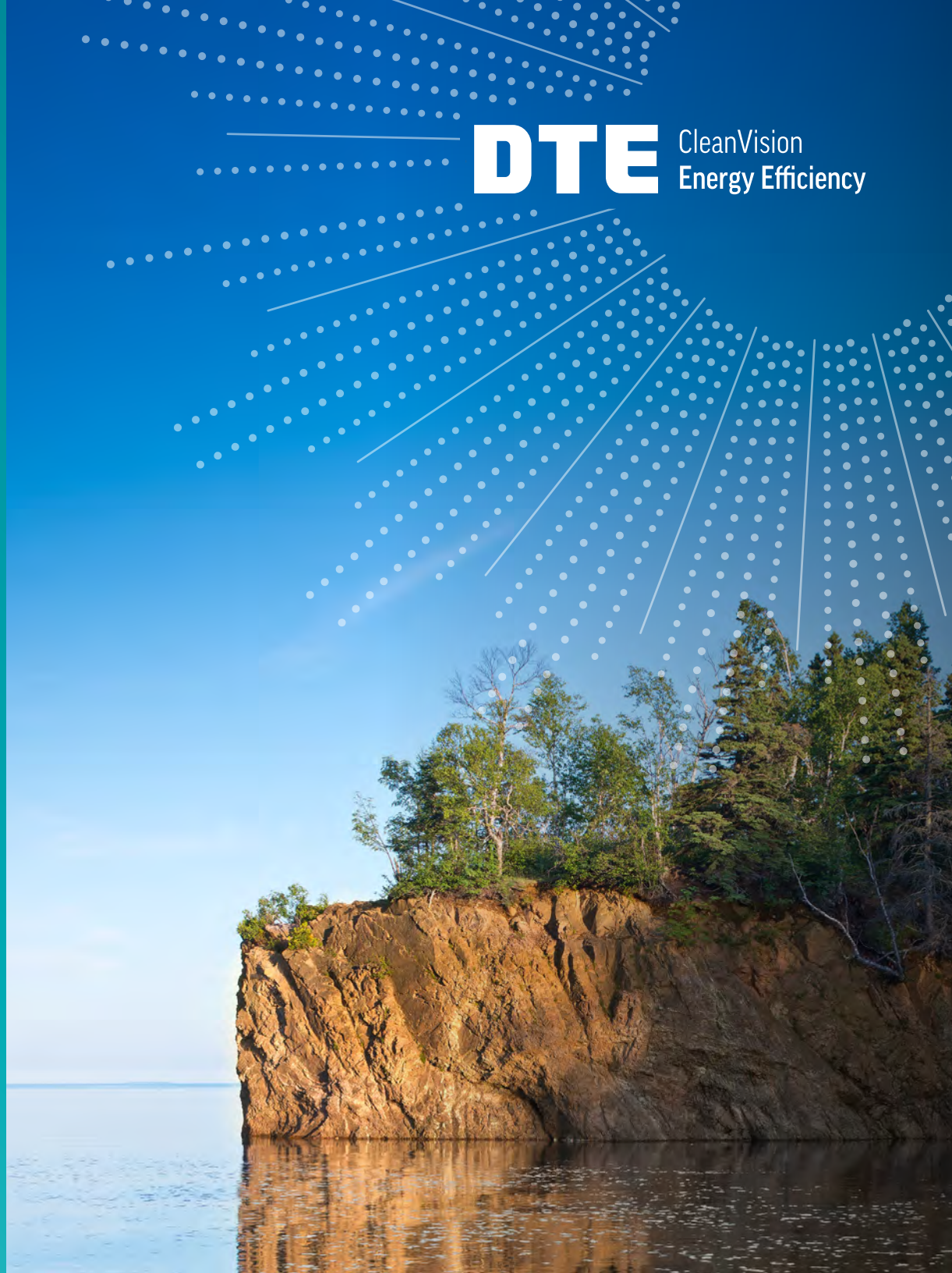


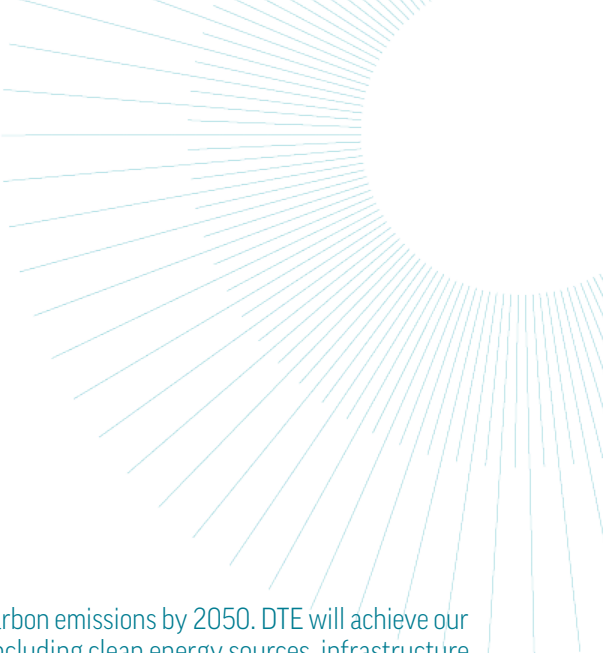
Energy Efficiency 2024

ANNUAL REPORT

DTE CleanVision
Energy Efficiency



CleanVision and its relationship to Energy Efficiency¹



CleanVision is DTE Energy's goal of net zero carbon emissions by 2050. DTE will achieve our clean vision through many different efforts including clean energy sources, infrastructure improvements and by promoting energy-saving programs and measures. CleanVision is why DTE has Energy Efficiency (EE) programs.

Our bold net zero carbon emissions goal sets the framework for DTE to go beyond our prior commitments. Our goals to reduce carbon emissions 65% by 2028 and 90% by 2040, ensure our medium- and long-term plans align with the scientific consensus around the importance of achieving significant economy-wide emissions reduction by 2050.

We are committed to providing what you told us is most important to you, programs that are reliable, affordable and clean. Our CleanVision plan will help prepare Michigan for future energy demands and meets the fast-evolving needs of the customers and communities we proudly serve. Our EE programs provide options for customers to save money and energy and offer residential and business customers the opportunity to meet their own sustainability goals.

We all need to do our part to help protect the environment for our families and generations to come. Reducing carbon emissions is key to combatting climate change. It is our collective responsibility to do whatever it takes to make positive and lasting changes for a healthier planet and our EE programs help us achieve those goals.

¹ Please note, the terminology Energy Waste Reduction as referenced in Michigan's Public Act 342 and Public Act 229 is synonymously referred to as Energy Efficiency throughout this annual report.

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Executive SUMMARY



This annual report highlights the results of DTE Energy's (DTE's) 2024 Energy Efficiency (EE) Portfolio and summarizes changes and achievements of the portfolio's programs. The EE Portfolio comprises many specific offerings within the Residential, Income-Qualified, Commercial and Industrial (C&I), Education and Awareness, and Pilot programs.



The EE Portfolio launched in June 2009 as a result of the Clean, Renewable and Efficient Energy Act, also known as Public Act 295 (PA 295), and as amended by Public Act 342 of 2016 (PA 342). In November 2023, Public Act 229 of 2023 (PA 229) and Public Act 235 of 2023 (PA 235) were signed, further amending PA 295. PA 229 and PA 235 both went into effect February 2024, addressing the Energy Waste Reduction Standard as well as establishing a new Clean Energy Standard and increasing the Renewable Energy Standard, respectively. Michigan's EE standard requires all gas and electric utilities in the state to implement programs to reduce overall energy usage to reduce the future costs of gas and electric service to customers. This report complies with Section 97(1) of PA 295. Figure 1 highlights the energy savings targets required by this legislation.

Since the initial 2009 EE Portfolio launch, DTE continues to enhance the scope of existing programs and add new program options to the portfolio. Customers have upgraded equipment in their homes and businesses, helping them to become more energy efficient. DTE has also provided its customers with education, tips, strategies and tools to help save money on their energy bills. As a result, customers have seen many benefits throughout the portfolio's existence, as Figure 1 indicates.



445+

Michigan-based
jobs created
in 2024



\$475.4M

electric savings from
current and future
energy costs





\$90.8M

gas savings
from current and
future energy costs

Figure 1

PA 295
Legislation
Energy
Savings Target
Requirements

| |  Electric |  Gas |
|------------|--|---|
| 2009 | 0.30% | 0.100% |
| 2010 | 0.50% | 0.250% |
| 2011 | 0.75% | 0.500% |
| 2012-2023* | 1.00% | 0.750% |
| 2024** | 1.50% | 0.875% |

*Beyond 2021, the level of electric energy efficiency savings is determined by the utility's integrated resource plan.

** PA 229 went into effect on February 13, 2024, hence the 2024 target requirement covers 89% of the year.

Cumulative
Customer
Benefits:
2009-2024

| | | |
|------------------|--------------|-------------|
| Participants | 11.5 million | 5.3 million |
| Customer Savings | 10,967 GWh | 25,867 MMcf |

DTE EE
Portfolio
Benefits:
PY2024

| | | |
|--|---------------|----------------|
| Total Verified Savings | 919 GWh | 2,110 MMcf |
| Minimum Legislative Requirement | 640 GWh | 1,665 MMcf |
| Planned Percentage of Planned Retail Sales | 2.00% | 1.05% |
| Lifecycle \$ Savings | \$475 million | \$90.8 million |

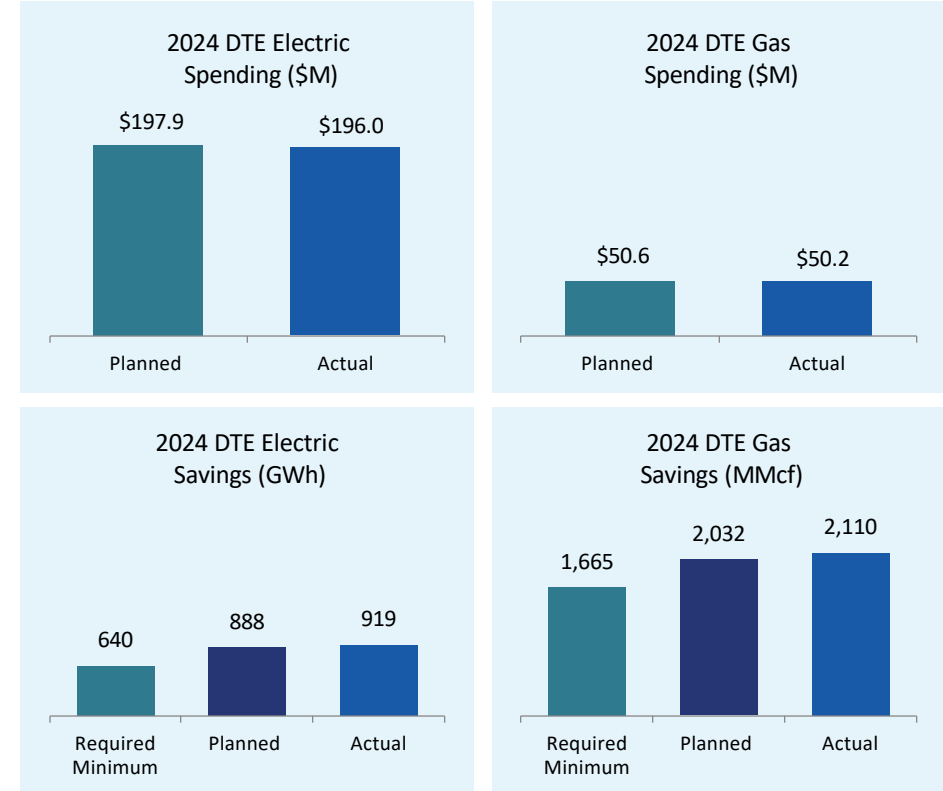
Chart 1 summarizes the overall EE Portfolio 2024 spending and verified net savings for DTE Electric and DTE Gas.

DTE performs cost-effectiveness tests to confirm the benefits of the EE Portfolio exceed the costs for DTE and its customers. DTE uses the Utility System Resource Cost Test (USRCT) to measure the effectiveness of the EE Portfolio. Specifically, the goal of the EE Portfolio (not including Income-Qualified programs) is to meet the minimum required USRCT ratio of 1.00.² In 2024, DTE Electric achieved a USRCT ratio of 2.37 and DTE Gas achieved a USRCT ratio of 1.97. In 2024, DTE's combined electric and gas savings equal lifetime greenhouse gas reductions of 6.9 million metric tons of carbon dioxide (CO₂), 3,273 metric tons of nitric oxide (NO_x), and 3,444 metric tons of sulfur dioxide (SO₂).

In 2024, DTE implemented its EE Portfolio as outlined in the 2024-2025 Energy Waste Reduction (EWR) Plan. DTE used implementation contractors and built strong networks to deliver EE programs throughout Michigan that focus on:

- **Education and Awareness:** DTE provides energy efficiency education and raising awareness of EE offerings by enhancing communications and messaging while leveraging new trends in digital and social media communication channels. DTE also is using targeted marketing to meet segment-specific needs for energy efficiency information while using traditional mass media focused on the non-energy benefits of energy efficiency improvements.
- **Pilots:** Over the years, DTE's ability to run the Pilot program effectively has continued to improve through the maturity of systems and back-office processes. In 2024, DTE continued increasing its Pilot program activity.
- **Residential:** Through its residential programs, DTE offers homeowners products, services and rebates including appliance recycling; appliances; heating, ventilating and air conditioning (HVAC); weatherization; home energy assessments; and energy education and behavioral programs.
- **Income-Qualified:** DTE works with government agencies and community organizations to bring energy and payment assistance to income-qualified residents. DTE is increasing its EE offerings to assist these customers in reducing their energy use and managing their utility costs.
- **C&I:** DTE launched several special offerings for its C&I programs in 2024 to broaden customer participation. These specials included free energy efficient compressed air nozzles and increased customer and contractor program events throughout the state. C&I programs also proactively focus on relationship development with organizations such as the U.S. Green Building Council and Leadership in Energy and Environmental Design to fully leverage new construction Michigan Energy Measures Database (MEMD) measures.

Chart 1 – 2024 EE Portfolio Spending and Verified Net Savings



² The calculations exclude Income-Qualified programs per Section 71(3) (g) of PA 229, which specifically excludes Income-Qualified in the cost-effectiveness requirement.

Portfolio SUMMARY



Goals and Targets

The operational goal of DTE's 2024 Energy Efficiency (EE) Portfolio was to continue growing customer acceptance and adoption of EE measures. Specifically, the 2024 goals were to:

1. Achieve electric energy savings of 2% of 2023 planned retail sales, or 888 gigawatt-hours (GWh), and legislated gas energy savings of 1.05% of 2023 planned retail sales, or 2,032 million cubic feet (MMcf).
2. Ensure EE programs are cost-effective. DTE performs cost-effectiveness tests to confirm the benefits of the EE Portfolio exceed the costs for DTE and its customers. DTE uses the Utility System Resource Cost Test (USRCT) to measure the effectiveness of various EE programs. Specifically, the EE Portfolio's goal (not including Income-Qualified programs) is to meet the minimum required USRCT ratio of 1.0.

Chart 2 – 2024 EE Portfolio Spending and Verified Net Savings

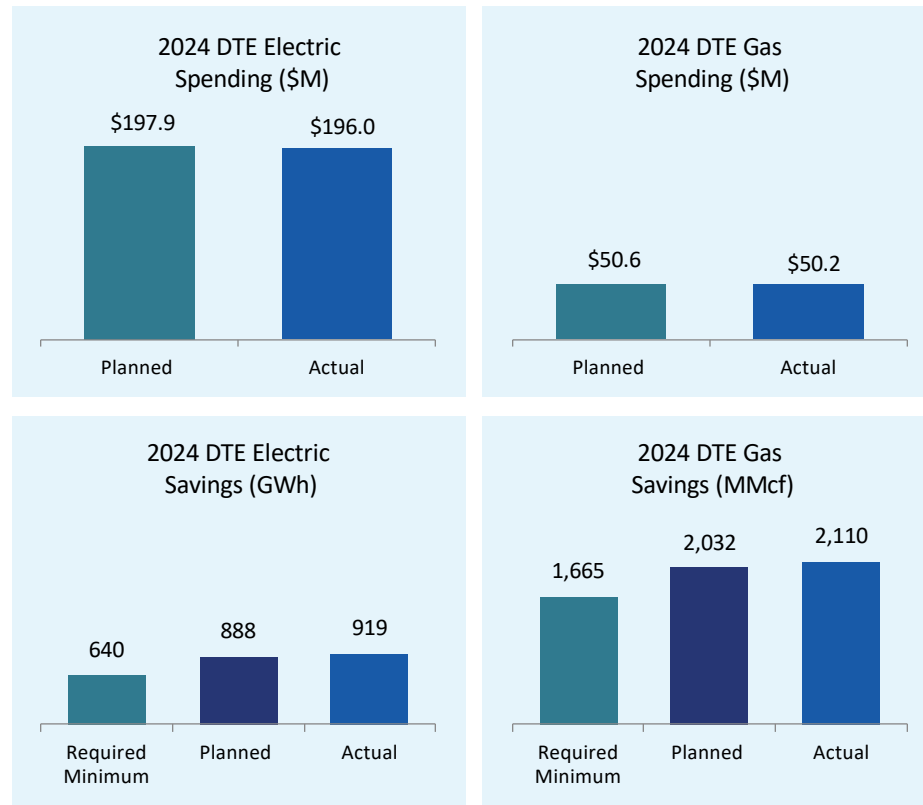
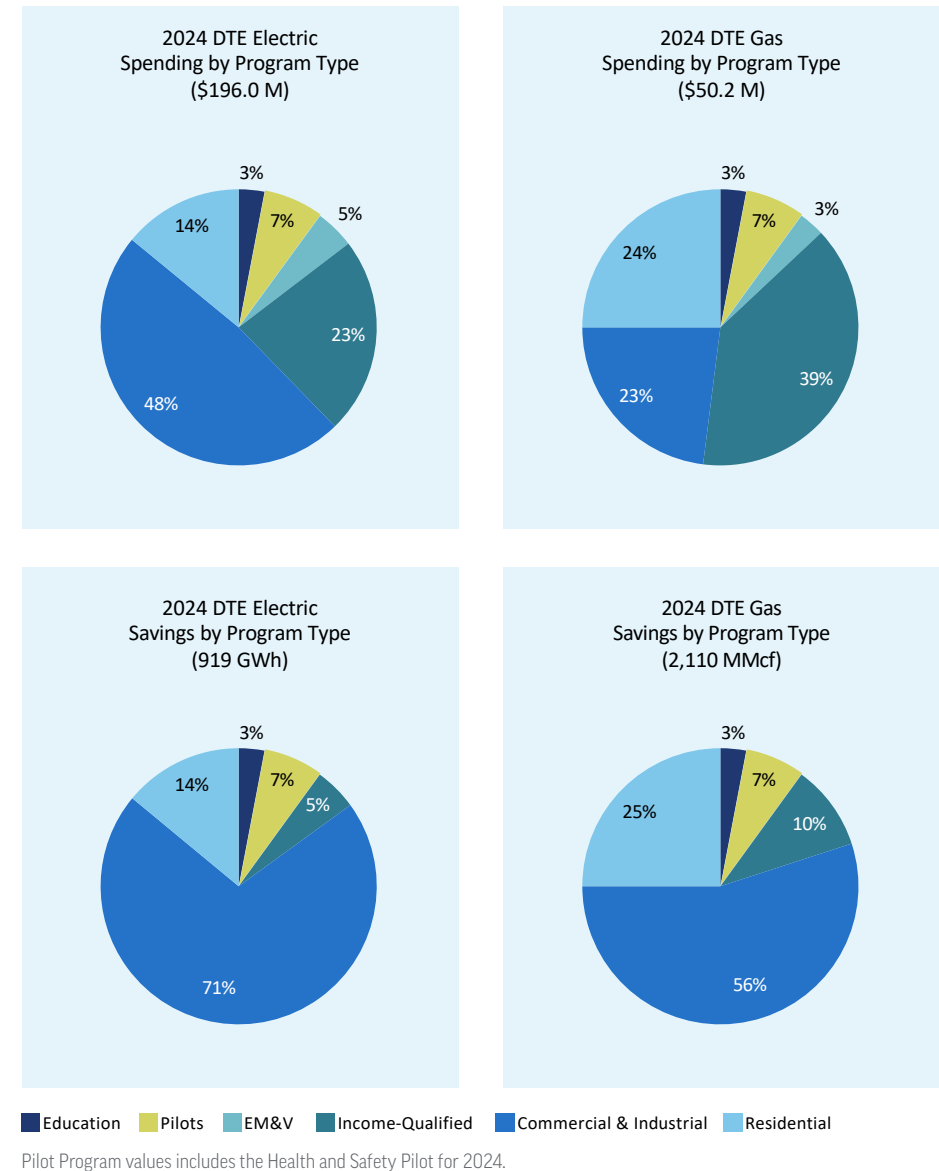


Chart 3 displays program spending and verified net savings for the various EE programs in 2024.

Chart 3 – 2024 EE Spending and Verified Net Savings by Program Type



Evaluation, Measurement and Verification

Michigan's EE construct requires independent verification of utilities' claimed energy savings. This work is performed by an independent evaluation, measurement and verification (EM&V) contractor.

Verified net energy savings are DTE's reported savings after they have been adjusted based on the results of an evaluation and analysis by DTE's independent evaluation contractor, Guidehouse Inc. (Guidehouse), and the installation rate adjustment factors (IRAFs) and net-to-gross ratios (NTGRs) have been applied³. An IRAF is applied to account for rebated measures that are no longer or were never installed and operational. A NTGR is applied to account for the difference in energy consumption with the program in place versus what consumption would have been without the program in place.

In 2024, DTE applied a 0.92 NTGR to most programs. DTE applied different NTGRs to some programs or measures, including:

- 1.00 for Income-Qualified, Pilots and Education and Awareness

A NTGR was not applied to the following programs or measures because savings represent verified net savings:

- Thermostats delivered by Commercial and Industrial (C&I) programs
- Tier 2 and smart thermostats delivered by Residential programs
- Home Energy Reports program

As a part of the savings verification process, DTE and Consumers Energy exchange savings that would otherwise go unquantified and unclaimed by the utility providing the relevant fuel service. The utilities' independent evaluators identify, quantify, and verify savings created by the utilities in areas where DTE and Consumers Energy have overlapping service territory where one of the two utilities provides single fuel service.

EM&V work must be performed to industry standards and guidelines developed by the Evaluation Workgroup of the Michigan Public Service Commission (MPSC) Energy Optimization Collaborative. Guidehouse fills this role for DTE.

DTE and its evaluation contractor are active participants in the Evaluation Workgroup, along with Consumers Energy, other cooperative and municipal utilities and their respective evaluation contractors as well as the MPSC staff. In addition to developing guidelines for evaluation, members of the Evaluation Workgroup established a statewide resource for technical energy savings values for thousands of energy efficient measures, the Michigan Energy Measures Database (MEMD). The MEMD enables fast and efficient entry, tracking and evaluation for most measures installed in Michigan EWR programs regardless of program provider.

The MEMD is managed by the MPSC. The Technical Subcommittee oversees the management and updating of the MEMD. Updating measure values to reflect changes in standards, incorporating newer studies and making them more representative of Michigan follows a well-defined process involving all stakeholders. DTE and Consumers Energy work together with their evaluation contractors to conduct foundational research on important measures to develop up-to-date Michigan-based values. Since 2009, numerous additions and calibrations have been made to the MEMD to make the values more encompassing, accurate and Michigan-specific.

³ The IRAF is typically applied based on a 2-year lag of an evaluated result. For example, in 2024, the 2022 evaluated measure-level IRAF is applied to audited gross savings to determine verified gross savings. Exceptions to this rule include new measures, custom programs, deemed measures or programs (Pilots, Education and Awareness, etc.), and measures with MEMD savings that are verified net (residential and commercial thermostats).

