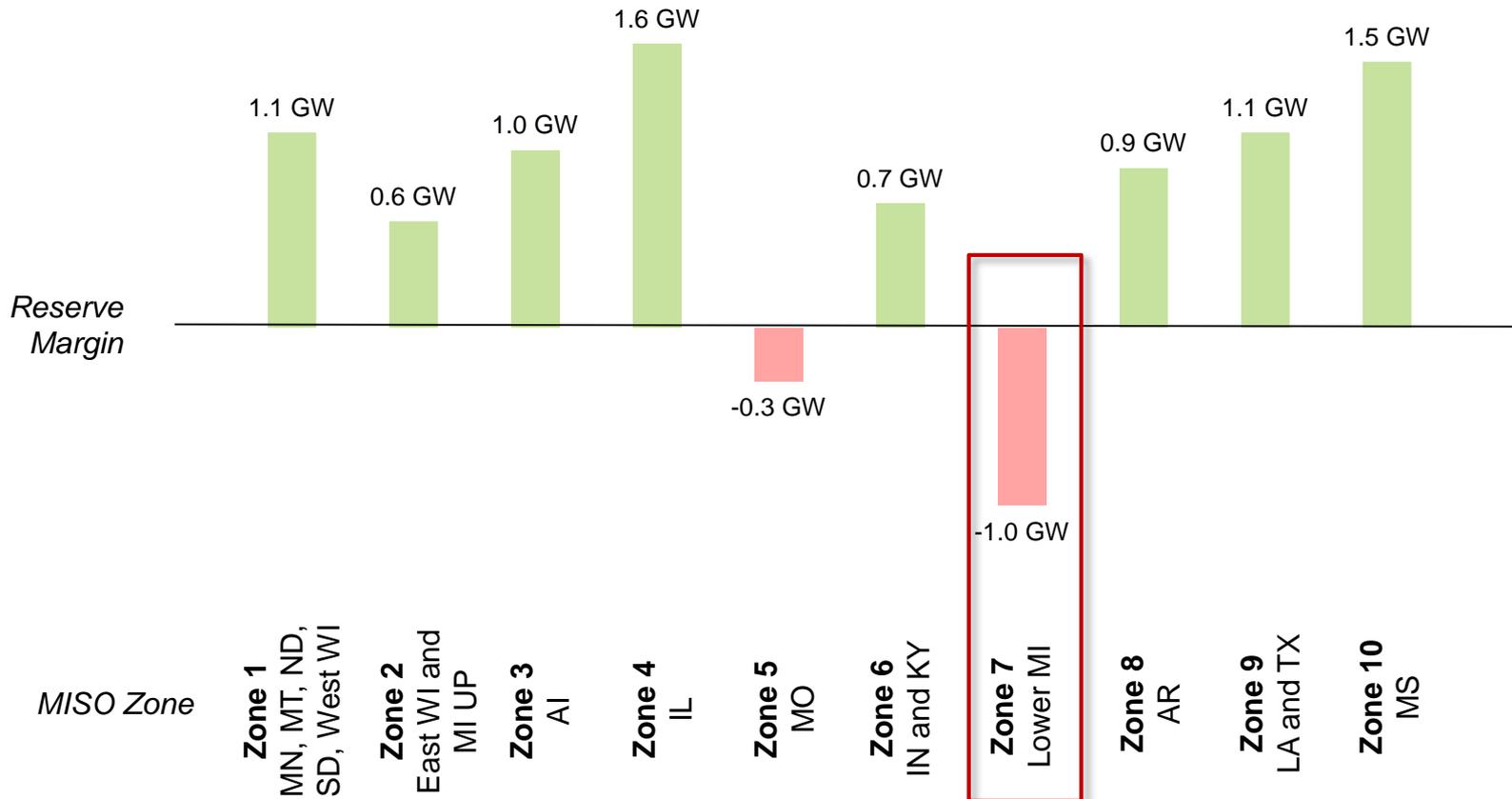
Announced Coal Retirements in Michigan (2016-2023)



MISO continues to project that Michigan's Lower Peninsula will have a capacity shortfall and requires additional capacity to meet resource needs¹



2018 MISO Capacity Outlook



1. Projected capacity located in zones against reserve requirement (GW). "2017 OMS MISO Survey Results." June 2017

Governor Snyder and the MI Legislature recognized this challenge and in December 2016, passed comprehensive statewide energy policy



Rick Snyder,
Governor



John Proos,
Senate Energy Chair



Mike Nofs,
Senate Energy Chair



Aric Nesbitt,
House Speaker

- Creates a transparent planning process for new generation through Integrated Resources Planning
- Establishes reliability requirements for all electric providers
- Revises rate case procedures & directs the MPSC to study various issues
- Establishes a new goal of 35% combined renewable energy and energy efficiency by 2025
- Raises renewable standard from 10% to 15% by 2021

New energy policy legislation provides more flexibility and motivation to implement additional energy efficiency



	Public Act 295			Public Act 342	
	Electric	Gas		Electric	Gas
Clean Energy Goal	None		➔	35% EE & Renewables by 2025	None
Mandates	1%	0.75%	➔	1% thru 2021	0.75%
Spend Caps	2% of revenue		➔	Eliminated	
Performance Incentive (% Spend)	Up to 15%		➔	Three-tiered shared incentive mechanism ¹	
Decoupling	No	Yes	➔	No	Yes ²

1. 1.000% - 1.250% = 15%; 1.251% - 1.500% = 17.5%; > 1.500% = 20%
 2. Utilities must achieve at least 0.5% gas savings to qualify for decoupling

We are working with the MPSC to implement the 2016 legislation. DTE is planning to file additional cases as well



2017						2018		
Feb	Apr	Jun	Aug	Oct	Dec	Feb	April	Jun

State reliability mechanism capacity charge filing

Integrated resource plan (IRP) collaborative

Net metering collaborative

Performance based rates collaborative

Renewable case review

Electric rate case

Certificate of Necessity



Established by 2016 legislation



Additional filings