

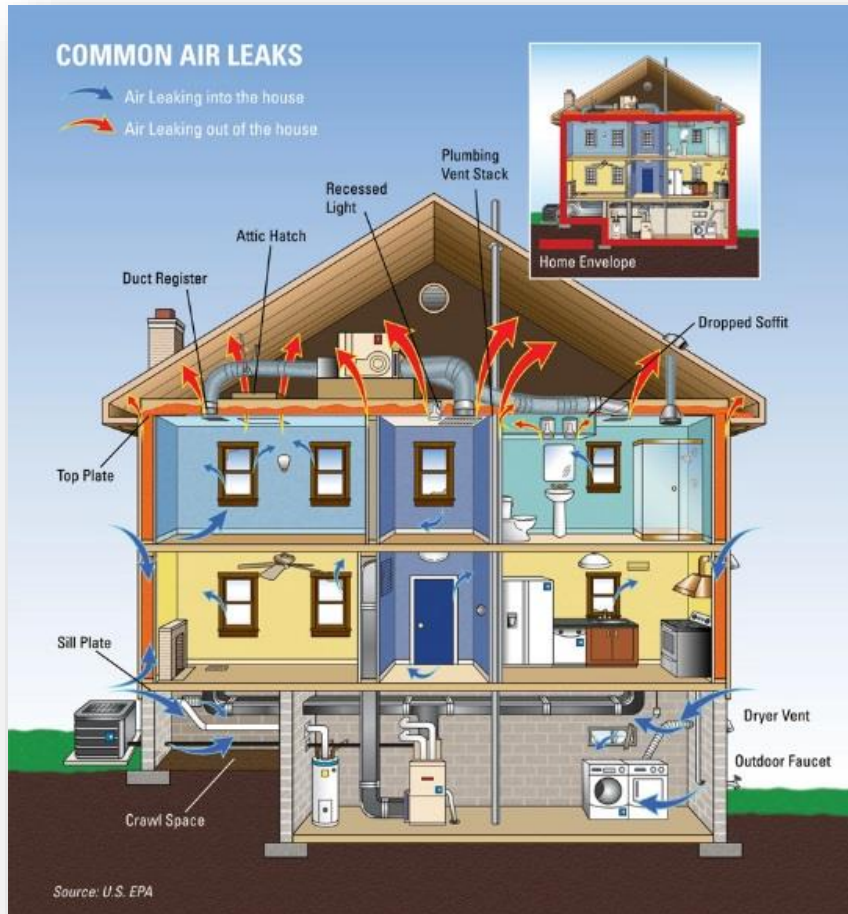


DTE Energy[®]

Linking and Leveraging Low-Income Programs in Michigan

November 19, 2015

Home Performance (Weatherization)



- Energy efficient lighting
- Insulation
- Air sealing
- High efficiency heating equipment
- Programmable thermostats
- Hot water-saving devices

Lighting Distribution



Food Pantries



Client Pickup



Refrigerator Replacement & Furnace Tune-ups

ENERGY STAR[®] Refrigerator Replacement



**NEED A
NEW FRIDGE?**

You might be eligible to receive a brand-new ENERGY STAR[®] certified refrigerator from DTE Energy at no cost to you.

DO YOU QUALIFY?

- Replace old refrigerator with an ENERGY STAR[®] certified one
- Recycle old unit
- 3000 refrigerators replaced/year

Furnace/Boiler Test and Tune-up

"HOW CAN MY ENERGY COSTS BE EVEN MORE AFFORDABLE?"

Get a furnace tune-up from DTE Energy at no cost to you.

DTE has teamed up with local community organizations to offer a furnace test and tune-up to customers who meet income eligibility guidelines (see other side). It's just one more way DTE is helping you manage energy costs.

A tune-up may help your heating system:

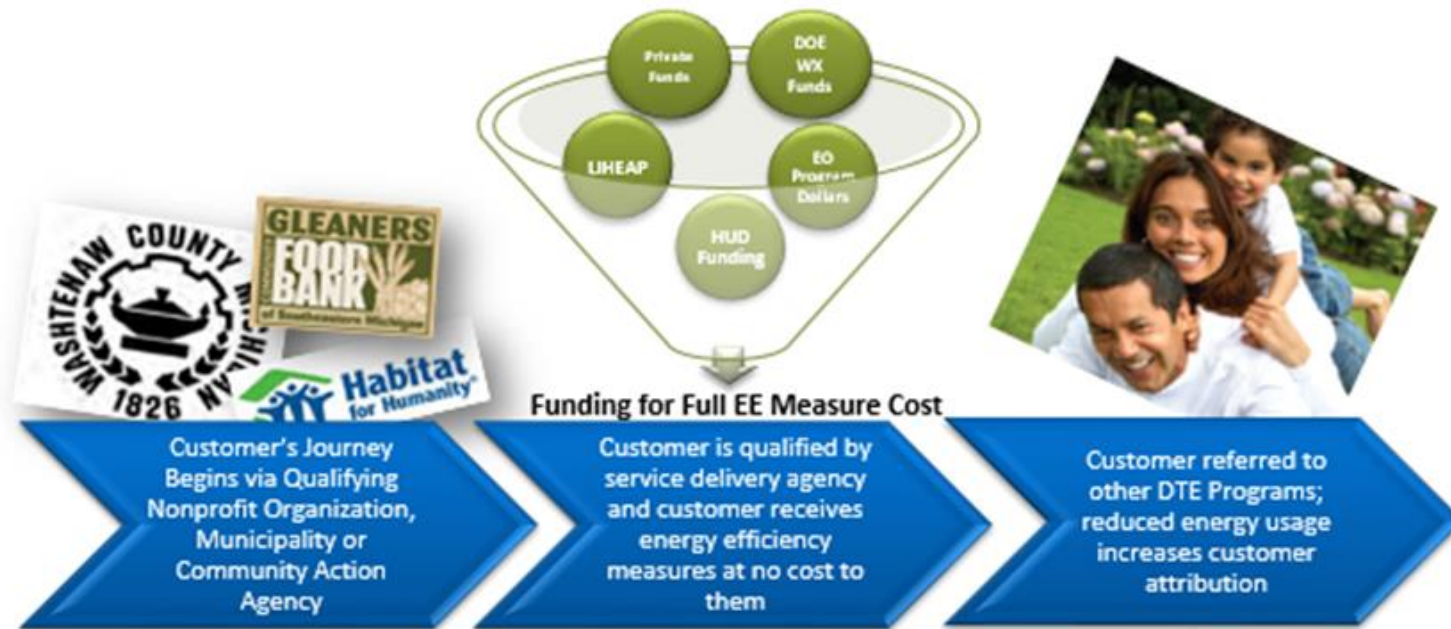
- Run more efficiently
- Last longer
- Be safer for your family