Long-Term EE Impacts

DTE also considers metrics beyond the first-year energy savings goals set out in Public Act 229 toward longer-term impacts; these areas include overall lifecycle savings, both in dollars and energy; the average life of measures being installed; and reduction in future peak demand. This section provides definitions and the 2024 EE Portfolio results for these long-term metrics.

Lifecycle dollar savings: Represents the dollar savings resulting from current and future energy costs avoided as a result of an EE action over the effective life of that action. Lifecycle dollar savings may be presented for a collection of measures, an individual program or a portfolio of programs. The lifecycle dollar savings for DTE's programs are based on verified net savings. Lifecycle dollar savings are presented as the present value of those savings.⁴

⁴ Lifecycle dollar savings is not net of program expenses and includes line losses.

⁵ Utility Shared Savings are savings created by an "originating" utility that would otherwise go unquantified and unclaimed by the utility providing the relevant fuel service (the "receiving" utility). Utility Shared Savings represents savings created by Consumers Energy (originating utility) in areas where Consumers Energy and DTE have overlapping service territory and Consumers Energy provides single fuel service.

Table 1 – DTE 2024 EE Portfolio – Lifecycle Dollar Savings (All Values in Dollars)

| | Program | DTE Electric Present Value | DTE Gas Present Value |
|------------------|--|----------------------------|------------------------|
| RESIDENTIAL | Appliance Recycling | \$14,127,426.28 | - |
| | Home Energy Reports | \$3,943,285.45 | \$579,226.10 |
| | Multifamily | \$553,832.93 | \$107,814.98 |
| | Multifamily Strategic Energy Management | \$93,387.59 | \$148,142.60 |
| | Residential Building Envelope | \$19,054,453.83 | \$15,004,845.39 |
| | School | \$2,421,618.67 | \$2,510,162.66 |
| | Emerging Measures and Approaches | - | - |
| | Residential Utility Shared Savings ⁵ | \$1,483,998.83 | \$993,280.45 |
| | Residential Subtotal | \$41,678,003.57 | \$19,343,472.18 |
| INCOME-QUALIFIED | Income-Qualified – Energy Efficiency Assistance | \$3,543,864.98 | \$4,016,197.08 |
| | Income-Qualified – Multifamily | \$8,234,215.17 | \$4,502,879.25 |
| | Income-Qualified – Emerging Measures and Approaches | \$814,502.79 | \$928,730.49 |
| | Income-Qualified – Utility Shared Savings ⁵ | \$1,021,680.99 | \$94,651.60 |
| | Income-Qualified Subtotal | \$13,614,263.93 | \$9,542,458.41 |
| C&I | Prescriptive | \$186,500,442.75 | \$20,155,294.37 |
| | Non-Prescriptive | \$19,267,477.10 | \$14,109,506.44 |
| | ENERGY STAR® Retail Lighting | \$8,203,088.21 | - |
| | C&I Multifamily Common Areas | \$759,854.41 | \$270,411.60 |
| | Midstream Lighting | \$78,037,472.86 | - |
| | Midstream Food Service | \$1,700,249.22 | \$1,185,681.37 |
| | Midstream HVAC | \$8,262,073.42 | \$6,157,561.37 |
| | Retro-Commissioning | \$3,356,319.37 | \$256,223.12 |
| | Strategic Energy Management | \$3,044,453.54 | \$1,069,600.28 |
| | Self-Direct | \$2,032,444.56 | - |
| | Find and Fix | \$714,419.28 | \$434,134.60 |
| | Small Business | \$62,488,383.57 | \$1,235,509.13 |
| | Emerging Measures and Approaches | \$18,161.05 | - |
| | C&I Utility Shared Savings ⁵ | \$4,931,440.88 | \$7,862,600.42 |
| | C&I Subtotal | \$379,316,280.23 | \$52,736,522.69 |
| | Pilot Programs | \$20,295,589.21 | \$4,634,504.84 |
| | Health and Safety Pilot | \$8,091,854.07 | \$1,823,463.90 |
| | Education and Awareness Program | \$12,417,032.09 | \$2,767,789.54 |
| | Portfolio Total | \$475,413,023.10 | \$90,848,211.57 |

Lifecycle energy savings: Represents the total cumulative program energy savings (MWh or Mcf) produced by the energy-saving actions taken for all years of the particular action's effective life. Lifecycle energy savings represent verified net energy savings.

Table 2 displays the long-term energy savings associated with the cost savings listed in Table 1.

Table 2 – DTE 2024 EE Portfolio – Lifecycle Energy Savings

| | Program | DTE Electric MWh: Cumulative Savings (Line Losses Included) | DTE Gas Mcf: Cumulative Savings (Line Losses Included) |
|------------------|---|---|--|
| RESIDENTIAL | Appliance Recycling | 275,031.10 | - |
| | Home Energy Reports | 74,138.04 | 117,628.98 |
| | Multifamily | 14,642.16 | 23,902.30 |
| | Multifamily Strategic Energy Management | 2,310.56 | 32,385.30 |
| | Residential Building Envelope | 318,547.93 | 3,701,116.03 |
| | School | 50,900.94 | 591,661.04 |
| | Emerging Measures and Approaches | - | - |
| | Residential Utility Shared Savings | 30,888.75 | 234,624.06 |
| | Residential Subtotal | 766,459.47 | 4,701,317.71 |
| INCOME-QUALIFIED | Income-Qualified – Energy Efficiency Assistance | 68,925.72 | 1,019,165.20 |
| | Income-Qualified – Multifamily | 185,089.57 | 1,104,820.66 |
| | Income-Qualified – Emerging Measures and Approaches | 17,350.14 | 216,836.89 |
| | Income-Qualified – Utility Shared Savings | 13,881.40 | 22,435.91 |
| | Income-Qualified Subtotal | 285,246.83 | 2,363,258.66 |
| C&I | Prescriptive | 3,561,899.82 | 4,944,210.01 |
| | Non-Prescriptive | 400,945.01 | 3,511,547.30 |
| | ENERGY STAR® Retail Lighting | 176,021.33 | - |
| | C&I Multifamily Common Areas | 20,698.92 | 70,118.08 |
| | Midstream Lighting | 1,602,774.32 | - |
| | Midstream Food Service | 35,033.18 | 289,228.16 |
| | Midstream HVAC | 137,071.35 | 1,566,101.54 |
| | Retro-Commissioning | 83,675.78 | 56,608.66 |
| | Strategic Energy Management | 75,291.37 | 237,042.68 |
| | Self-Direct | 40,655.39 | - |
| | Find and Fix | 17,065.73 | 95,582.55 |
| | Small Business | 1,276,827.05 | 289,395.78 |
| | Emerging Measures and Approaches | 371.42 | - |
| | C&I Utility Shared Savings | 80,280.08 | 1,872,098.17 |
| | C&I Subtotal | 7,508,610.74 | 12,931,932.94 |
| | Pilot Programs | 452,093.17 | 1,093,436.86 |
| | Health and Safety Pilot | 180,249.60 | 430,216.97 |
| | Education and Awareness Program | 270,496.24 | 653,277.73 |
| | Portfolio Total | 9,463,156.04 | 22,173,440.88 |

Cost of conserved energy: Expresses the measure, program or portfolio costs in per-unit terms based on the total energy savings over the effective lifecycle of the specific measures or actions taken. The starting point is net energy savings.

Table 3 summarizes the levelized cost of energy and demand saved for each EE program per unit of the energy savings achieved.

Table 3 – DTE 2024 EE Portfolio – DTE Cost of Conserved Energy

| | Program | DTE Electric \$/Lifetime Savings (kWh) | DTE Gas \$/Lifetime Savings (CCF) |
|------------------|---|---|--------------------------------------|
| RESIDENTIAL | Appliance Recycling | \$0.03 | - |
| | Home Energy Reports | \$0.06 | \$0.66 |
| | Multifamily | \$0.03 | \$0.47 |
| | Multifamily Strategic Energy Management | \$0.07 | \$0.40 |
| | Residential Building Envelope | \$0.03 | \$0.28 |
| | School | \$0.03 | \$0.15 |
| | Emerging Measures and Approaches | - | - |
| | Residential Subtotal | \$0.05 | \$0.39 |
| INCOME-QUALIFIED | Income-Qualified – Energy Efficiency Assistance | \$0.38 | \$1.22 |
| | Income-Qualified – Multifamily | \$0.10 | \$0.62 |
| | Income-Qualified – Emerging Measures and Approaches | \$0.01 | \$0.07 |
| | Income-Qualified Subtotal | \$0.16 | \$0.82 |
| C & I | Prescriptive | \$0.01 | \$0.09 |
| | Non-Prescriptive | \$0.04 | \$0.07 |
| | ENERGY STAR® Retail Lighting | \$0.02 | - |
| | C&I Multifamily Common Areas | \$0.01 | \$0.07 |
| | Midstream Lighting | \$0.00 | - |
| | Midstream Food Service | \$0.04 | \$0.23 |
| | Midstream HVAC | \$0.02 | \$0.07 |
| | Retro-Commissioning | \$0.07 | \$0.94 |
| | Strategic Energy Management | \$0.06 | \$0.36 |
| | Self-Direct | \$0.00 | - |
| | Find and Fix | \$0.11 | \$0.71 |
| | Small Business | \$0.01 | \$0.36 |
| | Emerging Measures and Approaches | \$0.00 | - |
| | C&I Subtotal | \$0.02 | \$0.13 |
| | Pilot Programs | \$0.02 | \$0.24 |
| | Health and Safety Pilot | \$0.02 | \$0.24 |
| | Education and Awareness Program | \$0.02 | \$0.24 |
| | Portfolio⁶ | \$0.02 | \$0.21 |

⁶ The portfolio cost of conserved energy excludes Income-Qualified values and includes the Financial Incentive Mechanism.

Weighted average measure life: Represents the average life, in years, of all measures installed or actions taken in a program or the entire portfolio when each measure's life is weighted by the energy savings it produces relative to the total energy savings in the program or portfolio.

Table 4 summarizes the weighted average measure life for the various 2024 EE programs at the individual program level and for the program as a whole.

Greenhouse gas reductions: In 2024, DTE's combined electric and gas verified net savings from EE programs equal lifetime greenhouse gas reductions of 6.9 million metric tons of carbon dioxide (CO₂), 3,273 metric tons of nitric oxide (NO_x), and 3,444 metric tons of sulfur dioxide (SO₂)

Table 4 – DTE 2024 EE Portfolio – DTE Weighted Average Measure Life

| | Program | DTE Electric Program Weighted Life | DTE Gas Program Weighted Life |
|------------------|---|------------------------------------|-------------------------------|
| RESIDENTIAL | Appliance Recycling | 7.98 | - |
| | Home Energy Reports | 1.00 | 1.00 |
| | Multifamily | 12.76 | 3.22 |
| | Multifamily Strategic Energy Management | 3.00 | 3.00 |
| | Residential Building Envelope | 10.74 | 12.85 |
| | School | 9.99 | 6.14 |
| | Emerging Measures and Approaches | - | - |
| | Residential Utility Shared Savings | 9.27 | 9.49 |
| | Residential Subtotal | 5.16 | 8.63 |
| INCOME-QUALIFIED | Income-Qualified – Energy Efficiency Assistance | 2.30 | 17.76 |
| | Income-Qualified – Multifamily | 10.98 | 10.14 |
| | Income-Qualified – Emerging Measures and Approaches | 5.74 | 4.71 |
| | Income-Qualified – Utility Shared Savings | 12.80 | 10.31 |
| | Income-Qualified Subtotal | 5.59 | 11.01 |
| C & I | Prescriptive | 11.46 | 8.90 |
| | Non-Prescriptive | 14.07 | 14.94 |
| | ENERGY STAR® Retail Lighting | 5.75 | - |
| | C&I Multifamily Common Areas | 14.35 | 18.09 |
| | Midstream Lighting | 14.62 | - |
| | Midstream Food Service | 13.19 | 13.24 |
| | Midstream HVAC | 15.05 | 19.22 |
| | Retro-Commissioning | 2.51 | 2.79 |
| | Strategic Energy Management | 2.65 | 2.97 |
| | Self-Direct | 10.89 | - |
| | Find and Fix | 1.02 | 3.00 |
| | Small Business | 8.96 | 8.62 |
| | Emerging Measures and Approaches | 18.00 | - |
| | C&I Utility Shared Savings | 9.04 | 10.67 |
| | C&I Subtotal | 10.34 | 10.44 |
| | Pilot Programs | 9.25 | 10.01 |
| | Education and Awareness Program | 9.25 | 10.01 |
| | Health and Safety Pilot | 9.25 | 10.01 |
| | Portfolio Total | 9.25 | 10.01 |

Peak Demand Reduction (kilowatts, or kW)

Electric EE programs can deliver peak demand reductions to minimize the need for future power plants. Peak demand reduction represents the aggregate reduction from EE program participants in DTE Electric's service area load at the time of the Michigan zone of the Midwest Independent System Operator market's expected peak demand.

Table 5 shows that the DTE Electric 2024 EE programs achieved significant demand reductions.⁷

⁷ All values are shown as measured at customer meters. Line losses are not included.

Table 5 – DTE 2024 EE Portfolio – DTE Electric Peak Demand Savings

| | Program | 2024 Verified Net Peak Demand Savings (MW) |
|------------------|---|--|
| RESIDENTIAL | Appliance Recycling | 4.75 |
| | Home Energy Reports | 10.66 |
| | Multifamily | 0.02 |
| | Multifamily Strategic Energy Management | - |
| | Residential Building Envelope | 6.06 |
| | School | 0.59 |
| | Emerging Measures and Approaches | - |
| | Residential Utility Shared Savings | 0.36 |
| | Residential Subtotal | 22.44 |
| INCOME-QUALIFIED | Income-Qualified – Energy Efficiency Assistance | 2.24 |
| | Income-Qualified – Multifamily | 1.39 |
| | Income-Qualified – Emerging Measures and Approaches | 0.24 |
| | Income-Qualified – Utility Shared Savings | 0.46 |
| | Income-Qualified Subtotal | 4.32 |
| C & I | Prescriptive | 61.04 |
| | Non-Prescriptive | 3.76 |
| | ENERGY STAR® Retail Lighting | 4.15 |
| | C&I Multifamily Common Areas | -0.03 |
| | Midstream Lighting | 15.65 |
| | Midstream Food Service | 0.36 |
| | Midstream HVAC | 2.81 |
| | Retro-Commissioning | - |
| | Strategic Energy Management | - |
| | Self-Direct | 0.55 |
| | Find and Fix | - |
| | Small Business | 17.47 |
| | Emerging Measures and Approaches | 0.003 |
| | C&I Utility Shared Savings | 1.84 |
| | C&I Subtotal | 107.61 |
| | Pilot Programs | 7.29 |
| | Health and Safety Pilot | 2.91 |
| | Education and Awareness Program | 4.36 |
| | Portfolio | 148.92 |

Cost-Effectiveness

Per Section 71(3) of PA 229, electric and gas utility providers must offer a cost-effective EWR portfolio to customers; while the portfolio must include income-qualified programs, these programs are not included in the cost-effectiveness tests. Cost-effectiveness tests are performed to confirm the benefits of DTE's EE Portfolio exceed the costs for DTE and its customers. Providers must demonstrate the EE programs (excluding offerings to income-qualified customers) meet the USRCT and are reasonable and prudent.

DTE used the DSMore⁸ cost analysis tool to calculate the USRCT cost-effectiveness at the program level and for groups of programs, including the Income-Qualified programs, Residential programs, and C&I programs. USRCT is a cost-effectiveness test that measures cost-effectiveness from the viewpoint of DTE and ensures the benefits for all programs will exceed the costs.

The two major groups of inputs used in DSMore are utility input assumptions and program inputs:

- Utility input assumptions contain information specific to DTE and include items such as load shape, the commodity and non-commodity cost of energy, customer energy rates, line losses, weather and discount rates. The utility input assumptions used are primarily the same as those used to develop DTE Electric's and DTE Gas's approved 2024-2025 EE Plans.
- Program inputs include measure-level electric and gas energy savings, measure-level coincident peak demand reductions, the number of measures adopted by participants, incremental participant costs, customer incentive costs, program costs, financial incentive costs, education costs and pilot costs.

⁸ Demand Side Management Option Risk Evaluator (DSMore) is a financial analysis tool designed to evaluate the costs, benefits, and risks of demand side management programs, including energy efficiency, DR and smart grid programs and services.

Table 6 – Cost-Effectiveness Values

| | Program | DTE Electric (USRCT) | DTE Gas (USRCT) |
|------------------|--|----------------------|-----------------|
| RESIDENTIAL | Appliance Recycling | 1.47 | - |
| | Home Energy Reports | 0.84 | .75 |
| | Multifamily | 1.35 | .97 |
| | Multifamily Strategic Energy Management | 0.54 | 1.14 |
| | Residential Building Envelope | 1.79 | 1.45 |
| | School Program | 1.80 | 2.85 |
| | Emerging Measures and Approaches | - | - |
| | Residential Utility Shared Savings | - | - |
| | Residential Subtotal | 1.06 | 1.06 |
| INCOME-QUALIFIED | Income-Qualified – Energy Efficiency Assistance | 0.13 | 0.32 |
| | Income-Qualified – Multifamily | 0.46 | 0.66 |
| | Income-Qualified – Emerging Measures and Approaches | 3.67 | 6.57 |
| | Income-Qualified – Utility Shared Savings | - | - |
| | Income-Qualified Subtotal | 0.31 | 0.49 |
| C & I | Prescriptive | 6.11 | 4.64 |
| | Non-Prescriptive | 1.11 | 5.50 |
| | ENERGY STAR® Retail Lighting | 2.36 | - |
| | C&I Multifamily Common Areas | 2.60 | 5.60 |
| | Midstream Lighting | 9.81 | - |
| | Midstream Food Service | 1.30 | 1.80 |
| | Midstream HVAC | 2.50 | 6.03 |
| | Retro-Commissioning | 0.59 | 0.48 |
| | Strategic Energy Management | 0.72 | 1.25 |
| | Self-Direct | 64.56 | - |
| | Find and Fix | 0.37 | 0.64 |
| | Small Business | 3.44 | 1.17 |
| | Emerging Measures and Approaches | 20.18 | - |
| | C&I Utility Shared Savings | - | - |
| | C&I Subtotal | 2.90 | 3.21 |
| | Pilot Programs | 2.04 | 1.80 |
| | Health and Safety Pilot | 2.04 | 1.80 |
| | Education and Awareness Program | 2.09 | 1.80 |
| | Portfolio Total (Excluding Income-Qualified, Including Financial Incentive) | 2.37 | 1.97 |

Portfolio Revenue (Surcharges)

Base surcharge revenue reflects EE actual revenue realized excluding the revenue recovery for authorized financial incentives. These surcharges appear within the Other Delivery Surcharges line item on a customer's monthly bill statement.

The amount of the surcharge depends on the rate class – Residential, C&I Secondary or C&I Primary and End Use Transportation (EUT). Residential and C&I gas customers pay a volumetric rate, so a customer's individual surcharge depends on how much energy they use. For C&I electric customers, the total amount paid is also based on the number of meters because they pay a monthly per-meter charge determined by their monthly consumption. Funds received from a customer class – Residential, C&I Secondary and C&I Primary – should, to the extent possible, be spent on EE programs that benefit that rate class. All classes contribute to the Income-Qualified Residential program.

Chart 4 displays the actual amounts billed to DTE customers (excluding the financial incentive) in 2024 through the EE surcharges approved by the MPSC by customer type. Chart 5 displays revenue collected for the EE Portfolio in 2024 by customer type.

The actual electric revenue from all customer classes varies from the plan due to the variance between actual and forecast sales, with revenue lower for Residential and C&I Secondary and higher for C&I Primary and higher for Residential and C&I Primary. The actual gas revenue from all customer classes varies from the plan due to the variance between actual and forecast sales, with revenue lower for Residential and C&I/EUT.

Chart 4 – 2024 EE Portfolio Revenue (Surcharges)

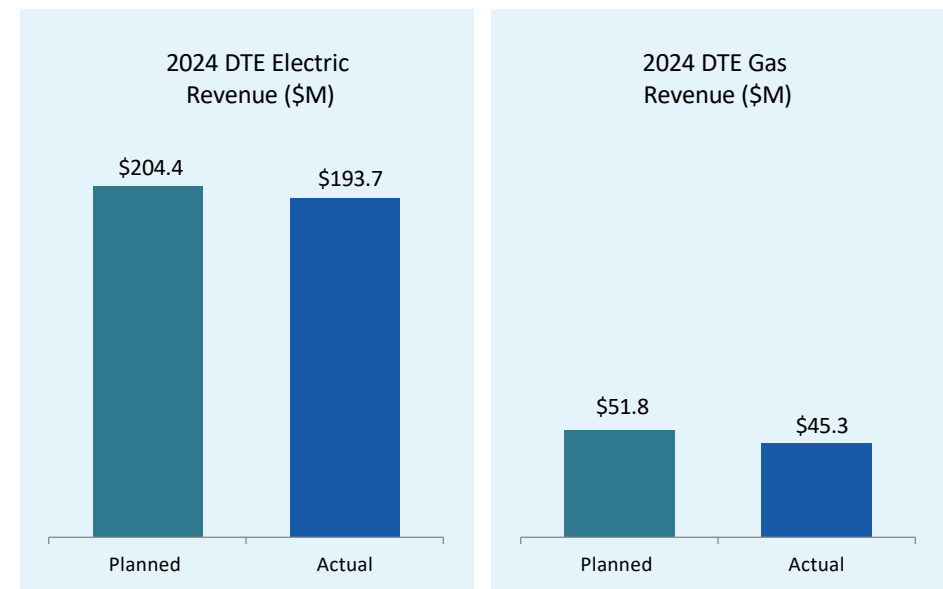
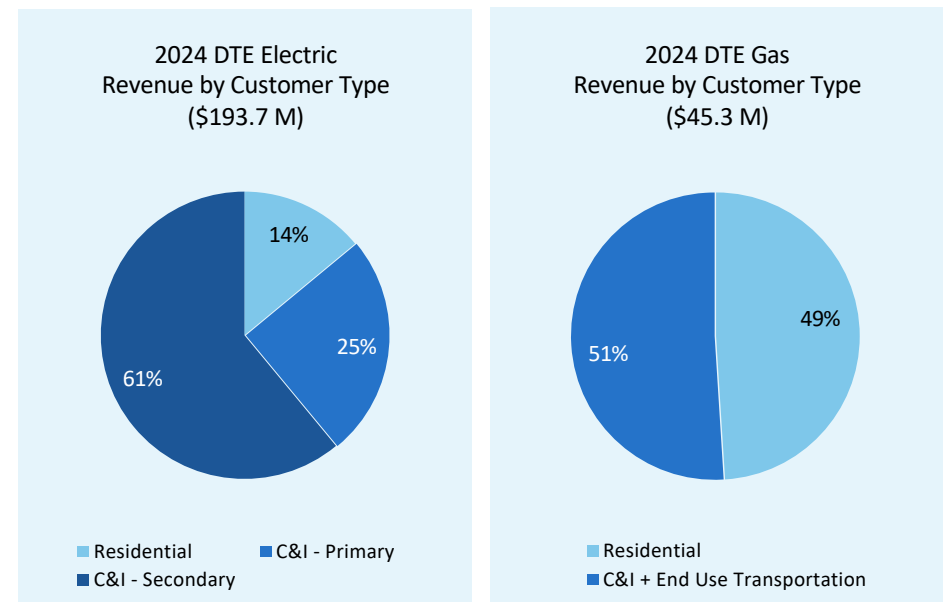


Chart 5 – Revenue Collected for EE Portfolio in 2024 by Customer Type



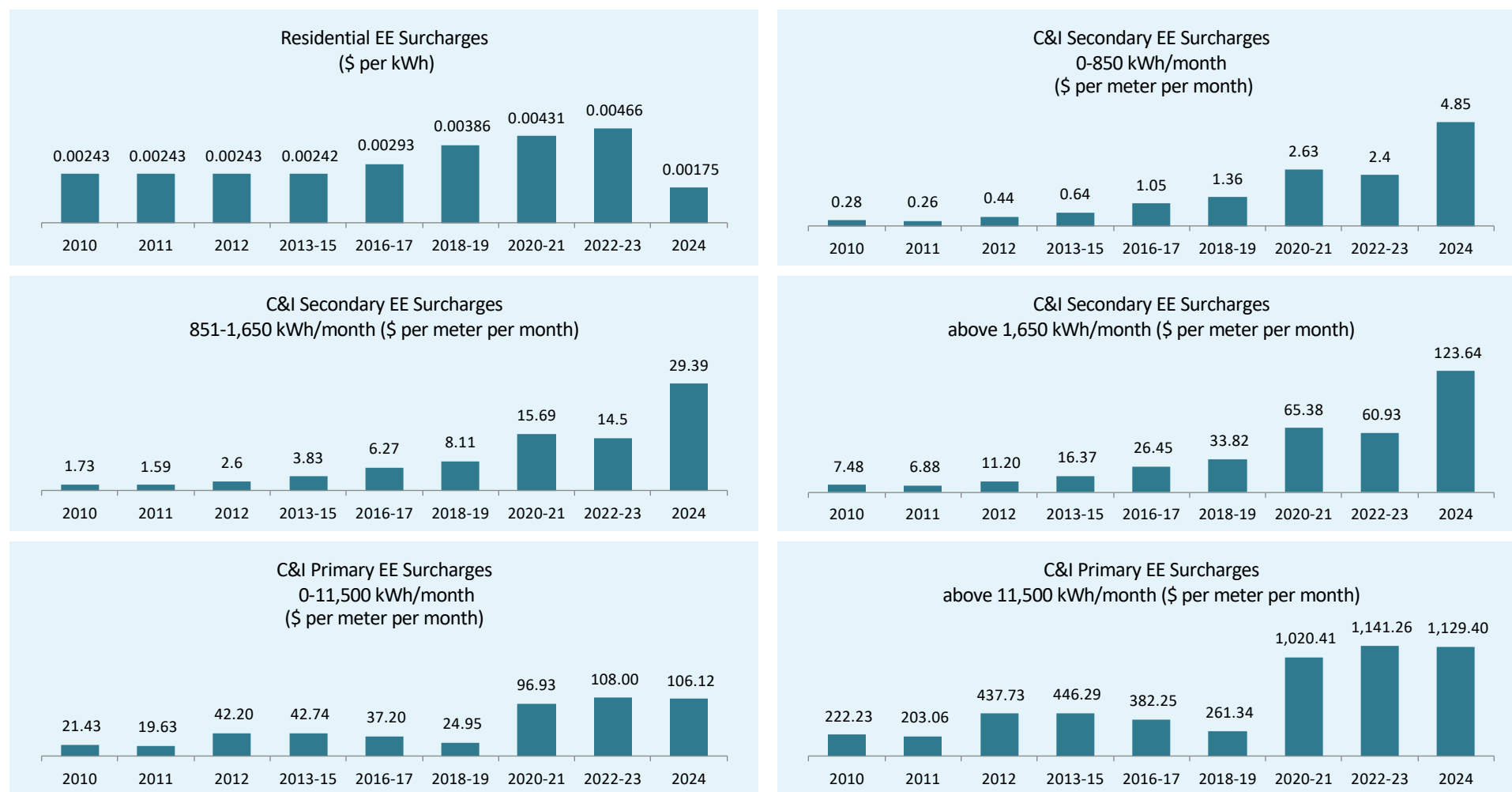
Electric Surcharge

During 2024 one EE electric base surcharges was authorized for collection:

- January 1 to December 31, 2024, per the Commission's November 9, 2023 order in Case No. U-21322 (2024-2025)

Chart 6 outlines the 2024 EE base electric surcharges compared with previous years. These charts exclude the financial incentive.

Chart 6 – DTE Electric Surcharges



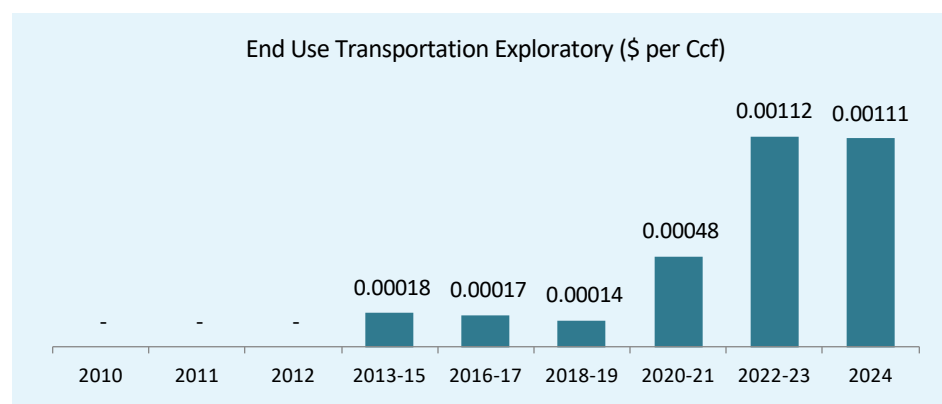
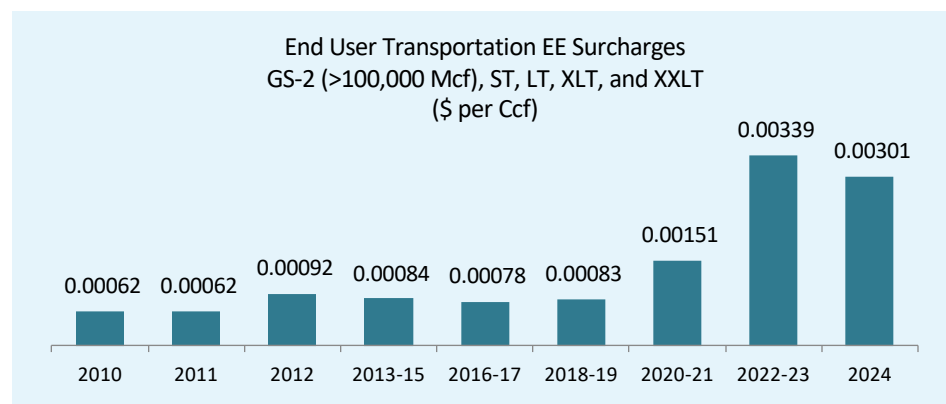
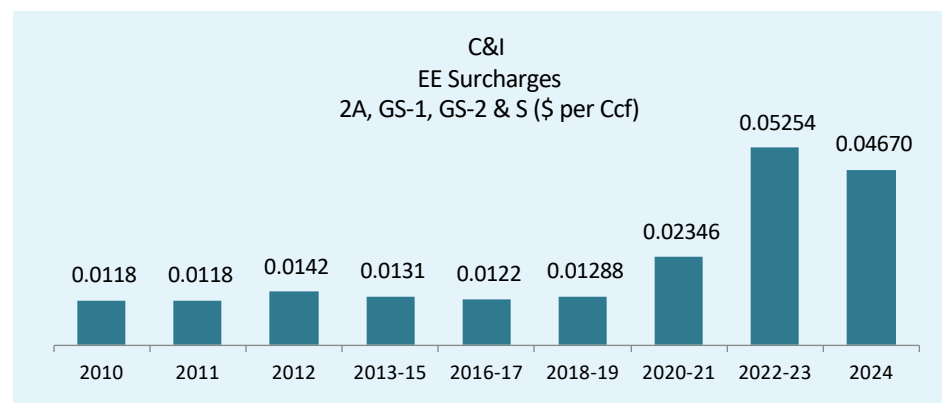
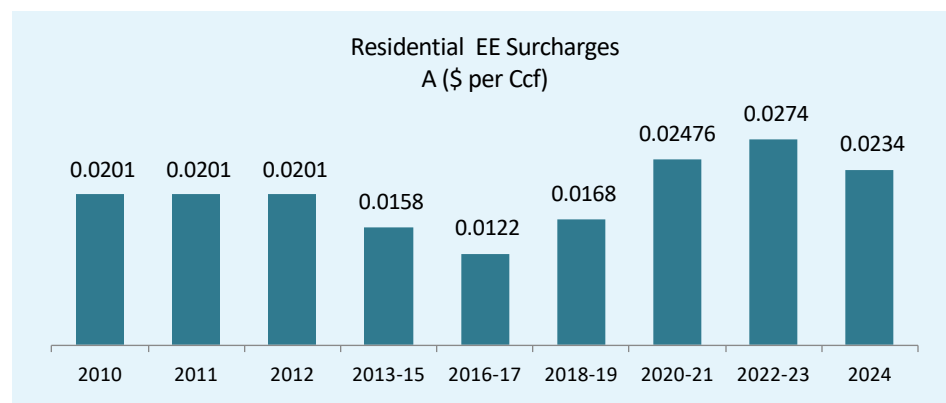
Gas Surcharge

During 2024, DTE Gas billed one base surcharge:

- January 1 to December 31, 2024, per the Commission's November 9, 2023 order in Case No. U-21322 (2024-2025 EWR Plan)

Chart 7 outlines the 2024 EE base gas surcharges compared with previous years. These charts exclude the financial incentive.

Chart 7 – DTE Gas Surcharges



Program Participation

EE programs have experienced strong participation each year since 2009, with over 11.5 million electric and over 5.3 million gas customers directly participating in DTE's EE programs.⁹

Chart 8 and Chart 9 summarize the number of customers participating in the EE Portfolio by year.

Chart 8 – EE Portfolio Electric Participation

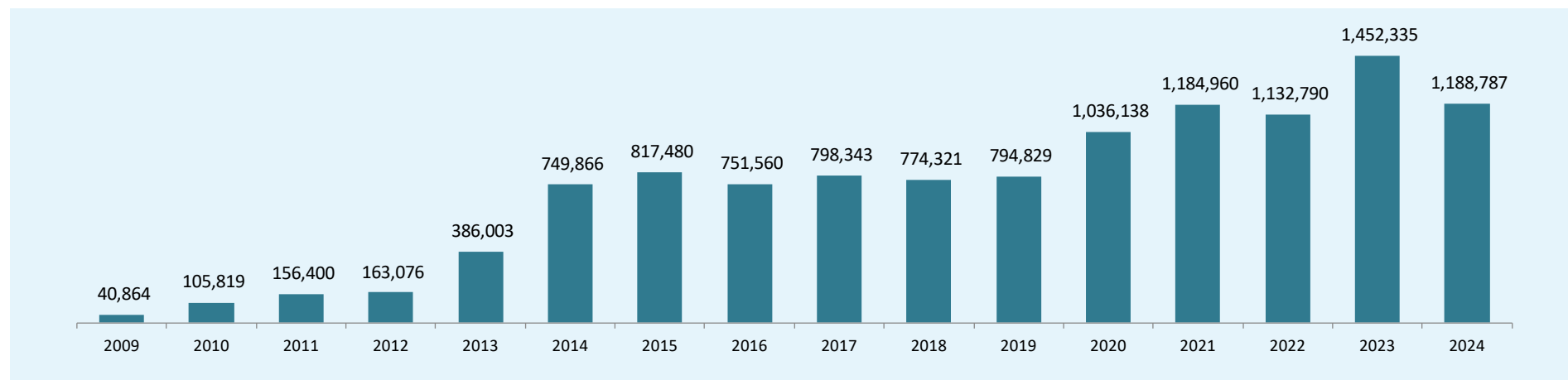
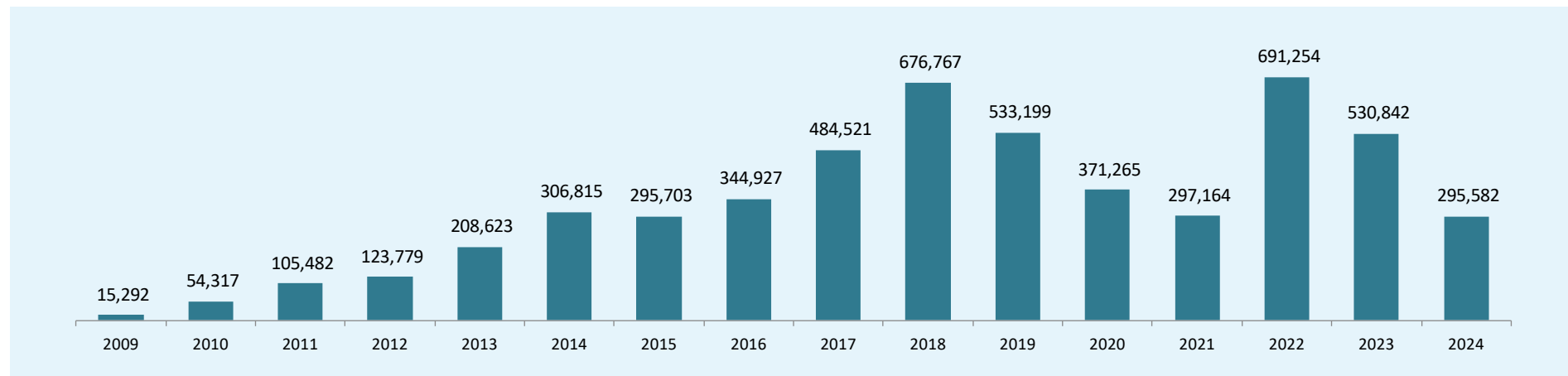


Chart 9 – EE Portfolio Gas Participation



⁹ Customers may participate in more than one EE program.

Energy Efficiency **PORTFOLIO**



DTE's EE Portfolio is designed to help reduce customer energy use by increasing customer awareness and use of energy-saving technologies. The portfolio provides products and services such as rebates, tips, tools, strategies and energy efficiency education to help customers make informed energy-saving decisions.

Many of the 2024 programs were continuations of successful programs launched in prior years. DTE continually works to offer EE programs that encourage participation from all customer segments. Programs are designed to capture electric and natural gas savings. For customers with only electric or only natural gas service, DTE coordinates and aligns with other utilities so these customers can easily participate in energy efficiency program offerings across both fuel types.

Portfolio Offerings

The EE Portfolio includes Residential, Income-Qualified, and C&I programs as well as Pilot and general Education and Awareness programs. The DTE EM&V function verifies net energy savings reported by the EE Portfolio. The programs are managed by DTE program managers and operated by implementation contractors, primarily using local labor and products.

Each program offers a combination of energy efficiency products, customer incentives or rebates and education. The following summarizes each program category:

- Residential programs offer homeowners products, services and rebates including appliance recycling; appliances; heating, ventilating and air conditioning (HVAC); weatherization; home energy assessments; and energy education and behavioral programs.
- Income-Qualified programs provide income-qualified DTE customers with recommendations, direct installation of qualified EE measures, major appliance replacements, weatherization measures and education to assist them in reducing their energy use and managing their utility costs.
- C&I programs offer businesses products and services; prescriptive rebates for specific equipment replacement such as lighting, boilers, pumps and compressors; custom programs providing rebates per kilowatt-hour (kWh) of electricity savings or per thousand cubic feet (Mcf) of natural gas savings for a

comprehensive system or industrial process improvement; and operational improvement programs.

- Pilot programs focus on new and emerging experimental programs to fit longer-term program portfolio needs, test the cost-effectiveness of emerging technologies and assess customer adoption of new technologies and market acceptance of existing technologies using new approaches.
- The Education and Awareness program is designed to raise customer energy efficiency awareness to help save energy and reduce energy costs. This program also aims to raise awareness of the DTE website and other social media, which provide channels for customers to engage in specific EE programs.

New program options continue to be added to the EE Portfolio each year. Figure 2 lists all the programs offered in 2024.

The following sections summarize each EE program and provide a description, highlights, achievements, challenges and overall program results from 2024.

Figure 2 – Programs in the EE Portfolio Offered in 2024

| | |
|---|---------------------------|
| Appliance Recycling | RESIDENTIAL PROGRAMS |
| Home Energy Reports | |
| Multifamily | |
| Multifamily Strategic Energy Management | |
| Residential Building Envelope | |
| School Program | |
| Emerging Measures and Approaches | |
| Energy Efficiency Assistance | INCOME-QUALIFIED PROGRAMS |
| Multifamily | |
| Emerging Measures and Approaches | |
| Downstream Platform | C&I PROGRAMS |
| Midstream Platform | |
| Operational Platform | |
| Self-Direct Program | |
| Small Business Platform | |
| Emerging Measures and Approaches | |
| Education & Awareness | NON-STANDARD PROGRAMS |
| Pilots | |

Residential Programs

The Residential EE programs increase customer awareness and demand for energy efficient products and services. Details of each offering are provided in later sections of this report.



In 2024, DTE's Residential programs performed well and exceeded planned savings. Customer satisfaction was at 92% or higher for all but one program in 2024.

Chart 10 summarizes the electric and gas spending and verified net energy savings for the 2024 EE Residential and Income-Qualified programs.

Chart 10 – 2024 Residential and Income-Qualified Programs Spending and Verified Net Savings

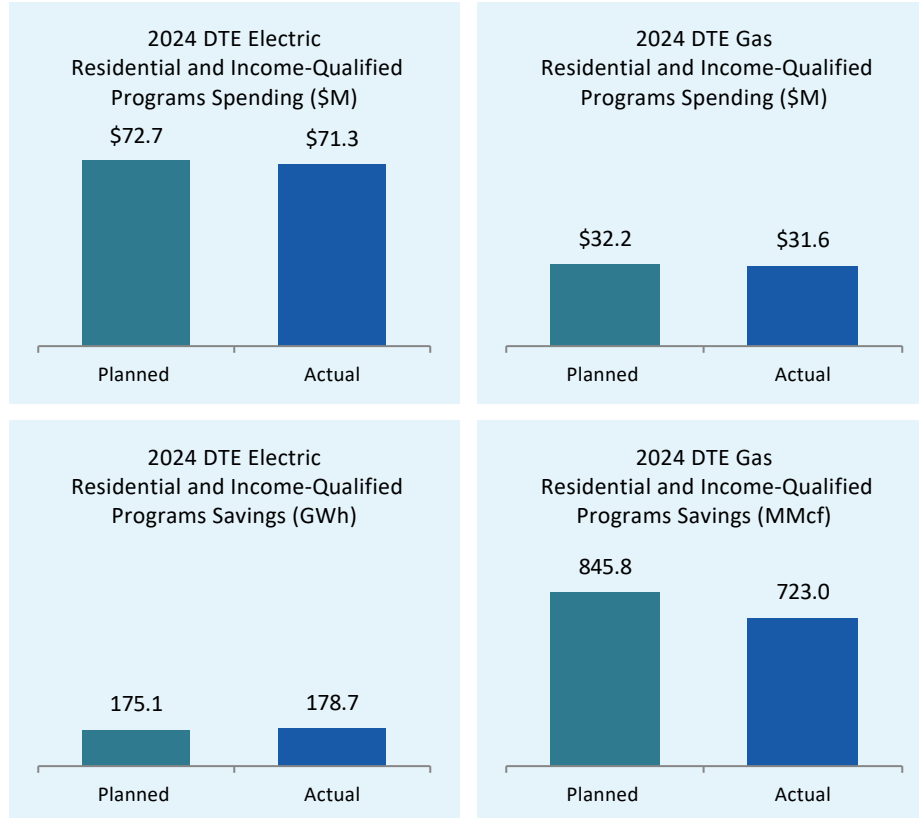
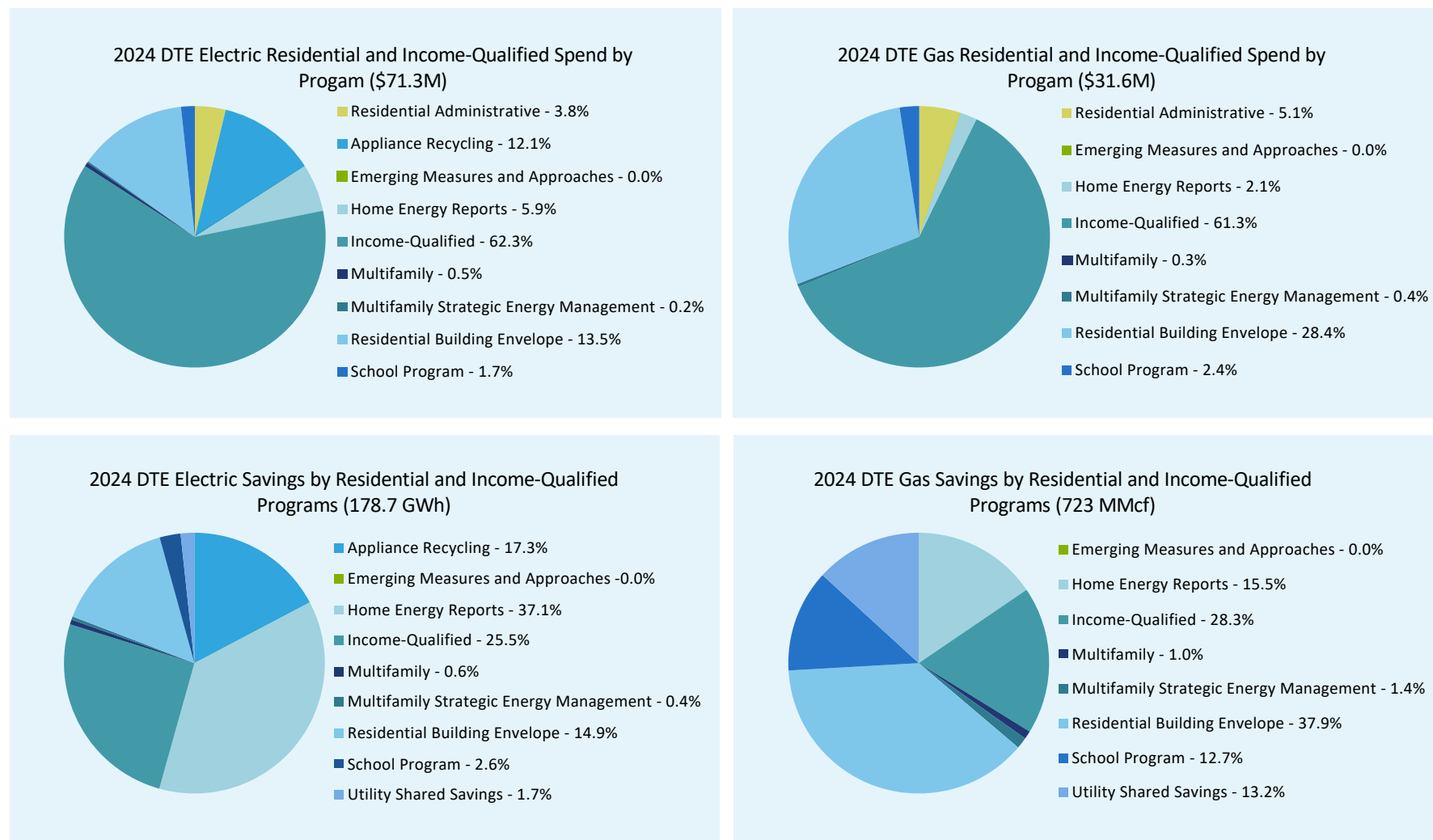


Chart 11 summarizes the spending and verified net energy savings achieved by each Residential and Income-Qualified programs in 2024.

Chart 11 – 2024 Spending and Verified Net Savings by Residential and Income-Qualified Programs¹⁰

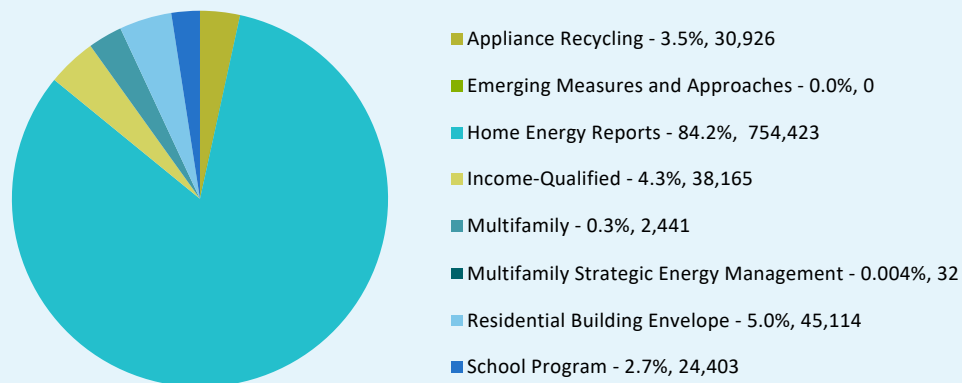


¹⁰ Utility Shared Savings are savings created by an "originating" utility that would otherwise go unquantified and unclaimed by the utility providing the relevant fuel service (the "receiving" utility). Utility Shared Savings represents savings created by Consumers Energy (originating utility) in areas where Consumers Energy and DTE have overlapping service territory and Consumers Energy provides single fuel service.

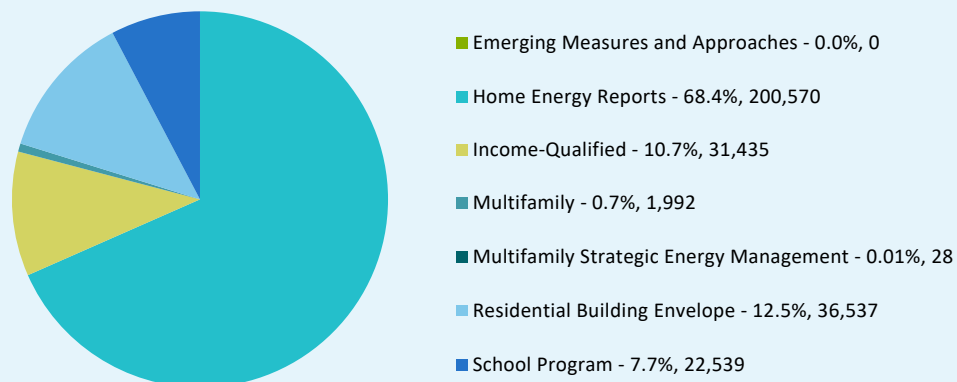
Chart 12 summarizes the number of customers that participated in the Residential and Income-Qualified programs in 2024.

Chart 12 – 2024 Residential and Income-Qualified Customer Participation by Program

2024 DTE Electric Residential and Income-Qualified Programs Participation (895,504)



2024 DTE Gas Residential and Income-Qualified Programs Participation (293,101)



DTE ELECTRIC ONLY

Appliance Recycling Program

The Appliance Recycling program produces cost-effective, long-term annual energy savings by promoting the early retirement and recycling of operable, inefficient and secondary appliances from DTE Electric households in an environmentally safe manner. Programs like this are imperative to helping DTE achieve its CleanVision goals.



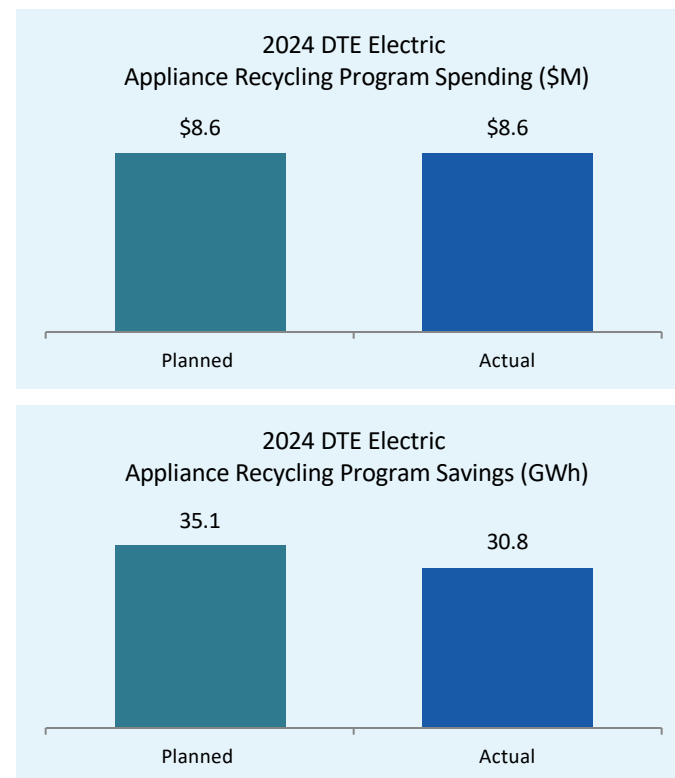
Program Description

The program removes older inefficient working refrigerators and freezers and recycles 95% of the appliances. Customers can also recycle smaller appliances when a larger appliance is picked up. Smaller appliances include dehumidifiers, room air conditioners, and small refrigerators and freezers under 10 cubic feet. Drop-off events provide an opportunity for customers to recycle smaller appliances without a large freezer or refrigerator.

Key Takeaways

- The Appliance Recycling program increased participation by 2% in 2024, completing 475 more projects than in 2023 (30,451 projects).
- Customers recycled 3,464 appliances at three drop-off events in 2024, an 18% increase from 2,934 appliances collected in 2023.
- DTE's 2023 launch of gift cards to pay out incentives continued in 2024, resulting in time to receive rebate receiving an overall satisfaction score of 95%.
- In July 2024, the program launched a charity donation option for customers to provide their incentive to a community nonprofit organization (e.g., The Heat and Warmth Fund [THAW], United Way, Wayne Metro). Through this option, program participants donated more than \$40,000 to these organizations.
- ABC Warehouse participation increased by 32% in 2024, with 885 pick-ups compared to 670 pick-ups in 2023.
- The 2024 drop-off survey assisted in identifying solutions to changes to the drop-off event structure, such as adding more signage at events and communicating the importance of signing up to receive the rebate on the same day.
- In 2024, overall program customer satisfaction was 97%. In 2024, DTE launched a survey for drop-off event participants to understand motivations and satisfaction; the drop-off approach received an 87% satisfaction rating.

Chart 13 – 2024 Appliance Recycling Program Spending and Verified Net Savings



DTE ELECTRIC AND DTE GAS

Home Energy Reports Program

The Home Energy Reports program encourages select customers to be more energy efficient by providing them with feedback about their energy use, comparing their energy use with other similar homes and more efficient homes and providing energy-saving tips.



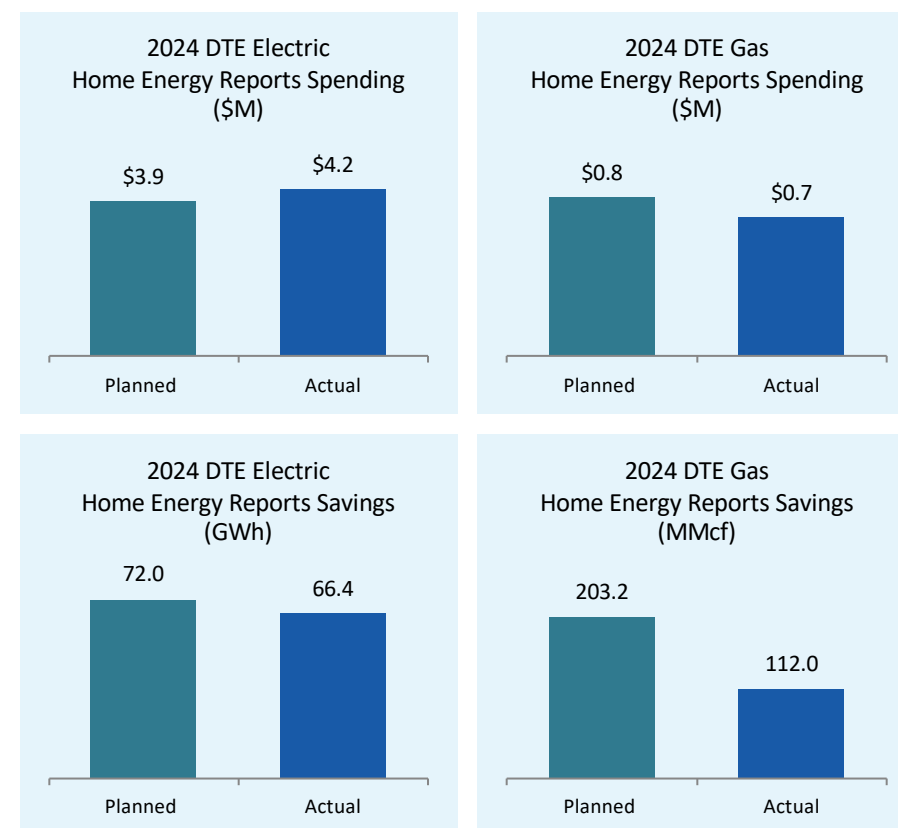
Program Description

The Home Energy Reports program offers printed and electronic reports that display a customer's energy usage compared with the average energy usage of approximately 100 nearby similar homes and a second comparison to the customer's most efficient nearby similar homes (the top 20%). The report also contains energy-saving tips and promotions for other DTE EE programs. DTE sends the home energy report (HER) to customers via the USPS; an abbreviated HER is sent via email to customers with an available email address. Deemed energy savings are based exclusively on printed reports.

Key Takeaways

- The program cross-promoted the Online Marketplace, HVAC rebates, and other customer programs in 2024.
- In 2024, customer satisfaction was 74%. Many of the dissatisfied recipients did not value the Similar Home Comparison and noted skepticism of comparisons with their neighbors. Recipients are most satisfied with the My Usage At a Glance section of the report. The program is looking to add a new EV usage section to make the report more precise in the years ahead.

Chart 14 – 2024 HER Program Spending and Verified Net Savings



DTE ELECTRIC AND DTE GAS

Income-Qualified Program

The Income-Qualified program provides income-qualified DTE customers with recommendations, direct installation of qualified EE measures, major appliance replacements, weatherization measures and education to assist them in reducing their energy use and managing their utility costs.



Program Description

DTE's Income-Qualified program includes the Energy Efficiency Assistance (EEA) program as well as the income-qualified component of the Multifamily program. The program leverages the services provided by member agencies of the Michigan Community Action Agency Association, municipalities, counties, public housing commissions, faith-based institutions, community development corporations and nonprofit organizations with existing housing and energy programs.

Instead of paying direct incentives, the EEA Income-Qualified program delivers in-kind services to customers, including furnace, water heater, and air conditioning replacements, appliances, tune-up services, and whole home measures such as weatherization and insulation.

The Income-Qualified Multifamily program offers generous incentives to encourage multifamily properties to install energy efficient measures. The program's outreach team works with property owners and managers, as well as developers, to discuss recommended upgrades and rebate opportunities. Various rebates are available for energy efficient measures including HVAC, water heating, tune-up services, insulation, LED lighting, appliances and more.

The School Income-Qualified program was implemented in 2024 to provide nontraditional opportunities to raise awareness and encourage the adoption of energy efficiency measures and behaviors to help the environment. Each participating teacher and elementary student receive a kit filled with energy efficient technologies and a guide with information on energy resources and energy-saving tips. Students are instructed to install all products with adult supervision in their residence. Instructional materials are designed to correlate with the State of Michigan English, Math and Science curriculum for fourth through sixth grade students. Implementation contractors provide educational materials through online and in-person delivery channels.

Key Takeaways

EEA

- Through its partners, the program directly serviced customers and provided whole home assessment services to promote weatherization measures. The program achieved its weatherization

measure target for 2024 by installing nearly 3,200 weatherization measures. Additionally, they onboarded several new partners to the program to cover more DTE service territory.

- The program continued building on its neighborhood-level targeting effort, "The Neighborhood Approach", including hosting open houses where neighbors and community members could tour a home that had already participated and interact with field members. These events have fostered positive community interactions, relationships and engagement.
- In 2024, the EEA program introduced or continued several collaborative efforts including those with After the Storm, Detroit Home Repair Fund, Manistee Housing Commission, THAW and Consumers Energy. These collaborations allow customers to receive more pointed and comprehensive improvements related to energy efficiency, health, safety and comfort.
- The EEA program participated in over 60 in-person LED community outreach distribution events, distributing over 100,000 LED kits to Michiganders. The program also distributed efficient holiday light kits for the first time.
- The EEA program and THAW hosted Neighborhood Energy Efficiency Day to distribute energy efficiency kits and schedule home energy assessments.
- In 2024, customer satisfaction was 95%

Multifamily

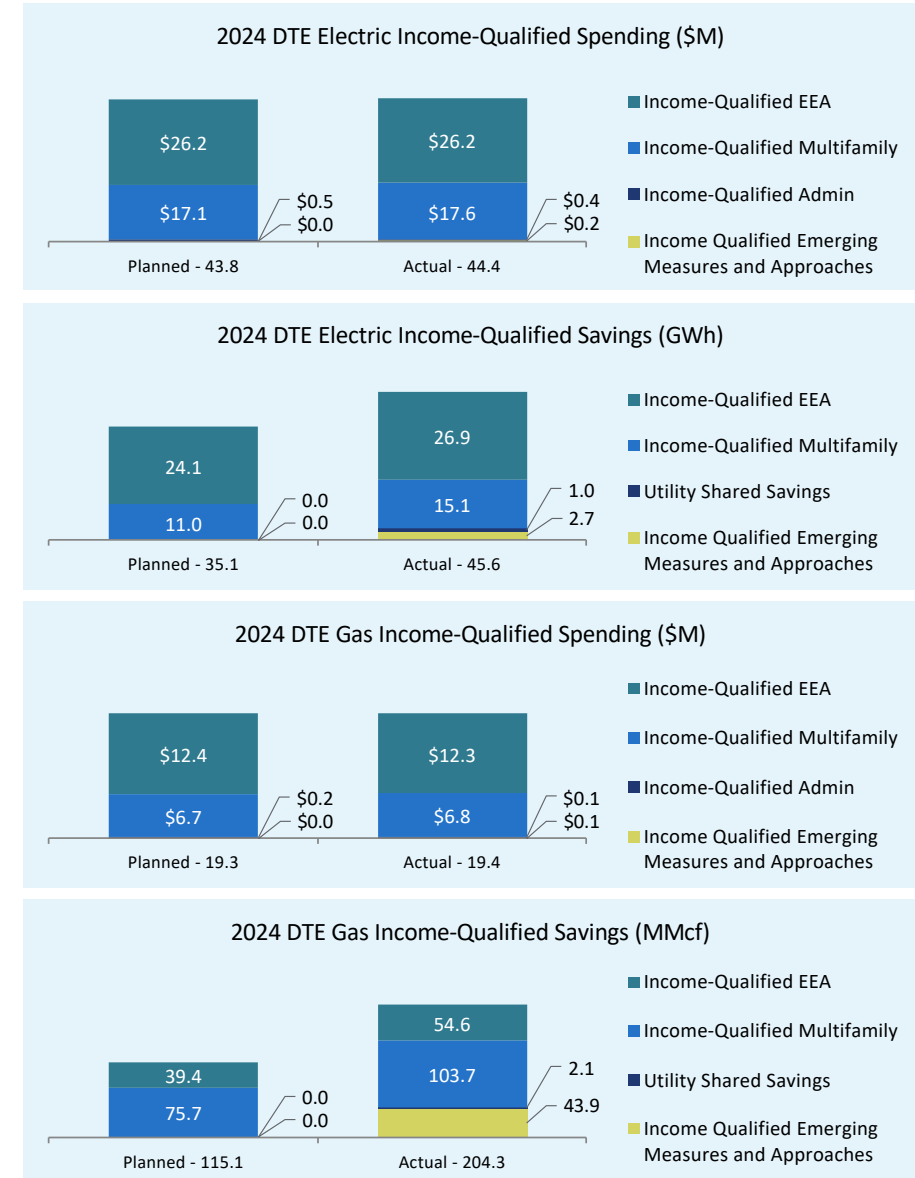
- In 2024, the Multifamily Income-Qualified program installed over 93,000 measures, which affected approximately 30,000 living units.
- The program continued to focus on weatherization offerings, including cold-climate heat pumps, heat pump water heaters, insulation, and air sealing measures. In 2024, weatherization upgrades were implemented across 54 properties, encompassing nearly 25,000 living units. Notably, many properties received multiple measure upgrades. In total, 1,358 electric weatherization measures and 3,328 gas weatherization measures were installed.
- In 2024, the program conducted 67 energy audits and offered comprehensive energy coaching for income-qualified buildings, focusing on identifying energy-saving opportunities.

- In 2024, customer satisfaction was 92%
- The program strengthened its collaboration with key partners, including Consumers Energy, Michigan State Housing Development Authority, Michigan Housing Council, Community Economic Development Association of Michigan, Property management Associations, Michigan Housing Council, and Housing Commissions. These collaborations help grow program participation and ensure that more properties benefit from the program and its resources.
- In collaboration with EEA program efforts, the program expanded its neighborhood-level targeting effort, known as "The Neighborhood Approach," which includes which includes approximately 50 properties and 45 single-family homes. The program provided over \$100,000 in rebates for energy efficient upgrades, benefiting 10 properties and impacting 700 living units. Additionally, the program conducted no-cost energy audits for 11 properties, empowering the property owners to make informed decisions on their energy efficient upgrades.

Emerging Measures & Approaches: School Income-Qualified

- In 2024, LED light bulbs were removed from market rate kits but added to income-qualified kits for select elementary school participants. Income-qualified schools are determined by free and reduced lunch or census track data.
- Participants responded favorably to receiving lightbulbs in the energy efficiency kits, as noted in customer survey responses.
- The School Income-Qualified program helped boost customer satisfaction with the greater School program, which includes elementary, high school, and senior citizen education efforts.

Chart 15 – 2024 Income-Qualified Program Spending and Verified Net Savings



DTE ELECTRIC AND DTE GAS

Multifamily Program

The Multifamily program produces energy savings in multifamily buildings with three or more units under one continuous roof. The program provides a robust offering of incentives for energy-saving measures.



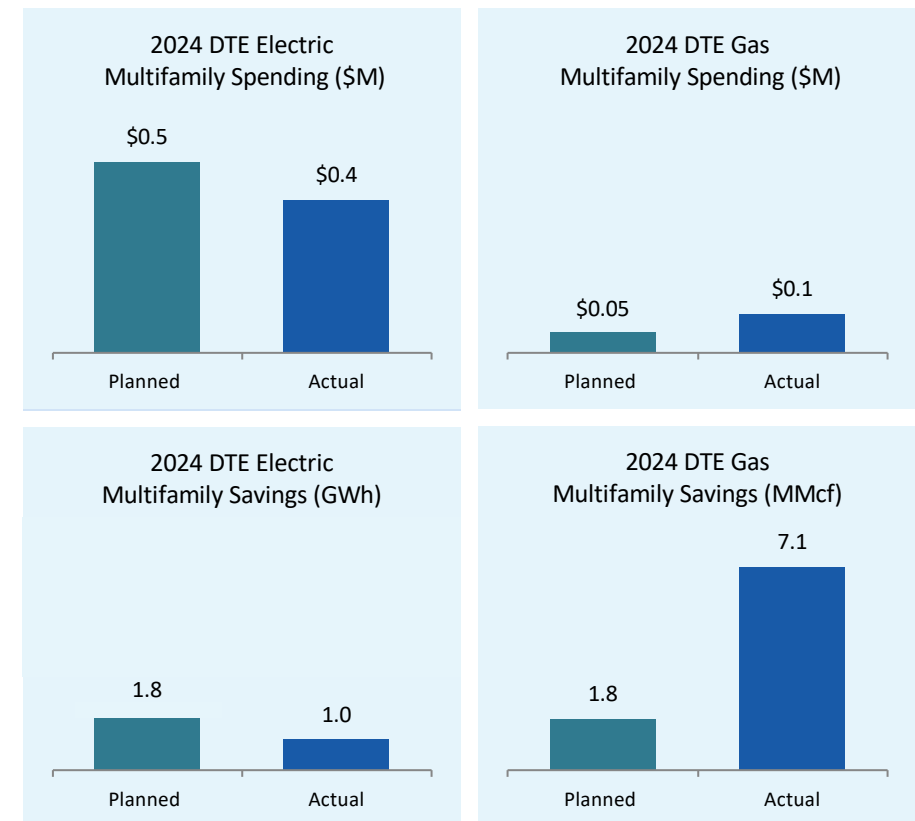
Program Description

The Multifamily program works directly with multifamily property managers and owners to provide rebates when they upgrade to qualifying, energy efficient equipment, such as HVAC, lighting and water heating, tune-up services, LED lighting, appliances and more. This program is distinct from the Income-Qualified Multifamily program.

Key Takeaways

- In 2024, the program installed over 8,800 measures, which affected approximately 7,600 living units.
- The program continued to highlight the importance of deeper retrofits for existing buildings and the enhancement of new construction designs by integrating energy efficiency upgrades.
- In 2024, property manager satisfaction was 100%.

Chart 16 – 2024 Multifamily Program Spending and Verified Net Savings



DTE ELECTRIC AND DTE GAS

Multifamily Strategic Energy Management

The Multifamily Strategic Energy Management program is a newly commercialized program for PY2024 providing technical support and financial incentives for multifamily customers interested in managing energy continuously in a holistic approach through Strategic Energy Management.



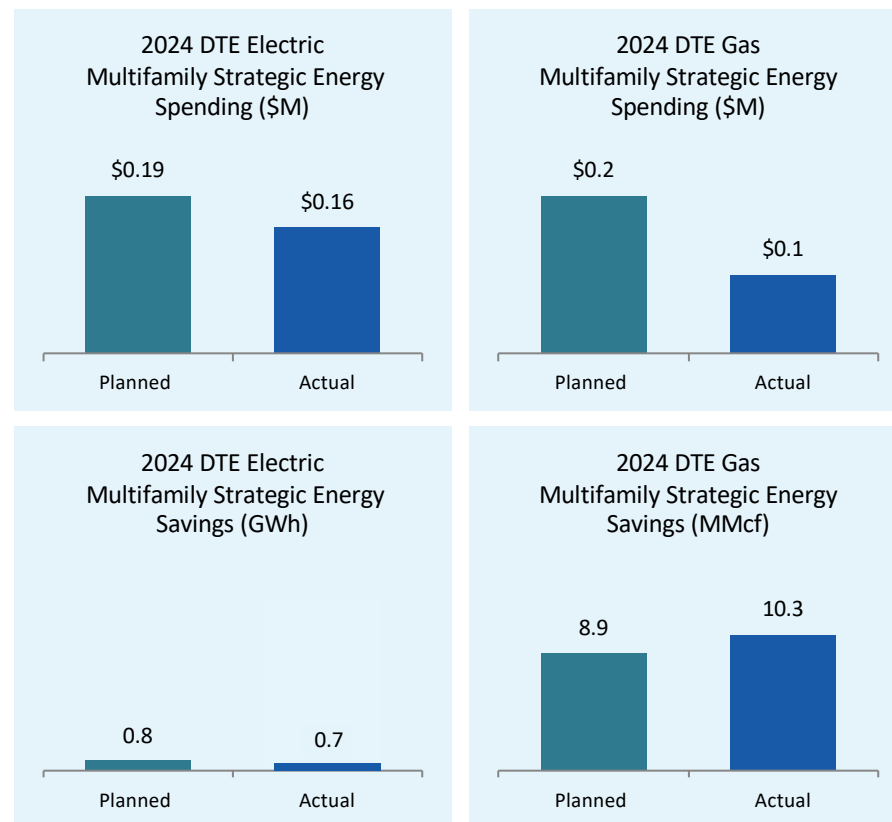
Program Description

The Multifamily Strategic Energy Management program provides incentives to multifamily customers for making operational changes at their facilities. These operational changes primarily include HVAC, water heating, and lighting related changes in common areas of multifamily buildings. The program also includes a resident education component facilitated by program staff and building staff to encourage customers to take energy savings actions within their units. This program offers an initial year support and incentives for kWh and Mcf verified as well as the option for customers to continue their participation into a second, alumni year.

Key Takeaways

- In its first year of commercialization, the program achieved approximately 749,480 kWh and 10,950 Mcf of reported gross savings.
- The program offered incentives of \$0.02/kWh and \$0.15/therm in 2024 with an additional, participation-based milestone incentive of \$5,000 offered to participating property manager in fall 2024 to help encourage additional energy savings measures.
- In PY2024, the program recruited five new property management companies, which included management of university and income-eligible properties. The program also re-enrolled two alumni property management companies from the 2023 pilot.
- Program staff conducted three educational workshops in PY2024, including an in-person kickoff at DTE headquarters in May 2024.
- The program collaborated with the multifamily rebate team where multifamily rebate energy advisors helped promote the Multifamily Strategic Energy Management program to their customers.

Chart 17 – 2024 Multifamily Strategic Energy Management Program Spending and Verified Net Saving



DTE ELECTRIC AND DTE GAS

Residential Building Envelope

The Residential Building Envelope programs provide a unified customer experience across the Audit and Weatherization, ENERGY STAR® Products, Online DTE Marketplace, HVAC, and New Home Construction programs.



Program Descriptions

The Audit and Weatherization program is a downstream program designed to achieve savings in the single-family housing market by motivating customers to install weatherization measures. The program includes two pathways, the Home Performance pathway, which includes a Comprehensive Energy Assessment, and the Insulation pathway.

The DTE ENERGY STAR Products Program claims savings by offering educational materials and incentives to residential customers who purchase ENERGY STAR-qualified equipment. The program has two major delivery channels: downstream and retail. The downstream delivery channel is customer driven and allows customers to apply for rebates for ENERGY STAR qualified products. The retail channel is driven by the stores and consists of several initiatives such as consumer electronics, which partners with electronic retailers, retail appliances, which partners with home improvement stores, and the DTE Marketplace program, in which DTE sells ENERGY STAR-qualified products directly to customers.

The HVAC program serves customers in single-family dwellings of less than three units who purchase new high efficiency central air conditioning units, high efficiency natural gas furnaces or boilers, heat pumps, water heating equipment, or Wi-Fi-enabled thermostats. The program includes both midstream and downstream channels.

The New Home Construction program provides participating builders with technical, marketing and training support as well as financial incentives. Participating builders construct energy efficient homes and work with certified Home Energy Rating System (HERS) raters. HERS raters upload home specifications to Ekotrope, a home design and energy rating software program, to confirm eligibility by achieving a HERS score of 60 or lower and to initiate processing through the program.

Key Takeaways

Audit and Weatherization

- By the end of 2024, the program fully phased out incentives for windows and patio doors due to MEMD updates.

- The program continued to offer bonuses for attic and above-grade wall insulation to increase customer participation, since this bonus was successful in 2023. For the first half of 2024, attic insulation averaged 54 participants a month. This increased to 74 per month in the second half of the year. For wall insulation, participation was around 32 customers per month the first half of the year, increasing to 37 per month in the second half.
- In 2024, the Audit and Weatherization program achieved an overall customer satisfaction score of 95%.

ENERGY STAR Products

- DTE continued its relationship with retailers like The Home Depot and Best Buy and the program expanded its midstream offerings to include new measures in the retail space.
- DTE rolled out the retail insulation markdown program in collaboration with The Home Depot and Lowes, expanding the ENERGY STAR retail program.
- The ENERGY STAR program continued its collaborations across DTE. The DTE Marketplace collaborated with the SmartSavers program to offer additional discounts on Smart Thermostats if the customer enrolled in a demand response program.
- In 2024, customer satisfaction was 94%.

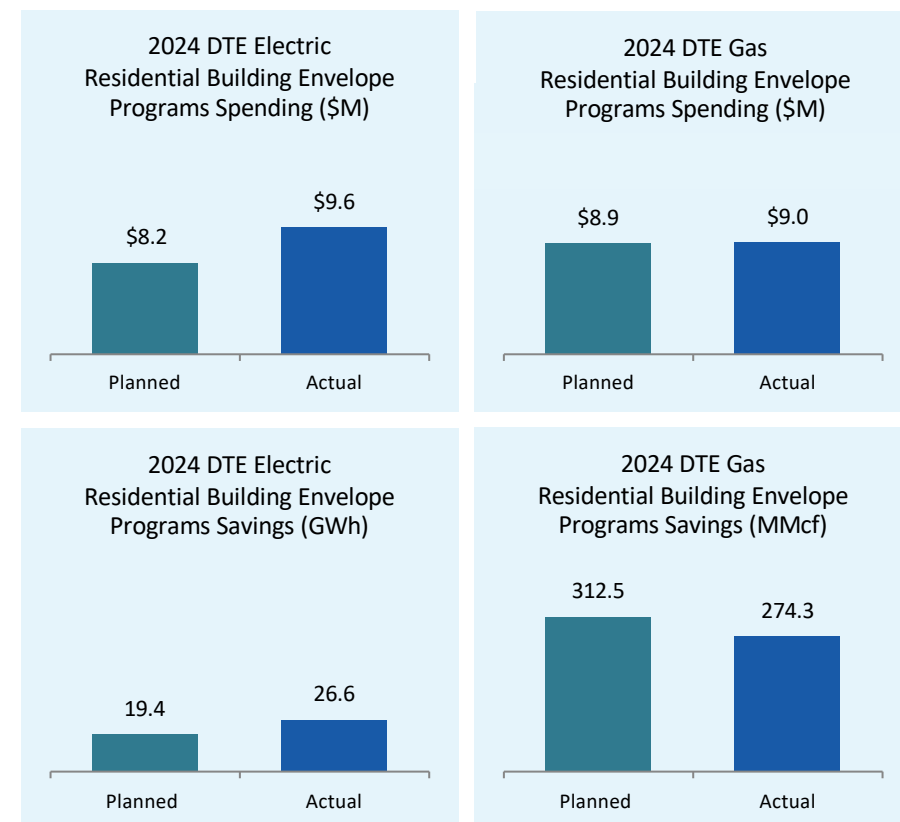
HVAC

- The downstream channel increased customer savings and participation by implementing a whole home promotion, additional air conditioning and furnace rebates, and a free furnace tune-up promotion. The retail channel successfully offered online coupon codes for water heating measures.
- Statewide restrictions on claiming savings for fuel switching projects created challenges for customers hoping to receive a rebate for electrifying their HVAC equipment.
- In 2024, the program continued to pursue a midstream delivery model to incentivize efficient measures.
- In 2024, customer satisfaction was 95%.

New Home Construction

- The New Home Construction program continues to grow with an increased number of participating builders and new HERS raters. There were 61 active builders and a network of 11 HERS raters in 2024.
- In 2024, the program had sunset the major renovations channel due to limited participation among all program stakeholders (builders, HERS raters, and homeowners).
- Builder, HERS rater, and homeowner satisfaction was 100%, 100% and 95%, respectively, in 2024.

Chart 18 – 2024 Residential Building Envelope Programs Spending and Verified Net Saving



DTE ELECTRIC AND DTE GAS

School Program

The School program develops a culture of energy efficiency with fourth through sixth, and eighth through twelfth grade students, teachers, schools, families, and senior citizens throughout the DTE service territory in the public and private sectors to deliver real, measurable energy savings.



Program Description

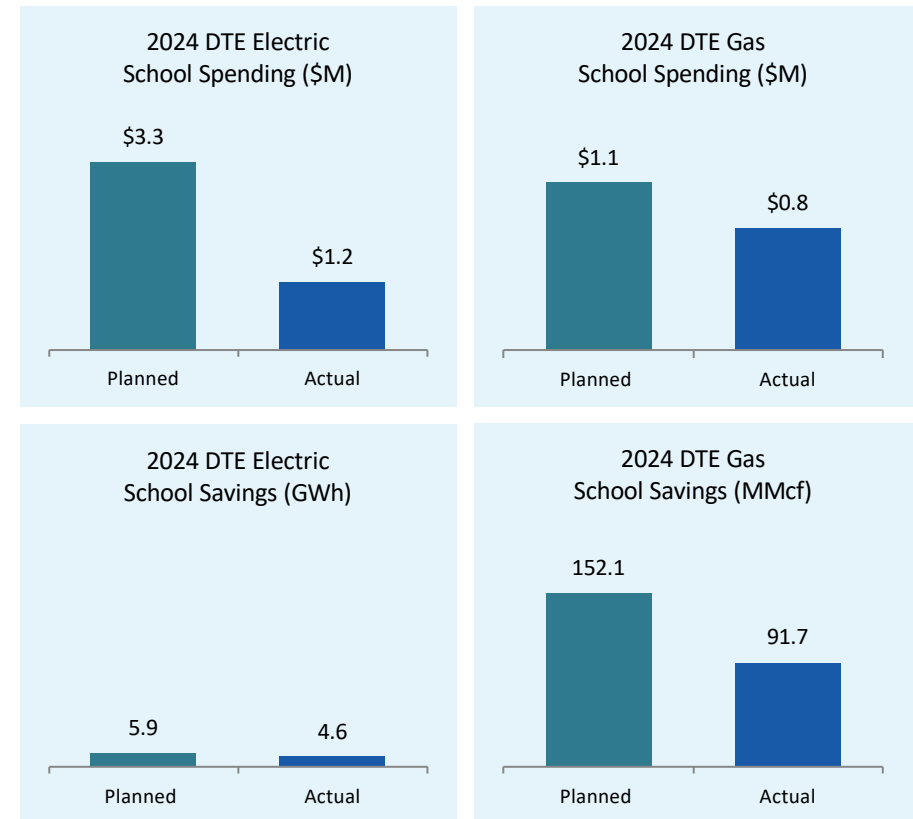
The School program provides nontraditional opportunities to raise awareness and encourage the adoption of energy efficiency measures and behaviors to help the environment. It also contributes to DTE's ambitious CleanVision goal of net zero carbon emissions by 2050. Each participating teacher, student and senior citizen receive a kit filled with energy efficient technologies and a guide with information on energy resources and energy-saving tips. Senior citizens and students (with adult supervision) are instructed to install all products in their residence. Instructional materials are designed to correlate with the State of Michigan English, Math and Science curriculum for fourth through sixth grade students and the science and economics standards for eighth through twelfth grade students. Implementation contractors provide educational materials through online and in-person delivery channels. In 2023, DTE added the senior population to the program which was continued and expanded in 2024. Implementation contractors travel to senior day centers to present energy efficiency education and distribute kits similar to those shared with students, with similar installation instructions.

Key Takeaways

- The program continues to receive advice regarding ways to build awareness among organizations such as the Michigan Science Teachers Association and the Michigan Education Association.
- The program expanded its Energy Smart Seniors component to approximately 1,000 participants, who were primarily recruited in areas of higher energy burden.
- The use of power strips in kits was expanded to capture more electric savings in 2024.
- The program collaborated with and provided kits to Grow Detroit's Young Talent and completed eight out of 10 special events, including conferences, back-to-school nights, etc.
- The program continued its collaborations across Michigan with Consumers Energy, SEMCO ENERGY Gas Company, Energy United, the Upper Peninsula Power Company, and the City of Escanaba.
- The program continued its partnership with the Detroit Public Schools Community District and the Plymouth-Canton Community Schools district to serve their fourth-grade classrooms. It also expanded to include Grand Rapids Public Schools, which has elected to register all of their fourth-grade schools to participate in Spring 2024.

- The consistently high number of returning schools speaks to the rapport between the implementation contractor and the community, and the highly effective delivery of the program.

Chart 19 – 2024 School Program Spending and Verified Net Savings



Commercial and Industrial Programs

The C&I EE programs provide incentives that encourage customers to install energy efficient equipment to reduce their overall energy consumption and to save on their energy bills. Programs like this are also imperative to making DTE's CleanVision goal a reality. DTE customers can take advantage of incentives for energy efficient upgrades tailored to reduce energy use in their business, improving their bottom line. The C&I programs offer customers incentives to replace existing equipment and fixtures with new energy efficient equipment and incentives for designing and building new or remodeling projects that are energy efficient.



The C&I programs are categorized under five platforms:

- **The C&I Downstream Platform** offers incentives to customers following the installation of prescriptive measures from the MEMD or non-standard equipment and controls not contained in the MEMD. This platform includes the Prescriptive (including Multifamily Commercial, ENERGY STAR® Retail Lighting) and Non-Prescriptive programs.
- **The C&I Midstream Platform** offers a simplified delivery channel that targets equipment distributors, dealers and manufacturer representatives and offers customers instant discounts at the time of purchase. This platform includes the Midstream Lighting, Midstream Food Service and Midstream HVAC programs.
- **The C&I Operational Platform** consists of programs developed to control energy consumption through a systematic approach to identify and improve building deficiencies and processes. This platform includes the Find and Fix, Retro-Commissioning and Strategic Energy Management programs.
- **The C&I Small Business Platform** provides small and medium business customers with a path to energy savings and a means to begin their energy efficiency journey. This platform includes the Small and Medium Business program, which includes a no-cost energy assessment and report.
- **The C&I Emerging Measures and Approaches (EM&A) Platform** promotes the installation of energy efficient technologies and delivery channel strategies to validate recently commercialized pilot programs and support new ideas or concepts for DTE's C&I program offerings. C&I Marketplace was the only program included during 2024.

To encourage equitable distribution of funds and wide and varied participation among as many C&I DTE customers as possible, incentives are subject to annual limits and caps. To further ensure incentive funds are used by many customers, special offers have funding participation limits and a time duration.

Table 7 displays the the program year per customer incentive limits. Actual payments per customer determine incentive limits regardless of whether the incentive is paid directly to the customer or to an intermediate party, such as the contractor performing the service for the customer.

Table 7 – 2024 C&I Incentive Caps

| | Electric | Gas |
|----------|-------------|-----------|
| Customer | \$1,000,000 | \$300,000 |

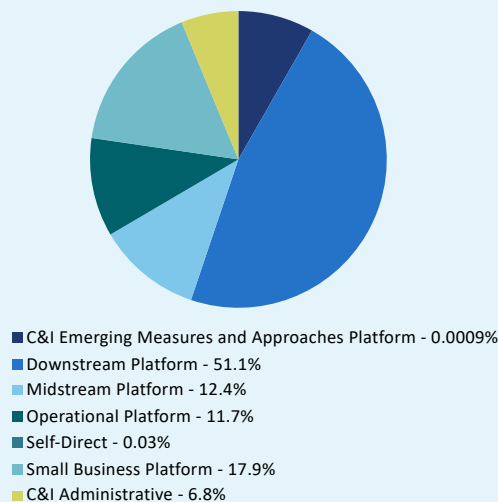
DTE launched several special offerings in 2024 to create broader customer participation. These specials included no-cost direct install energy efficient compressed air nozzles and increased program outreach events throughout the state. C&I programs also proactively focus on relationship development with organizations such as the U.S. Green Building Council (USGBC) and Leadership in Energy and Environmental Design (LEED) to fully leverage new construction MEMD measures.

Chart 20 summarizes the spending and verified net energy savings achieved by each C&I program in 2024.

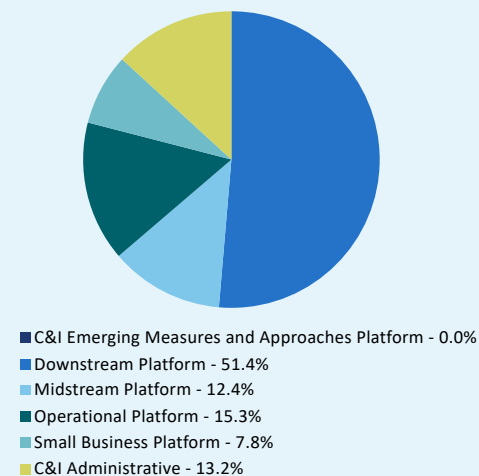
The C&I programs received 92% or higher customer satisfaction scores across all programs but one in 2024.

Chart 20 – 2024 C&I Program Spending and Verified Net Savings¹¹

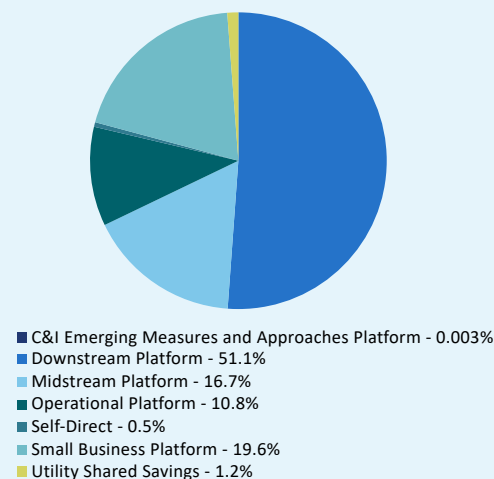
2024 DTE Electric Spend by C&I Program (\$94.3 M)



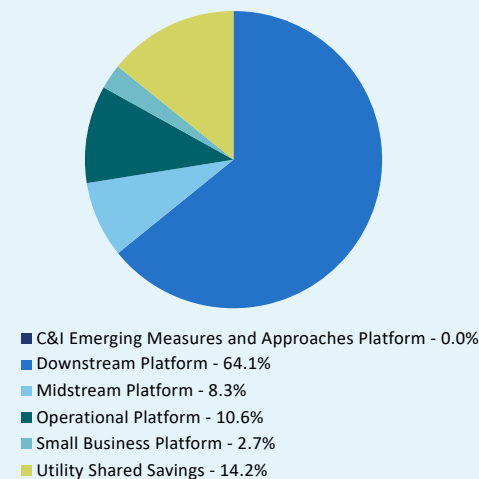
2024 DTE Gas Spend by C&I Program (\$11.8 M)



2024 DTE Electric Savings by C&I Program (650.2 GWh)



2024 DTE Gas Savings by C&I Program (1,179.6 MMcf)



¹¹ Utility Shared Savings are savings created by an "originating" utility that would otherwise go unquantified and unclaimed by the utility providing the relevant fuel service (the "receiving" utility). Utility Shared Savings represents savings created by Consumers Energy (originating utility) in areas where Consumers Energy and DTE have overlapping service territory and Consumers Energy provides single fuel service.

Chart 21 summarizes the spending and verified net energy savings for the 2024 C&I programs combined.

Chart 21 – 2024 C&I Program Spending and Verified Net Savings

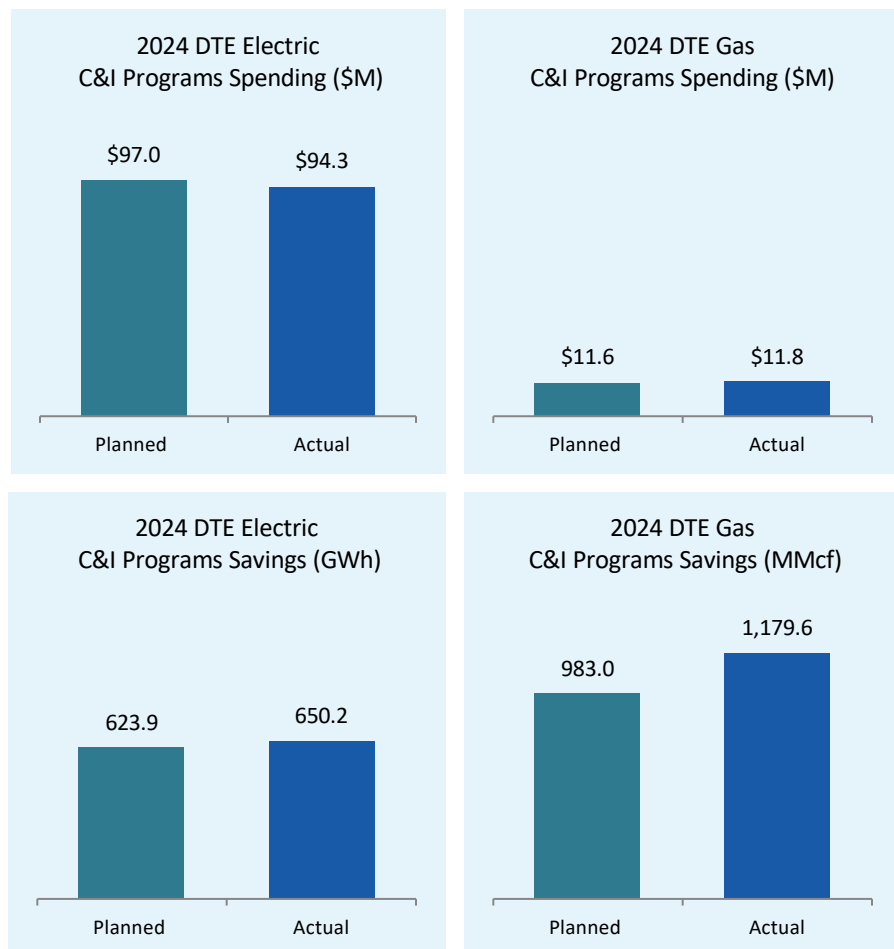
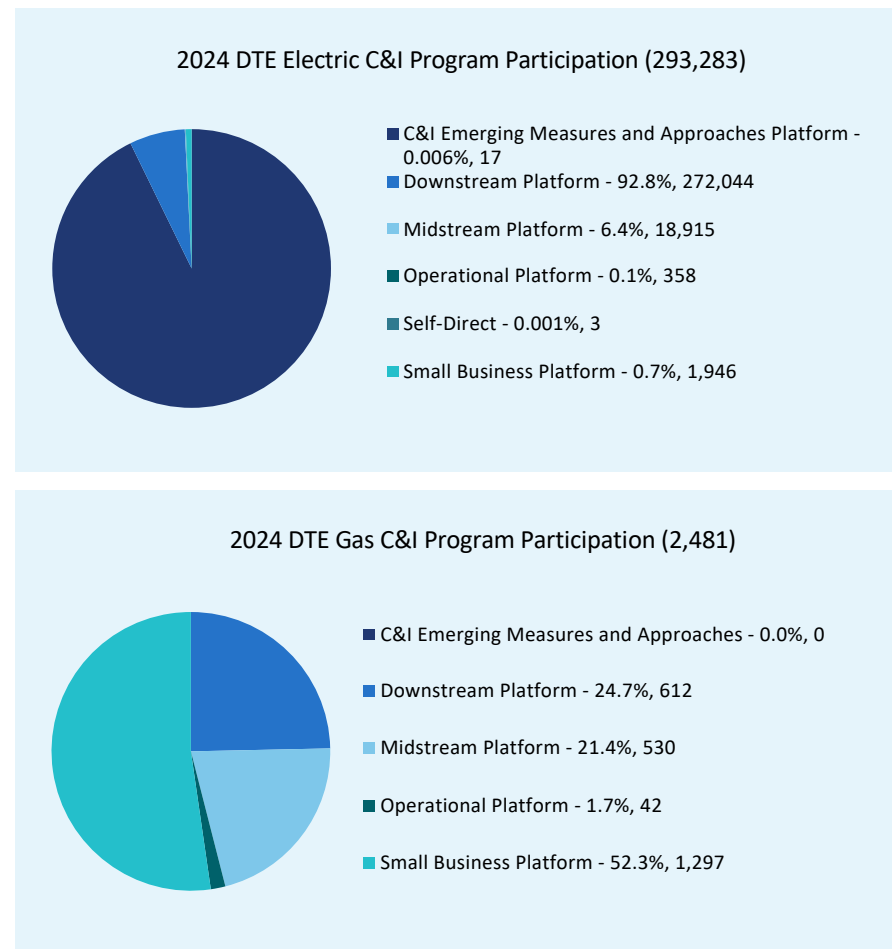


Chart 22 summarizes the share of customers that participated in each of the C&I platforms.

Chart 22 – 2024 C&I Program Participation



C&I Downstream Platform

The C&I Downstream Platform offers incentives to customers following the installation of prescriptive measures from the MEMD or non-standard equipment and controls not contained in the MEMD.



DTE ELECTRIC

C&I ENERGY STAR® Lighting

The C&I ENERGY STAR Lighting program provides incentives to commercial customers through a retail upstream channel to improve their lighting efficiency. The program implementer coordinates with retail and manufacturing partners with the goal of driving down the costs of retail lighting.



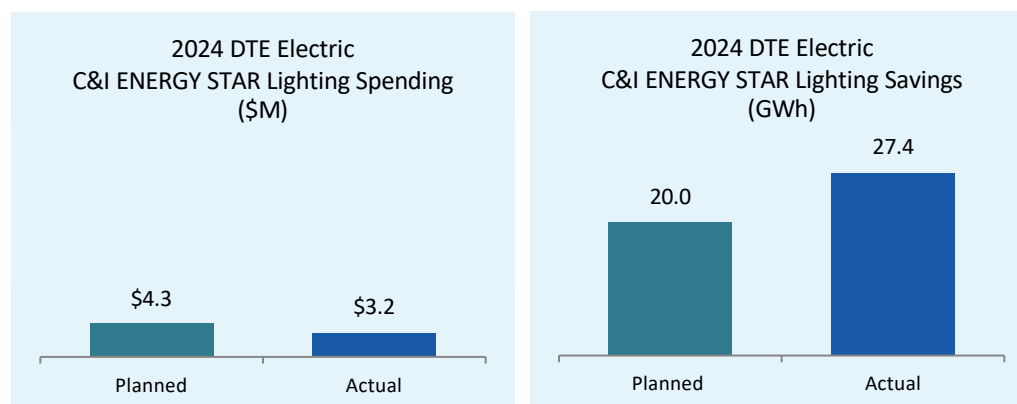
Program Description

The C&I ENERGY STAR Lighting program coordinates with a number of retailers to offer lighting measures in-store. The C&I ENERGY STAR Lighting program helps customers reduce the cost of being energy efficient by providing rebates or discounts on upstream lighting.

Key Takeaways

- DTE promotes the program in retail stores and offers in-store point-of-purchase educational material. The program also offers informational sessions to customers and in-store staff to increase program awareness.
- The program provides another avenue for small business customers to save money and energy, and supplements DTE's existing lighting programs.

Chart 23 – 2024 C&I ENERGY STAR Lighting Program Spending and Verified Net Savings



DTE ELECTRIC AND DTE GAS

Prescriptive Program

The Prescriptive program provides predetermined measures and incentives to C&I customers for energy efficient equipment installation.



Program Description

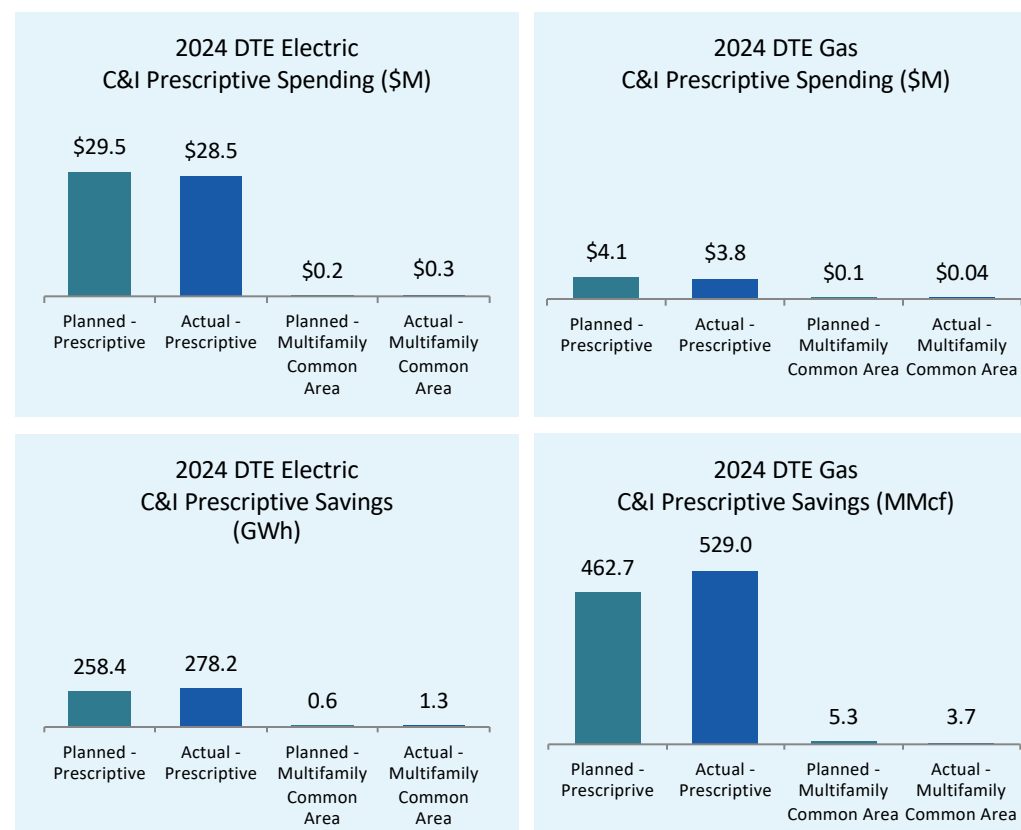
The Prescriptive program designed incentives to encourage C&I business customers to install energy efficient measures in existing facilities to reduce overall energy consumption and save money on energy bills. Incentives apply to qualified equipment commonly installed in a retrofit or equipment replacement project and are paid based on the quantity, size and efficiency of the technology installed. Prescriptive incentives are rebates paid after the installation of eligible measures.

The Electric and Gas Prescriptive programs include more than 300 prescriptive measures. Specifically, primary measures implemented include lighting fixtures, lamps, LED lighting systems and controls, motors and variable speed drives, food service and refrigeration equipment, air conditioning and ventilation equipment, boiler tune-ups and other common energy efficient equipment. The savings and spend for commercial common areas of the Multifamily program are also included as Prescriptive components.

Key Takeaways

- The program broadened customer participation and introduced new offerings, including networked lighting controls, handheld engineered nozzles, indoor horticultural dehumidification and lighting equipment, and diversifying energy savings opportunities for customers.
- The online applications introduced in 2022 continued to improve the customer experience in 2024. Several customers mentioned effective rebate structures that were easy to complete and had a quick turnaround. They also cited their appreciation for the cost savings, energy savings, and ability to contribute to a greener footprint.
- The share of LED lighting installations declined due to market saturation and regulatory changes. However, the number of HVAC, motor, and controls type measures did increase in 2024.
- The program achieved 98% customer satisfaction in 2024.

Chart 24 – 2024 Prescriptive Program Spending and Verified Net Saving



DTE ELECTRIC AND DTE GAS

Non-Prescriptive Program

The Non-Prescriptive program provides customized incentives to C&I customers for the installation of innovative energy efficiency equipment and controls that decrease electricity or gas consumption.



Program Description

The program's components include custom measures that provide incentives to customers for measures they installed in qualified projects that are less common or more complex than prescriptive measures. As with prescriptive incentives, the custom incentive payment occurs after the equipment is installed and operational at the customer location.

Measure incentives were based on the estimated energy savings for the first 12 months:

- The Electric Non-Prescriptive program incentive was \$0.08 per kWh.
- The Gas Non-Prescriptive program incentive was \$3.50 per Mcf.

To qualify for the incentive, projects are required to have a minimum of one-year simple payback for both gas and electric projects. Incentives are capped at 50% of the total project cost.

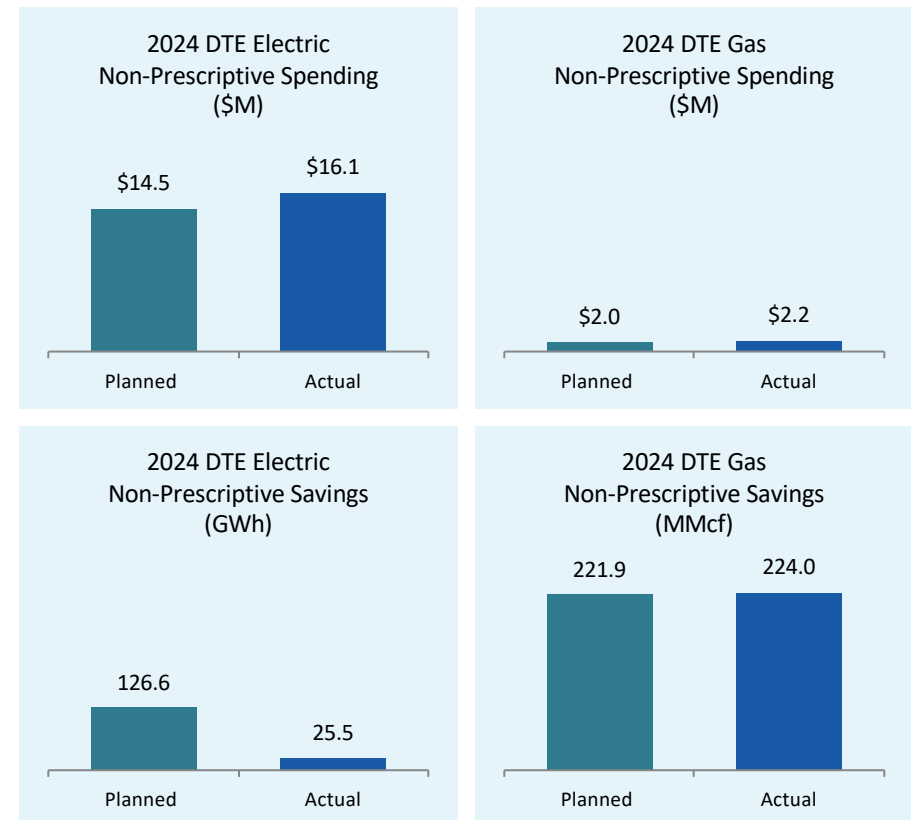
The Non-Prescriptive program measures implemented during 2024 include: energy management system controls, energy efficient motors, variable refrigerant flow (VRF) HVAC systems, computer uninterruptible power supplies for servers at data centers, variable frequency drives, industrial process equipment improvements and custom lighting projects with extended hours of use. Measures not eligible for an incentive include fuel switching (i.e., electric to gas or gas to electric), changes in operational or maintenance practices or simple controls modifications not involving capital costs, onsite electricity generation, and projects that involve peak shifting but no kWh savings, renewable energy or those in which the payback did not meet the Non-Prescriptive requirements.

Key Takeaways

- The C&I Non-Prescriptive program incorporated the remaining C&I Telecom program projects in 2024. Telecom projects offer the consolidation and removal of switches in data centers, an offering that continued to see success in 2024.
- In 2024, the use of TRANE Trace as a simulation-based method of estimating energy savings continued to estimate energy and cost savings for customers with accuracy, especially those incorporating HVAC improvements.
- Large C&I productivity and process improvement projects contributed a greater share of the program's savings in 2024, while the share of savings from lighting improvements decreased.

- Strong customer and program relationships remain critical to fostering multi-year participation.
- The program achieved 98% customer satisfaction in 2024.

Chart 25 – 2024 Non-Prescriptive Program Spending and Verified Net Savings



C&I Midstream Platform

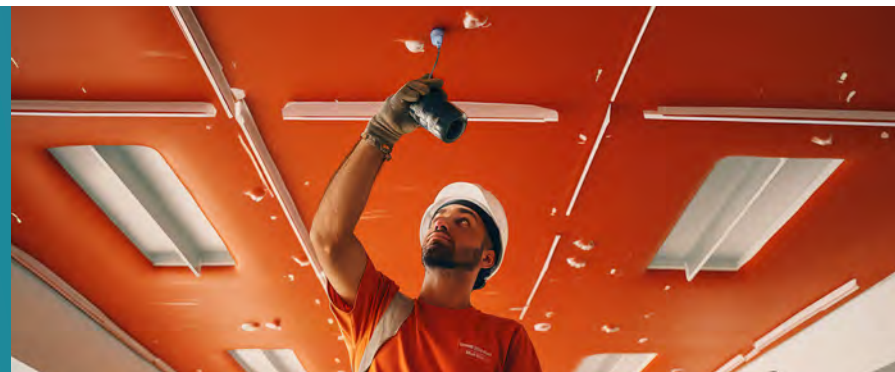
The C&I Midstream Platform offers a simplified marketing approach that targets equipment distributors and manufacturer representatives to encourage participating distributors to stock more energy efficient products and offer instant discounts at the time of purchase.



DTE ELECTRIC ONLY

Midstream Lighting Program

To achieve its goals, the program works with commercial lighting distributors across the state and nationally to offer discounts on energy efficient lighting products to C&I customers of all size.



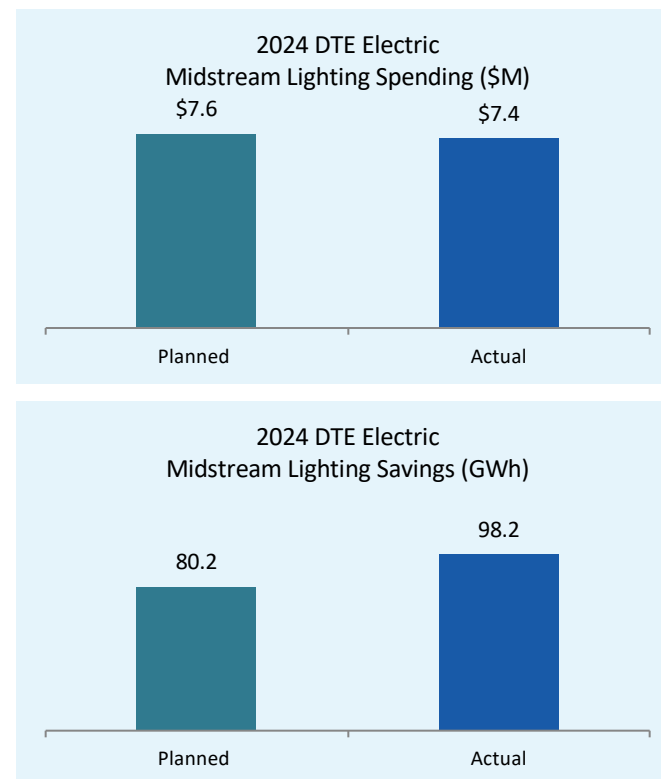
Program Description

Program incentives encourage energy savings by allowing customers to receive instant discounts on energy efficient lighting measures, including a variety of different LED fixtures and occupancy sensors. By reducing the purchase price of energy efficient lighting products at the register instead of requesting a rebate using an application or through a scheduled appointment, DTE provides additional and easy access for program participation for customers that might not participate in other DTE C&I programs. The program also includes customer education and awareness about discounts through signage and other online means.

Key Takeaways

- The Midstream Lighting program exceeded its program savings goal in 2024, consistent with previous years.
- The Midstream Lighting program successfully transitioned to a new implementation contractor in 2024. DTE and the implementation contractor closely collaborated with distributors, providing support through communications, marketing material, and events.
- The program saw increases in participation and savings due to faster payments and a more user-friendly portal.
- The program introduced a new energy savings measure for stairwell lighting in 2024.
- The Midstream Lighting program has a 100% pass-through rate for incentives to the customers.
- The program adjusted the rebate amount offered through the program during 2024.

Chart 26 – 2024 Midstream Lighting Program Spending and Verified Net Saving and Verified Net Savings



DTE ELECTRIC AND DTE GAS

Midstream Food Service Program

The Midstream Food Service program targets food service cooking equipment distributors and provides point-of-purchase incentives to C&I customers of all sizes that purchase and install energy efficient food service equipment.



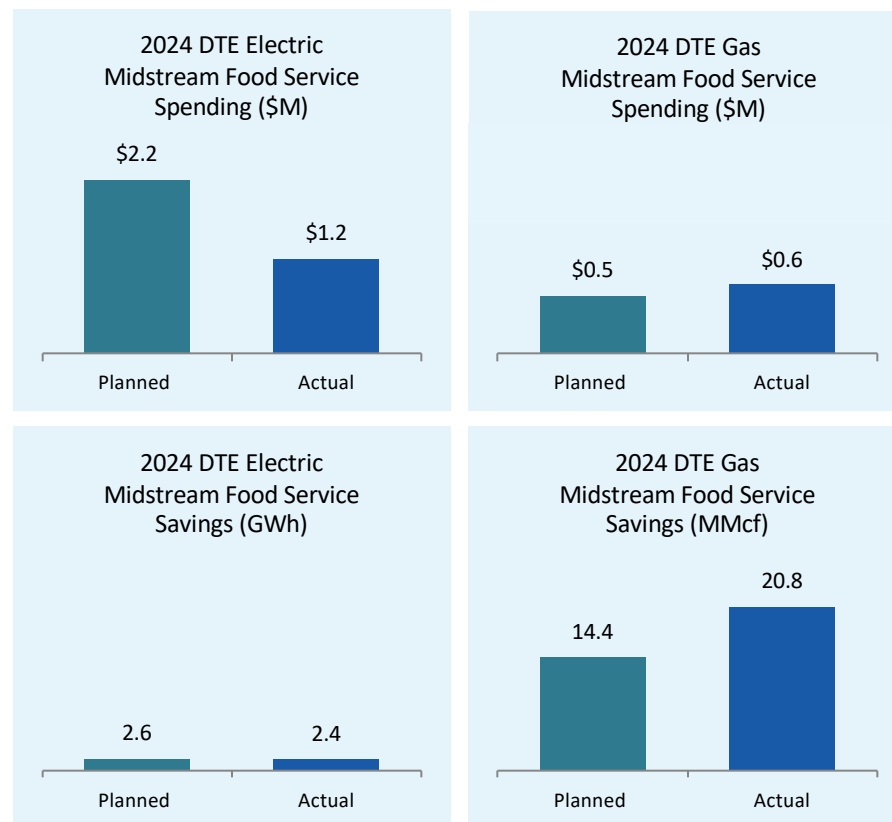
Program Description

The Midstream Food Service program works with commercial food service dealers to offer instant discounts on energy efficient (ENERGY STAR®-rated) food service equipment. Instant discounts encourage energy savings by reducing the purchase price of equipment at the point of purchase instead of requiring an application or scheduled appointment to participate. DTE hopes to capture program participation for customers that might not participate in other DTE C&I programs.

Key Takeaways

- The Midstream Food Service program experienced no major adjustments to its design and delivery in 2024 compared to previous program years.
- The Midstream Food Service program has a 100% pass-through rate for incentives to the customers. DTE did not introduce any rebate amount changes during the year.
- DTE and the program implementer continued their close collaboration with dealers, providing support through communications, marketing material, and events.
- The Midstream programs closely partnered with the Small Business program in 2024 by attending community and industry events together.

Chart 27 – 2024 Midstream Food Service Program Spending and Verified Net Savings



DTE ELECTRIC AND DTE GAS

Midstream HVAC Program

The Midstream HVAC program was designed to increase the market share of high efficiency HVAC systems by providing streamlined incentives to distributors, who leverage their sales and outreach capabilities to C&I end users of all sizes.



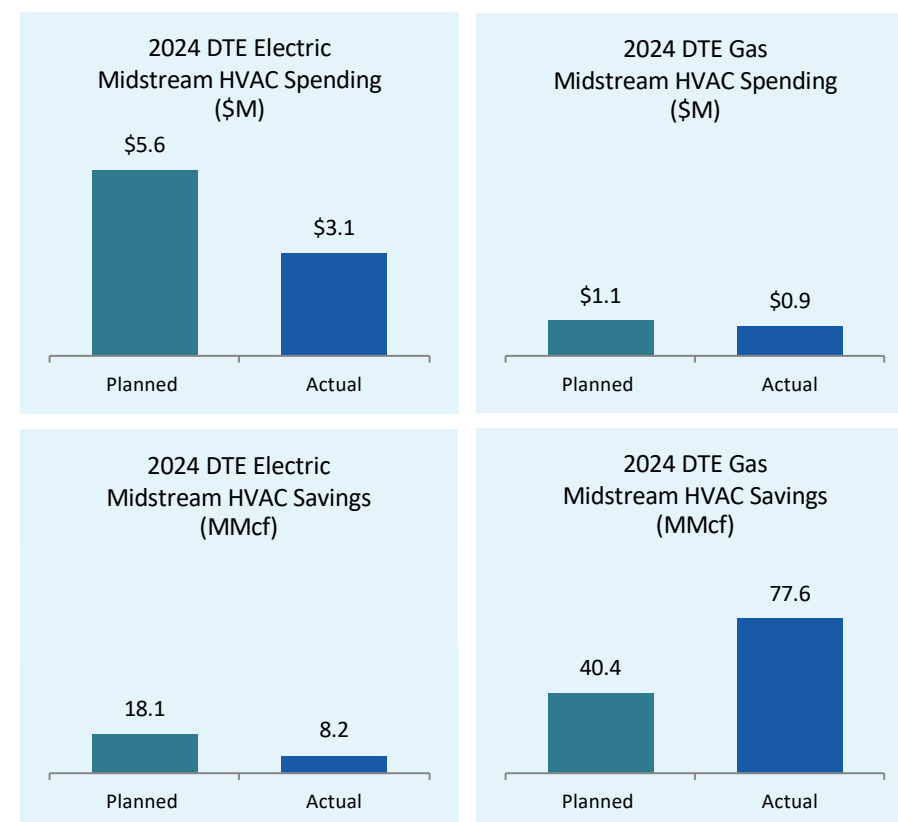
Program Description

The Midstream HVAC program works with commercial distributors across the state to offer discounts on energy efficient products. Incentives lead to energy savings by encouraging distributors to increase qualifying energy efficient Midstream HVAC equipment share and allowing customers to receive instant rebates on such equipment. By reducing the purchase price of energy efficient Midstream HVAC products through distributors instead of requiring an application or scheduled appointment to participate, DTE hopes to capture program participation for customers that might not participate in other DTE C&I programs.

Key Takeaways

- The Midstream HVAC program introduced Cogged V Belt as a new energy savings measure in 2024.
- The program continued its mandatory 20% incentive pass-through rate from distributors to customers in 2024. DTE did not introduce any rebate amount changes during the year.
- DTE and the implementation contractor continued their close collaboration with distributors, providing support through communications, marketing material, and round table and appreciation events.
- The Midstream programs closely partnered with the Small Business program in 2024 by attending community and industry events together.

Chart 28 – 2024 Midstream HVAC Program Spending and Verified Net Savings



C&I Operational Platform

The C&I Operational Platform consists of programs developed to control energy consumption through a systematic approach to identify and improve building deficiencies and processes.



DTE ELECTRIC AND DTE GAS

Find and Fix

The Find and Fix platform includes the Compressed Air and Steam Trap programs. The Compressed Air program targets small and medium C&I electric customers by identifying leaks in air compressor systems. The Steam Trap program targets small and medium C&I gas customers by identifying failed steam traps. Customers are responsible for fixing identified leaks and receive an incentive from DTE based on the volume of leaks fixed.



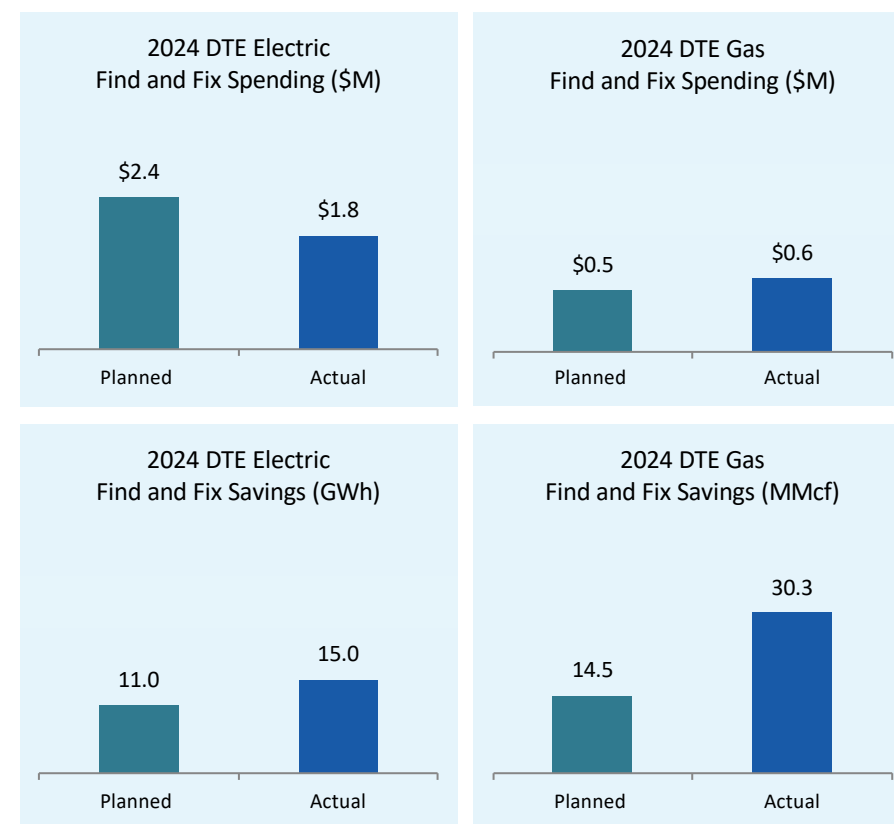
Program Description

Through no-cost compressed air and steam trap leak surveys, the Find and Fix platform helps customers identify leaks in their compressed air systems and failed steam traps in their facilities. The implementation contractor conducts a leak survey, places tags at the location of each identified leak, and provides the customer with a list of identified leaks for repair. Customers are responsible for repairing leaks in their compressed air systems and fixing or replacing failed steam traps. Customers receive an incentive from DTE based on the volume of leaks fixed. The programs intend to help customers identify and mitigate inefficiencies in their existing systems.

Key Takeaways

- The Steam Trap program experienced low participation in 2024 while the Compressed Air program experienced participation levels similar to 2023.
- The Steam Trap program explored expanding program eligibility to include steam heating customers in addition to process steam customers; however, research showed that seasonality considerations and boilers running at a higher PSI than necessary complicated the ability to determine an accurate savings value for steam heating customers.
- Both programs achieved 100% customer satisfaction in 2024.

Chart 29 – 2024 Find and Fix Spending and Verified Net Savings



DTE ELECTRIC AND DTE GAS

Retro-Commissioning Program

The Retro-Commissioning program targets C&I buildings by providing a detailed energy audit and evaluation that identifies operational low-cost or no-cost, highly customized solutions to reduce operational energy consumption based on building-specific needs.



Program Description

The program offers energy expertise and valuable incentives to help offset the initial cost of investment to make operational improvements to the customer's building. The Retro-Commissioning program also provides recommendations for energy efficient capital investments customers can implement and receive an incentive through the Prescriptive or Non-Prescriptive programs. In 2024, the program continued its coordination efforts with the Strategic Energy Management program to ensure specific customers participated in the most beneficial program for their needs.

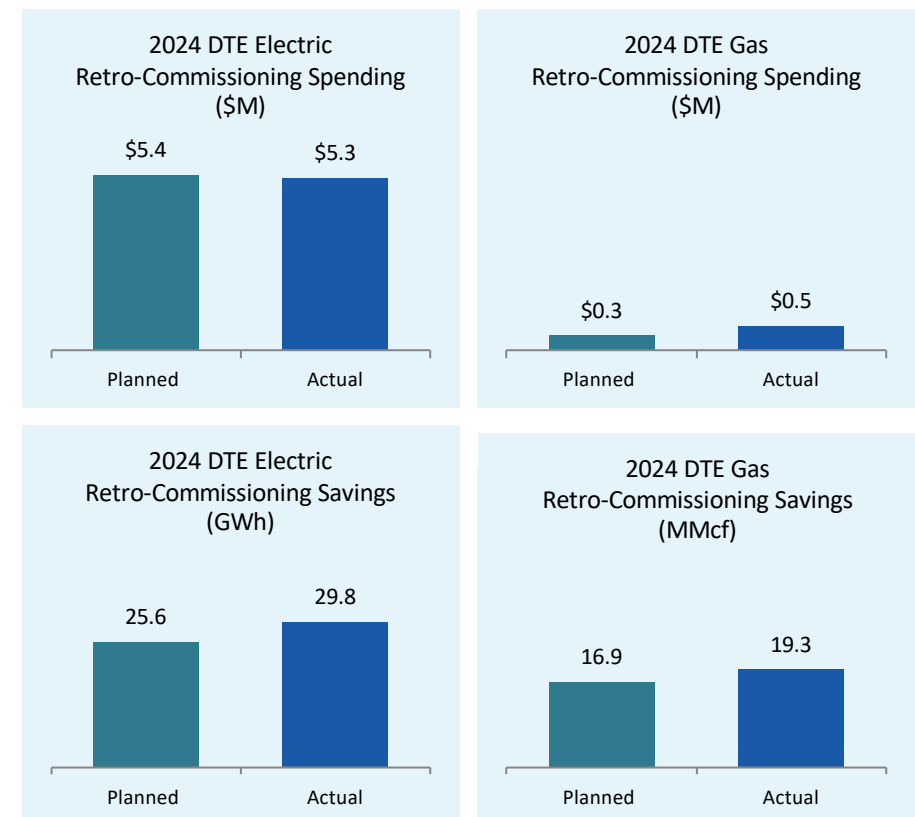
The Retro-Commissioning program includes two enrollment tracks for customers: a standard track and an express track. In the standard track, Retro-Commissioning program customers must have an annual electric consumption of 5,000,000 kWh or greater and are expected to have a building management system, to provide a nominal commitment of \$10,000, and to implement recommendations that have an 18-month simple payback or less. The express track is available to customers having an annual electric consumption of 1,000,000 kWh or less and only requires enrolled sites to have a building management system.

DTE offers a Bonus Bank to encourage participation in DTE's C&I Prescriptive and Non-Prescriptive programs. For every kWh and therm saved from participating in the Retro-Commissioning program, DTE offers an additional bonus rebate of \$0.01 and \$0.10, respectively. Customers can use this bonus to obtain additional rebates for participating in these programs. The program began offering ad-hoc incentives to customers for completing certain tasks by a deadline.

Key Takeaways

- In 2024, the program's utility-reported savings increased by 53% for electric energy compared to 2023.
- Total individual implementation contractor project number submissions increased from 95 in 2023 to 160 in 2024.
- In 2024, the electric rebate rate was increased from \$0.04/kWh to \$0.05/kWh.
- The program re-engaged past participants from three or more years back in the program, leading to an additional pipeline of savings beyond new participants.
- The program experienced continued success with portfolio customers that enrolled multiple buildings and facilities to the program throughout the whole year.
- The program further expanded its C&I measure offerings, particularly the industrial measures, and drafted a better project deliverable for multiple tracks called the Customer Measure Selection Form, for better clarity into project results.

Chart 30 – 2024 Retro-Commissioning Spending and Verified Net Savings



DTE ELECTRIC AND DTE GAS

Strategic Energy Management Program

The Strategic Energy Management program provides technical support and financial incentives for C&I customers interested in managing energy continuously in a holistic approach through Strategic Energy Management.



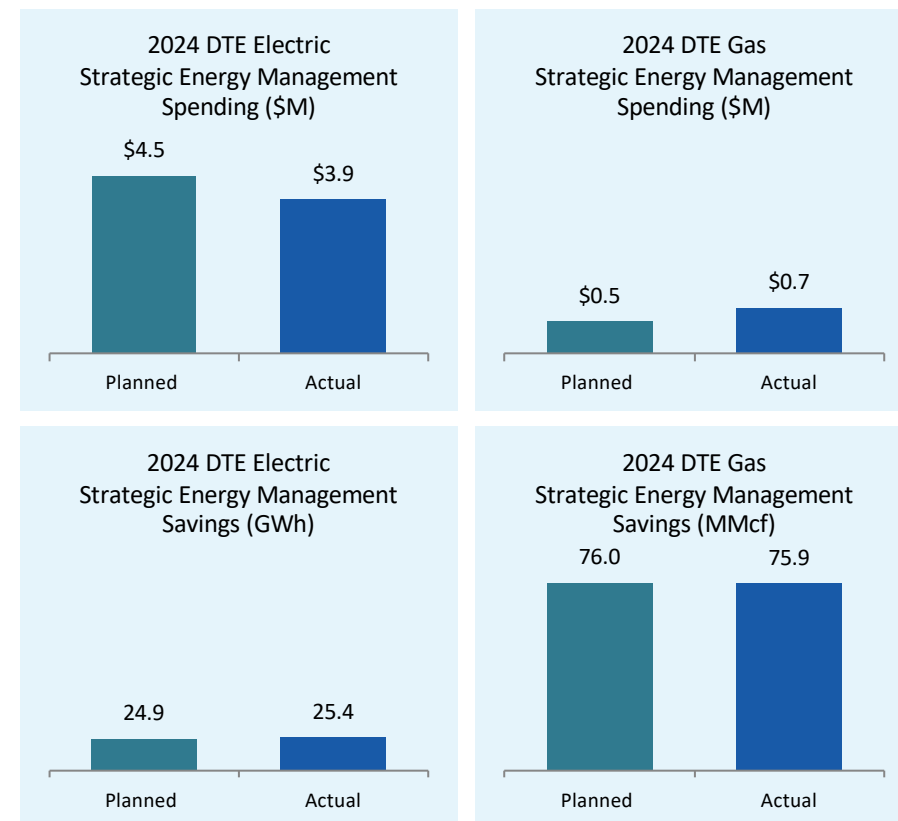
Program Description

The program provides incentives to C&I customers for making operational changes at their facilities. These operational changes primarily include HVAC and industrial process-related system adjustments that result in energy use reductions. This program offers up to 24 months of technical support, incentives for kWh and Mcf verified as well as major milestone achievement incentives.

Key Takeaways

- In 2024, the program's utility-reported savings increased by 22% for electric energy and remained nearly the same for gas savings compared to 2023.
- First introduced in 2022, the Stellantis™ Excellent Plant Shutdown initiative continued to expand to customers outside of Stellantis™ and drove millions of kWh in program electric energy savings in 2024.
- The program continued to engage long-term participants with multiple sites for enrolling additional facilities within their corporate portfolio.
- The program continued to offer virtual audits to access a customer's building management system remotely to identify opportunities for energy savings.
- The program continued to experience high level of customer satisfaction resulting in a 100% re-enrollment of existing participants in the program offerings.

Chart 31 – 2024 Strategic Energy Management Program Spending and Verified Net Savings



DTE ELECTRIC

Self-Direct Program

This program gives DTE C&I electric customers the opportunity to choose to self-direct and implement their own EE Plan.



Program Description

DTE Electric placed a bill message on all commercial customer bills notifying them about the program and how to subscribe. All existing self-directed customers were sent personalized letters when it was time to reapply. Account managers followed up with a phone call after the letters were mailed to address customer questions. Program information was placed on the DTE website along with the required energy plan templates for customers to use to apply to the program. Customers choosing to self-direct are exempt from the mandatory EE electric surcharge(s), except for the portion of the surcharge that funds the Income-Qualified program and program administration costs.

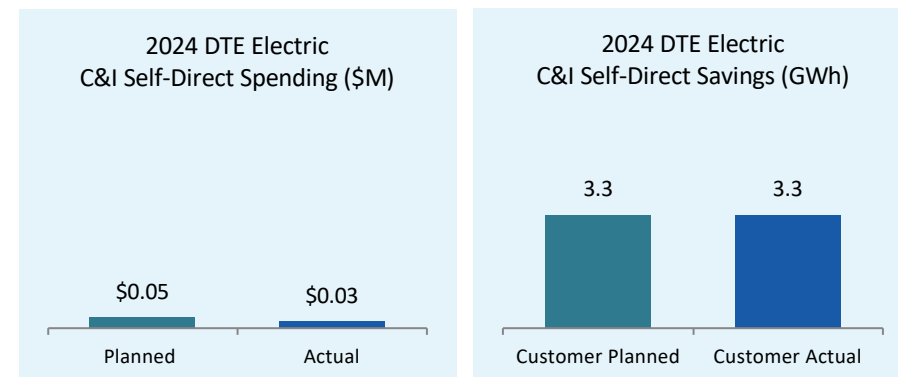
Key Takeaways

- In 2024, three electric customers enrolled in the Self-Direct program. All participating customers submitted annual reports in compliance with program requirements. All customers met their total required savings targets for 2024.
- To be eligible, customers must have an annual peak demand of 1 MW or more at a single site or in aggregate at multiple sites within DTE's service territory. Customers cannot include sites or accounts that have received an EWR rebate or incentive from an electric provider and are in the calculated waiting period.
- If the waiting period lapses after the Self-Direct plan filing deadline but before its plan year begins on January 1, a customer may include those sites or accounts during the upcoming plan period.
- The plan must provide aggregate energy savings that for each year meet or exceed the EWR performance standards based on the electricity purchases in the previous year for the site or sites it covered.

Table 8 – 2024 DTE Electric Self-Direct Program

| Customers | Admin | Term of Self-Direct | Total Meters Associated | | Annual Report Summary | | |
|-----------|----------|---------------------|-------------------------|------------------------|------------------------|--------------------------|---------------------------|
| | | Years | Total Primary Meters | Total Secondary Meters | Supplied Annual Report | 2024 MWh Savings Planned | 2024 MWh Savings Achieved |
| Customer | | 3 | 142 | 0 | ✓ | 1,982 | 1,982 |
| Customer | | 4 | 4 | 0 | ✓ | 386 | 386 |
| Customer | | 1 | 23 | 0 | ✓ | 974 | 974 |
| Totals: | \$38,982 | | 169 | 0 | | 3,343 | 3,343 |

Chart 32 – 2024 C&I Self-Direct Program Spending and Verified Net Savings



C&I Small Business Platform

The Small Business Platform provides small business customers with a path to energy savings and a means to begin their energy efficiency journey.



DTE ELECTRIC AND DTE GAS

Small Business Program

The Small Business program targets businesses by providing a no-cost energy assessment, direct install prescriptive measures, a report with energy savings recommendations, and rebates for contractor-installed measures.



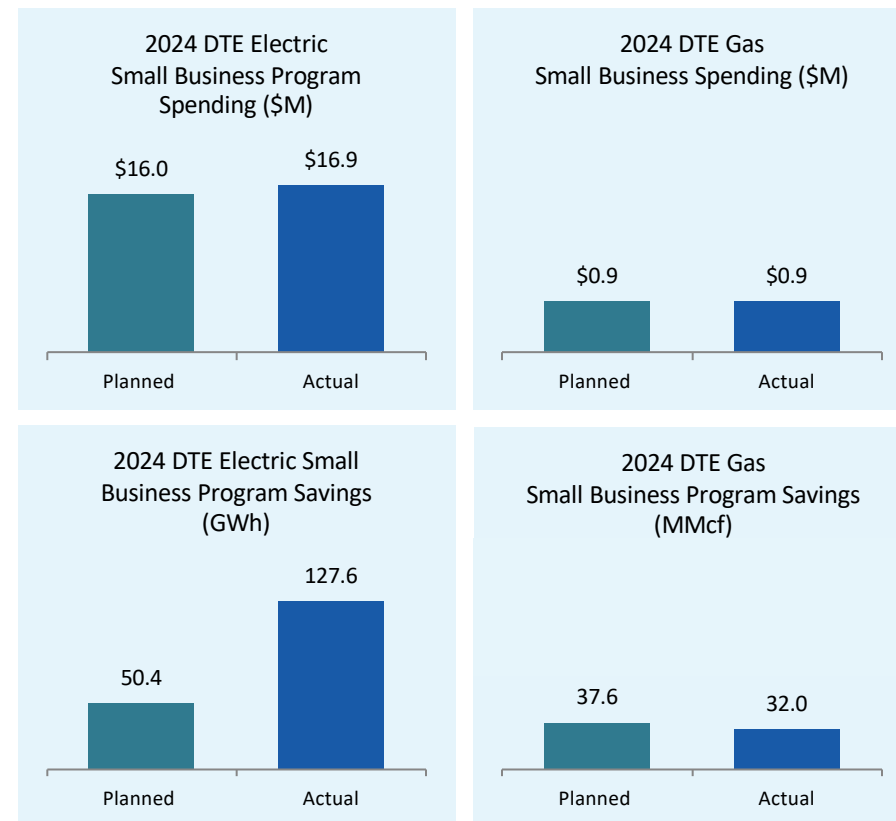
Program Description

Through the direct install (DI) channel of the program, customers may receive a no-cost assessment and prescriptive measures such as a programmable thermostat or LED bulbs at no cost. The Small Business program energy assessment report provides customers with energy efficiency recommendations and information on incentives and next steps. After completing the assessment, customers can work with a participating contractor or self-install to make recommended upgrades. These efforts funnel participants to the program's primary focus—the contractor project channel—with a goal to create energy efficiency engagement through incentive, an easy-to-follow process and eliminating barriers for customers who may have little energy experience.

Key Takeaways

- The program offered both gas and electric measures through its DI channel.
- In late 2024, the Small Business program added insulation blankets as a new DI channel measure to achieve greater gas savings.
- In 2024, the Small Business program began using an updated assessment report to serve customer needs.
- In 2024, the new Small Business website launched with a self-service appointment scheduling tool to assist customers with participating in the Small Business program.

Chart 33 – 2024 Small Business Program Spending and Verified Net Savings



C&I Emerging Measures and Approaches Platform

The C&I Emerging Measures and Approaches (EM&A) Platform promotes the installation of energy efficient technologies or delivery channel strategies that were recently commercialized in DTE's C&I program offerings. In 2024, the EM&A Platform consisted of the C&I Online Marketplace program.



DTE ELECTRIC

C&I Online Marketplace

The DTE C&I Marketplace Program claims savings by offering discounted ENERGY STAR® lighting products for DTE business customers on an online sales platform.



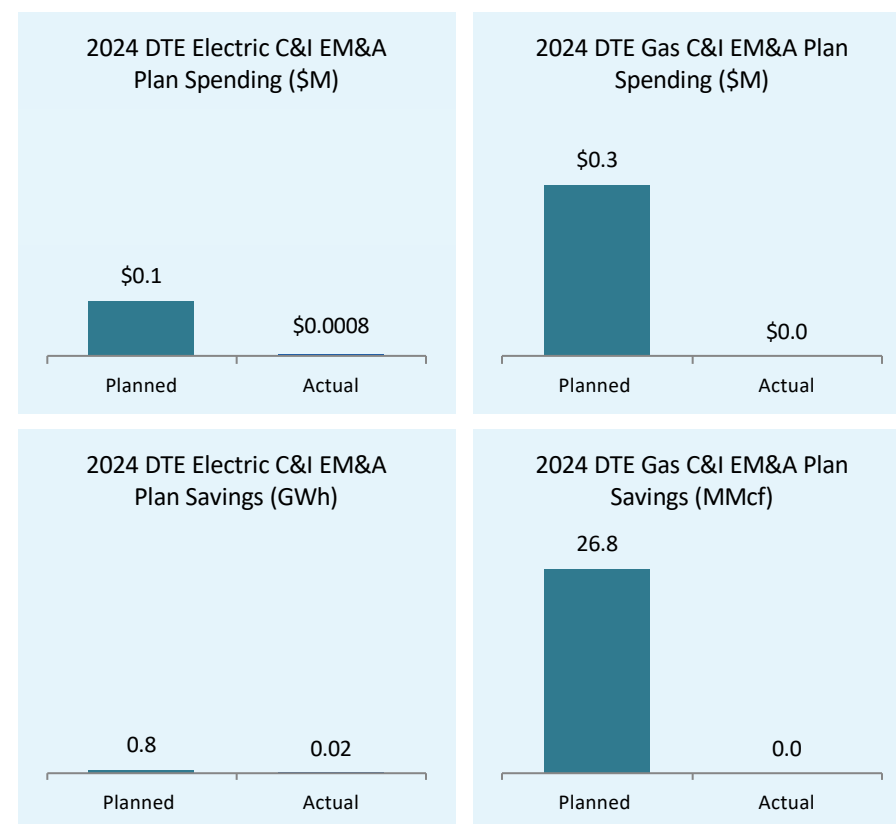
Program Description

Similar to the Online Marketplace component of the residential ENERGY STAR program, the C&I Marketplace offers discounted energy efficient lighting products through an online store on DTE's website. The program marketing targets recent participants in DTE's Small Business Program.

Key Takeaways

- The program was designed to facilitate energy efficient lighting purchases for customers to self-install.
- The program was administered online, but the sales were fulfilled through a local distributor.
- The program marketing targeted recent Small Business program participants.
- There was very limited uptake in the program, most likely since the target audience had recently completed other EE upgrades through the Small Business program.
- The online channel was also challenging to administer for this program. These customers need more assistance with product selection and benefit from having a contractor to assist with the project scope.

Chart 34 – 2024 C&I EM&A Platform Spending and Verified Net Savings



Education and Awareness Program

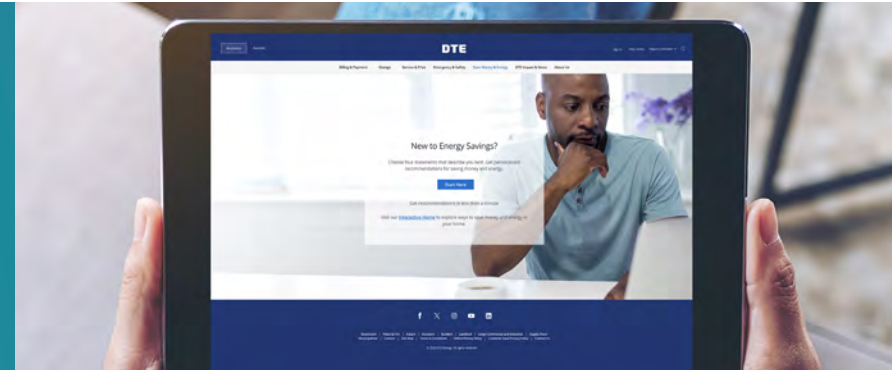
The Education and Awareness program provides DTE residential and business customers with information and resources to help them learn how to use energy more efficiently and to better manage their energy costs. Promoting energy efficiency will also help DTE achieve its CleanVision goal.



DTE ELECTRIC AND DTE GAS

Education and Awareness Program

The Education and Awareness (E&A) program provides DTE residential and business customers with information and resources to help them learn how to use energy more efficiently and to better manage their energy costs. Promoting energy efficiency will also help DTE achieve its CleanVision goal.



Program Description

The DTE energy efficiency-specific website, mass media, social media, direct to customer marketing, and outreach campaigns engage customers with energy efficiency information. In 2024, DTE continued to rely on such campaigns to target specific customer segments to increase their awareness of and adaption of energy efficiency.

Residential campaigns focused on low-cost or no-cost tips, programs, rebates, free tools and resources, ENERGY STAR® tips and initiatives such as pool pump education and ENERGY STAR Day promotions, heating and cooling season messaging, estimated energy- and money-saving opportunities, national Energy Efficiency Day initiatives, and environmentally focused calls to action. Messaging themes also encouraged energy efficient home improvements and behavioral changes to influence environmentally friendly energy consumption. Small business campaigns focused on tips, resources and program enrollment and shared how local small businesses used energy efficiency tactics to improve operations while maintaining comfort and ensuring environmentally conscious energy usage. DTE continued to highlight the non-energy benefits of making energy efficiency improvements to increase the comfort, and safety of their business and to improve the satisfaction of their customers and employees.

Key Takeaways

- The Education and Awareness team continued to partner with Gas and Electric marketing partners to deliver co-branded content in support of seasonal campaigns aimed at driving up customer satisfaction with relevant and actionable energy efficiency messaging.
- DTE expanded their customer engagement opportunities through participation in local partnerships that allowed for one on one, face to face engagement with customers by leveraging onsite educational activations that communicate energy efficiency information in a fun and engaging way, printed collateral with calls to action an information and post-event surveying to gauge customer interest and recall.
- The Education and Awareness team continued to leverage customer insights, behavioral tendencies and marketing analytics to inform marketing and communication strategies by continuously

delivering targeted messaging across the right marketing channel mix and optimizing to deliver the best results and ensure key metrics are met.

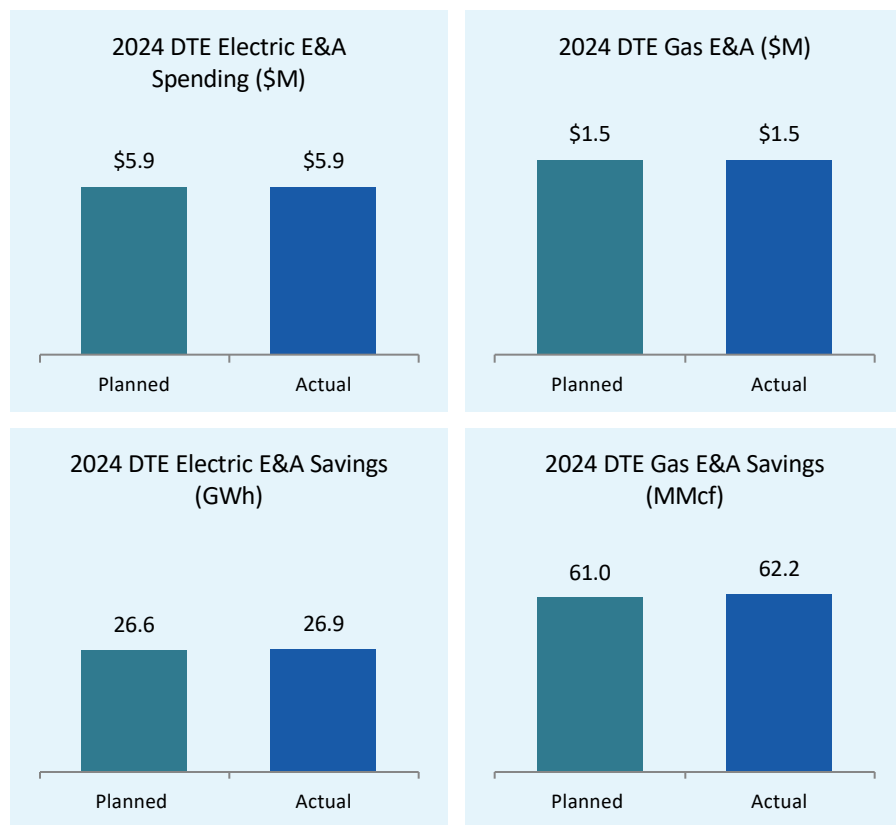
Residential

- DTE's Education and Awareness team enhanced collaborations with broader electric marketing team during the summer months to promote cooling season by executing highly targeted and engaging communications plans including influencer marketing, new onsite collateral communicating key seasonal messaging and collaborating on PR and mass media opportunities.
- The program continued to find new and engaging ways of communicating key messaging and addressing customer concerns, including creating a new residential commercial that highlights how energy efficiency does not need to be complicated and how taking energy efficiency actions can benefit them.
- Realtor Education Outreach program was commercialized from its pilot program state to educate real estate agents on energy efficiency and how their clients can set their homes up to be energy efficient from the start and educate customers in a different way.

Small Business

- DTE's Education and Awareness team utilized additional marketing tactics such as direct mailers during the annual Small Business Energy Efficiency Makeover Contest. With the additional communication, the team saw record-breaking entries engagement and overall campaign success.
- DTE increased our Energy Smarts printed and digital magazine distribution, reaching more small business customers throughout our territories across four quarterly issues. This publication delivers industry information, Michigan small business utility-related news and updates, energy efficiency tips and resources and DTE small business program and rebate information.
- The Education and Awareness team promoted the newly designed and enhanced small business landing pages via new videos and social media driving business customers to energy efficient tips, resources and tools that they can take advantage of.

Chart 35 – 2024 E&A Spending and Verified Net Savings



DTE ELECTRIC AND DTE GAS

Pilot Program

The purpose of DTE's Pilot program is to explore technologies and approaches not included in the commercialized programs described in the approved 2024-2025 EWR Plan.



Program Description

The program enabled DTE to measure energy savings and test the cost-effectiveness of emerging technologies. It also tested customer adoption of new technologies and market adoption of existing technologies using new approaches. As designed, this program supported Residential and C&I programs.

Residential and C&I Pilot

Gas Heat Pumps (DTE Electric and DTE Gas)

Ongoing, launched Q3 2022

The Gas Heat Pump pilot intends to demonstrate a new product category for fuel-fired natural gas absorption heat pump (GAHP) technologies in commercial and residential applications and develop measures for the MEMD. This technology became commercially available in 2023 from multiple manufacturers. The pilot's goal is to time GAHP applicability with M&V in the near future to help develop a market for this new energy efficiency technology.

Real Estate Outreach and Education (DTE Electric and DTE Gas)

Ongoing, launched Q3 2022

The Real Estate Outreach and Education pilot built and is testing a new marketing channel for existing EE programs with real estate professionals and their clients (both homeowners and business owners). It established a DTE Real Estate Energy Consultant Network for real estate agents who completed training about energy efficiency and DTE EE programs. The real estate agents then received further support, including marketing and educational materials, some of which is shared with their clients to direct them to efficiency coupons, promos, and other DTE incentives for pursuing efficiency upgrades.

Residential Pilots

DIY Influencer – Marketplac (DTE Electric and DTE Gas)

Ongoing, launched Q2 2024

The DIY Influencer Marketplace pilot aims to evaluate the effectiveness of using local DIY Home Influencers on social media to reach DTE's combo, gas, and electric customers and promote an air purifier and window kits available on the Marketplace to understand the impact on program participation and energy savings.

HERS Rate Bonus (DTE Electric and DTE Gas)

Ongoing, launched Q3 2023

The HERS Rater Bonus pilot aims to increase the energy efficiency of homes submitted to the New Homes Construction program. The pilot will incentivize HERS raters for submitting homes built 40%-44% above, or built at 45% or higher than the current 2015 International Energy Conservation Code. The goal is for HERS raters to take on more of an energy consultant role with builders and encourage higher energy efficient rated homes.

Health and Safety (DTE Electric and DTE Gas)

Ongoing, launched Q3 2018

The Health and Safety pilot's goal is to provide funding through EEA and Multifamily program partners and participating organizations to overcome health and safety issues that prevent the delivery of energy efficient products and services (walkaways) for single-family and multifamily buildings. DTE delivers measures to occupied households. Additional resources may be leveraged to assist customers in greater need.

New Manufactured Homes (DTE Electric and DTE Gas)

Ongoing, launched Q1 2024

The New Manufactured Homes pilot will incentivize manufactured home retailers and community management companies to purchase and promote homes that are above the Federal Manufactured Home Construction and Safety Standard. New manufactured homes present an opportunity to address both housing affordability and energy efficiency. Working with manufactured homes can bridge the gap with income-qualified households and offers a new way to serve the entire base of DTE's customers.

O&M Heat Pump Tune-Up Revisio (DTE Electric and DTE Gas)

Ongoing, launched Q1 2024

The O&M Heat Pump Tune-up Revision pilot will review and recommend a revision to the current O&M Heat Pump Tune-Up measure to add an electric heating savings component. This update proposes a 10% efficiency improvement to the heating side from the O&M tune-up of centrally ducted split system air source heat pumps and central split system dual fuel heat pumps. Electric heating savings for heat pumps are currently absent from the O&M Tune-up measure.

C&I Pilots

Air Duct Sealing (DTE Electric and DTE Gas)

Ongoing, launched Q3 2022

The Air Duct Sealing pilot helps large commercial customers with leaking air ducts in their HVAC systems. This pilot collaborates with Aeroseal LLC, which developed a patented technology that injects sealant into pressurized ductwork to seal air leaks from the inside.

DTE offers customers an incentive to offset and make this a cost-effective solution. The pilot is focused on encouraging deeper customer relationships and broadening energy efficiency awareness and participation in the C&I Retro-Commissioning program.

Centralized Hot Water Demand Controllers (DTE Electric and DTE Gas)

Ongoing, launched Q3 2024

The Centralized Hot Water Demand Controllers pilot will demonstrate a new product category of demand control recirculating pump controllers for central hot water systems. This technology is commercially available from multiple manufacturers and may be developed as a new measure.

Cold Storage Weatherstripping (DTE Electric and DTE Gas)

Ongoing, launched Q3 2024

The intent of the Cold Storage Weatherstripping pilot is to meet customer needs in the energy reduction market. For this pilot, brush-style weather strips will be used to close the gap on the overhead doors of refrigerated or freezer spaces. By implementing this pilot, DTE plans to identify the business customer, assess and collect data points around this measure, install the weatherstripping for testing and educate the customer on benefits and energy-saving opportunities are available with this technology.

Commercial Refrigeration Swap (DTE Electric and DTE Gas)

Ongoing, launched Q1 2023

The initial goal of this pilot was to swap low greenhouse gas refrigerants on medium temperature walk-in refrigeration systems at seven small and medium commercial customer sites. The pilot has since expanded to target 20 additional customers sites with the goal of developing a marketing, communications, and commercialization plan for a new refrigeration low GHG swap program. When the pilot commercializes, DTE plans to offer an EE incentive to offset and make this a cost-effective solution to the customer.

Energy Management Information System (DTE Electric and DTE Gas)

Ongoing, launched Q2 2023

To assist in the organizational management of energy, the Energy Management Information System (EMIS) pilot uses enhanced energy management information derived from meters for energy measurement, data collection and storage infrastructure, and software and reporting tools that convert data to information. The EMIS pilot will be implemented alongside DTE's Strategic Energy Management program as a mechanism to help customers save energy and develop a longer-term approach to energy management.

Refrigeration Air Curtains (DTE Electric)

Ongoing, launched Q2 2022

The Refrigeration Air Curtains pilot tests the Aerofoil air curtains technology's ability to reduce grocery retailers' energy consumption associated with operating open case refrigeration equipment. Aerofoil is easy to install, it is affixed directly onto the shelf without needing to remove the merchandise. Other benefits include longer shelf life (reduced waste), and improved customer satisfaction from warmer aisle environments. Aerofoil Energy estimates a 2-year payback on typical installations. Participants include medium and large grocery stores in the DTE Electric territory.

Retro-Commissioning Suitcase (DTE Electric and DTE Gas)

Ongoing, launched Q1 2023

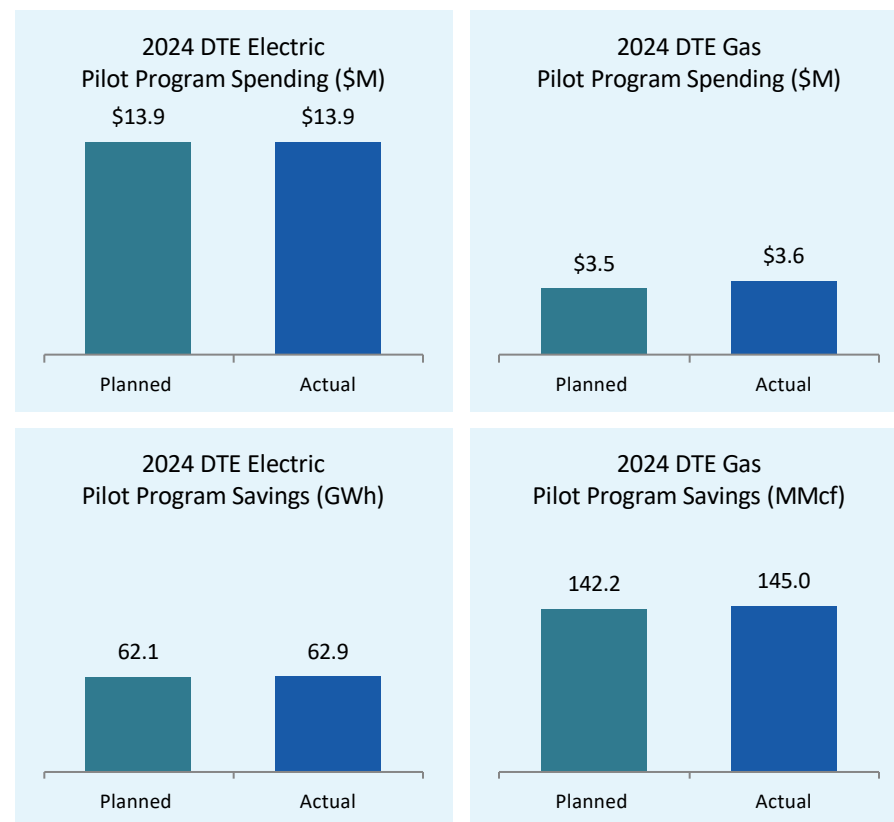
The Retro-Commissioning Suitcase pilot uses equipment developed by Pacific Northwest National Laboratory and Lawrence Berkeley National Laboratory to provide an easier, more cost-effective way to identify low-cost/no-cost energy savings opportunities for small commercial buildings using retro-commissioning industry principles, similar to those used by the commercialized Retro-Commissioning program, of which this pilot will be an enhancement to.

Spending and Verified Net Savings Results

Pilot program funds were primarily spent on contracted services and incentives for the projects as well as on the cost of internal administration to manage the portfolio of projects.

Chart 37 summarizes the 2024 spending and verified net savings results of the Pilot program.

Chart 36 – 2024 Pilot Spending and Verified Net Savings



EE Program ACHIEVEMENTS

Energy Savings

- Since the EE Portfolio's inception in 2009, over 11.5 million electric customers and over 5.3 million gas customers have directly participated in DTE's energy efficiency programs. DTE customers have saved over 10,967 GWh and over 25,867 Mcf since the program started. The savings achieved so far will continue to lead to savings for years into the future.
- The electric savings are equivalent to the energy required to power almost 900,000 homes for 1 year.¹²
- The gas savings are equivalent to the energy required to power over 190,000 homes for 1 year.¹³
- DTE's EE programs will help make CleanVision a reality.

Monetary Savings

- DTE's customers have benefited as a result of its energy efficiency offerings. Residential gas customers pay an average of \$22 annually for energy efficiency gas surcharges, which is 2% of their total gas bill. Residential electric customers pay an average of \$19 annually for energy efficiency electric surcharges, which is 1% of their total electric bill.

Economic Development Benefits

- DTE's EE Portfolio resulted in implementation contractors establishing local offices (in Detroit, Livonia, Lansing and Grand Rapids) and the hiring of local talent to operate and manage their respective programs.
- In 2024, 447 Michigan-based jobs were created by the implementation contractors under contract with DTE, as Table 9 summarizes. These jobs included field operations staff, appliance pick-up drivers, call center representatives and program managers.
- Customers and communities benefit from the new jobs and investment in the community.
- DTE reaffirmed its commitment to workforce development in the energy efficiency space. Building on this focus, and in partnership with Walker-Miller Energy Services, DTE continued the Energy Efficiency Academy—originally launched to address the growing demand for energy-efficient home repairs in Detroit. In 2024, the Academy expanded to Michigan's west side, offering advanced training in both Muskegon and Detroit. This upskilling initiative is designed to support individuals already working in the energy efficiency field, helping them further advance their careers and meet the evolving needs of the industry. As part of the academy, DTE also facilitated a business incubator to enable its diverse certification application process and onboard contractors for DTE's EE programs.

^{12, 13} Equivalent home energy use is calculated using the U.S. Environmental Protection Agency Equivalency Calculator.

Table 9 – Implementation Contractor Jobs

| Implementation Contractor Name | Michigan-Based Jobs |
|--------------------------------|---------------------|
| Bradley+Company | 14 |
| CLEAResult | 15 |
| DNV | 54 |
| DTE | 42 |
| Energy Sciences | 26 |
| Energy Solutions | 5 |
| Franklin | 25 |
| ICF | 47 |
| Ignite | 8 |
| Leidos | 4 |
| Michigan Saves | 36 |
| NEF | 11 |
| Powerley | 4 |
| SEEL | 82 |
| Walker-Miller — Franklin | 62 |
| Guidehouse | 12 |
| Total | 447 |

Total is for calendar year 2024 only and may not be exact due to rounding.

Diversity and Inclusion

DTE is committed to powering diversity. The collective efforts bring new businesses and jobs to Michigan while strengthening the vitality of our communities. Using innovative approaches to create meaningful business opportunities for minority- and women-owned firms, DTE has contributed to the growth of some of these firms now servicing the utility industry. DTE continues to provide minority- and women-owned firms with advocacy, training, mentoring and business opportunities and development experiences.

Table 10 – Diverse Suppliers

| Name | Actual Spend | % Actual Spend |
|------------------------------------|----------------------|----------------|
| Dunamis Clean Energy Partners, LLC | \$611,347 | 0.2% |
| Energy Sciences Resorce Partners | \$9,686,540 | 3.9% |
| Group O, Inc. | \$828,837 | 0.3% |
| PES Group, Inc. | \$491,560 | 0.2% |
| REGROUP, Inc. | \$2,115,309 | 0.9% |
| SEEL, LLC | \$77,089,666 | 31.3% |
| Strategic Staffing Solutions | \$986,267 | 0.4% |
| The Harmon Group, LLC | \$173,192 | 0.1% |
| Walker-Miller Energy Services | \$26,976,799 | 11.0% |
| Total¹⁴ | \$118,959,516 | 48.3% |

¹⁴ Total is for calendar year 2024 only and may not be exact due to rounding.

Program Offerings and Participation

Although many of the EE programs are mature and functioning well in the market, DTE continues to innovate and develop new program offerings. Many of the 2024 programs were continuations of successful programs launched in prior years. Customers have upgraded equipment, enabling them to be more energy efficient year after year. They have also been educated on actions they can take to save on their energy use on an ongoing basis. In 2024, nearly 1.2 million DTE Electric customers and over 295,000 DTE Gas customers took control of their energy use through the EE Portfolio and saved millions of dollars as a result.

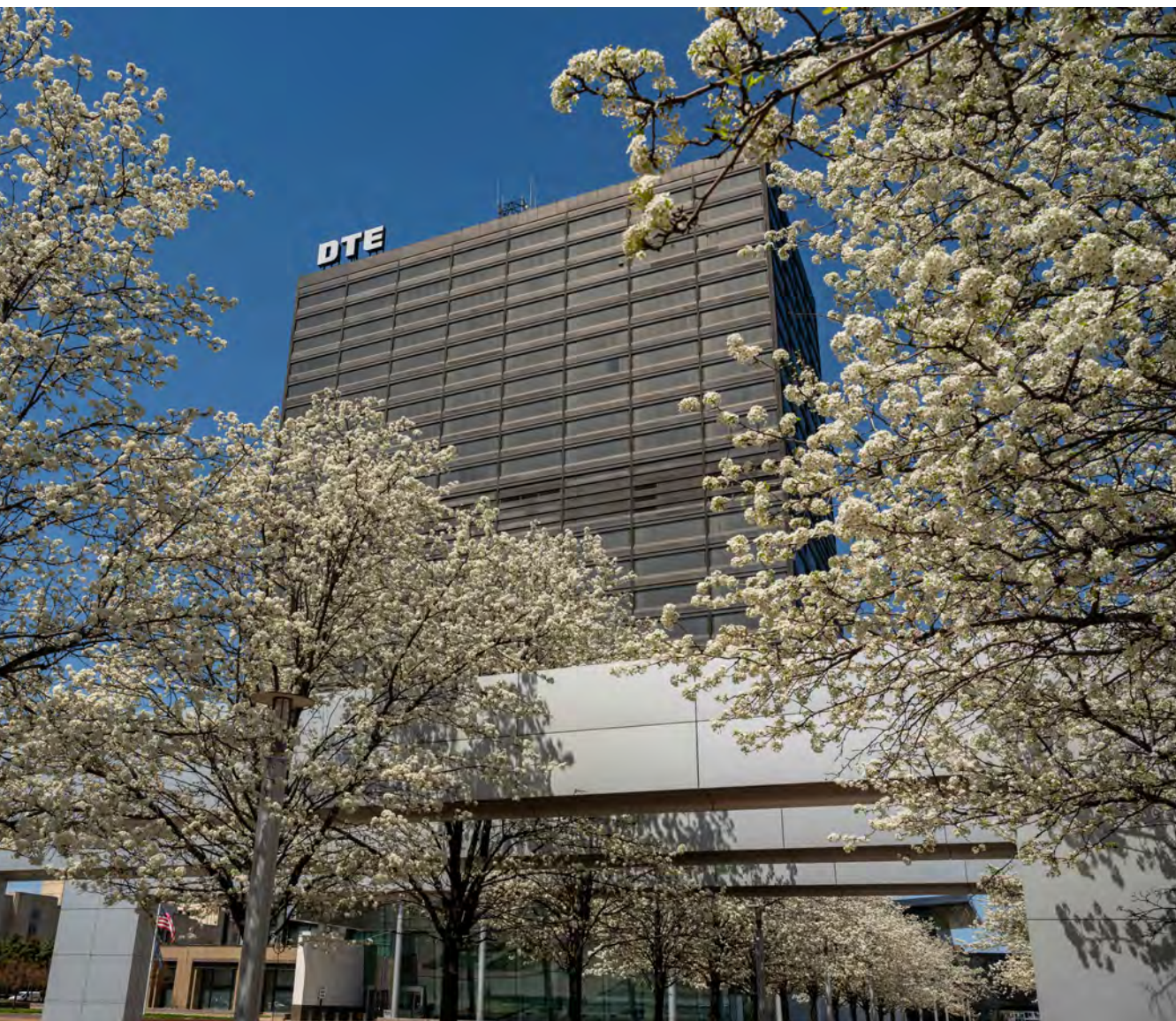
To give some perspective on the magnitude of this effort, the following are some of DTE's 2024 accomplishments:

- DTE continued to expand the channels through which customers can participate in the EE programs including the expansion of residential and commercial midstream program offerings.
- The Residential programs served over 895,000 electric households and over 293,000 gas households.
- The C&I programs served over 293,000 electric businesses and over 2,400 gas businesses.
- The Energy Efficiency Assistance program's Neighborhood Approach events have fostered positive community interactions, relationships and engagement.
- The "Energy Smart Seniors" program continued expanding outreach at senior day centers regarding energy efficiency education and distributes energy efficiency kits.
- DTE's Education and Awareness team's direct mailer approach during the annual Small Business Energy Efficiency Makeover Contest led to record-breaking entries, engagement, and overall campaign success.
- Business applications served included lighting, lighting controls, HVAC and heating controls, food services and process electric.
- Most C&I markets were served, including light and heavy industry, retail, grocery, hospital, hotel and educational institutions.
- DTE invested over \$63 million on Income-Qualified programs and continued programs launched in 2020 to target this segment.
- DTE assessed the residential building envelope market (insulation and air sealing measures), identifying barriers and opportunities for growing the market.
- DTE identified nearly all single-family residential properties are in need of at least one building envelope upgrade.

Conclusion



2024 was another successful year for DTE's EE Portfolio in all key areas: energy savings, spending and participation. Customers were made aware of energy efficiency benefits and the programs offered by DTE via innovative approaches and targeted marketing campaigns.



Customer experience was enhanced by improving the content of the website, creating new educational tools and resources and expanding social media and contests. Programs were upgraded and delivered with high quality, meeting the ever-rising level of customer expectations. Promising pilot programs were transitioned to full program offerings, and additional pilots were undertaken to stay ahead of the technology curve and to test innovative market approaches. Continuous improvement activity increased again in 2024 – several efforts were undertaken to eliminate defects and improve process efficiency. Collaboration with other utilities and the energy efficiency community at large provided additional benefit to DTE's customers.

Climate change is one of the defining issues of our era. That's why DTE Electric unveiled its 2022 CleanVision, our proposal to dramatically increase renewable energy and storage, hasten the retirement of our last two coal plants, and accelerate our carbon emissions reduction goals. DTE Gas plans to achieve net zero greenhouse gas emissions through an innovative plan that includes both its suppliers and customers by 2050. Our clean energy efforts are an important part of our mission in providing customers with clean, reliable and affordable power.

Opportunities and challenges lie ahead, and DTE is well-positioned to continue to provide value to its customers and other stakeholders through robust and well-run EE programs. DTE's strategic efforts have resulted in increased awareness, improved experiences and higher satisfaction among its customers.

In light of unprecedented industry and energy policy changes, 2025 will be another pivotal year for the EE Portfolio as DTE continues to work with key stakeholders on securing Michigan's energy future. These programs are also imperative because they will help DTE achieve its CleanVision goal of net zero carbon emissions by 2050. DTE will continue to innovate to become the best operated EE Portfolio in North America.