Plus, you could reduce your energy costs, which means stretching your household budget further.



- 2000 tune-ups per year
- Replace furnaces when H&S issue exists

Leveraging a Variety of Programs



EEA Program Delivery

1.

Distribution Program



2.

Nonprofit Organization Incentives



3.

Direct Delivery

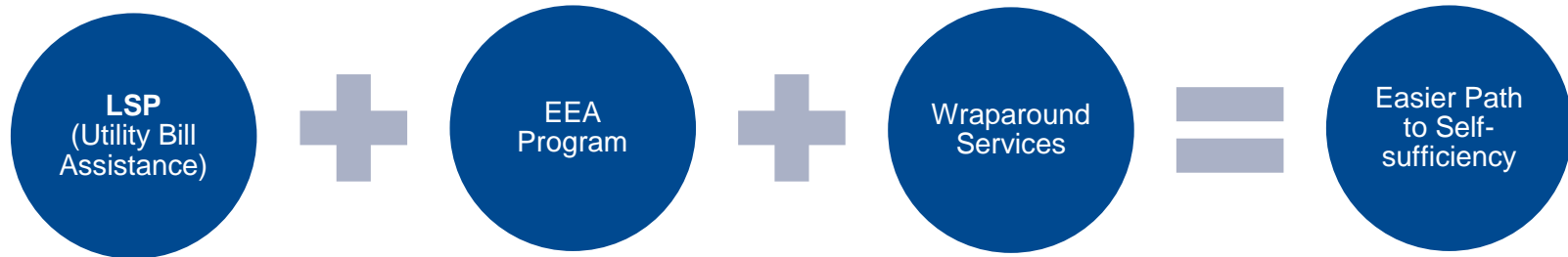


Traditional Channels

Supporting Energy Efficiency in Detroit (SEED) Homes Program

- Level of participation can vary and be influenced by external factors
- Need multiple pathways for customer engagement and participation
- Need for increased flexibility and decreased cycle time to address gaps

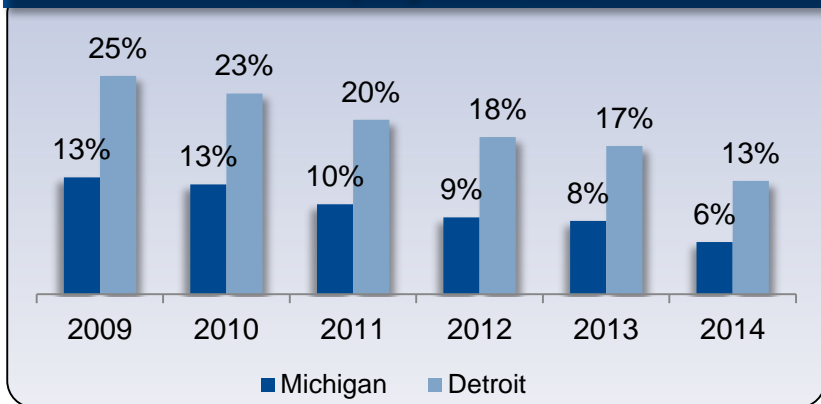
Alternative Customer Engagement & Delivery Process



DTE customers continue to face challenges in spite of modest improvement in state and local economic indicators

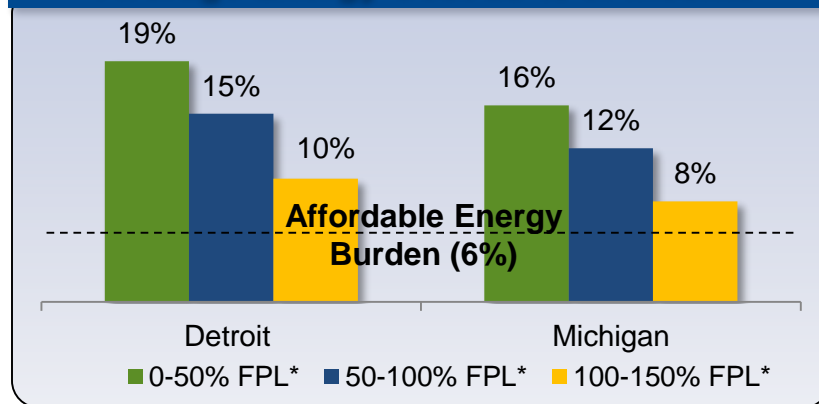


Unemployment rate



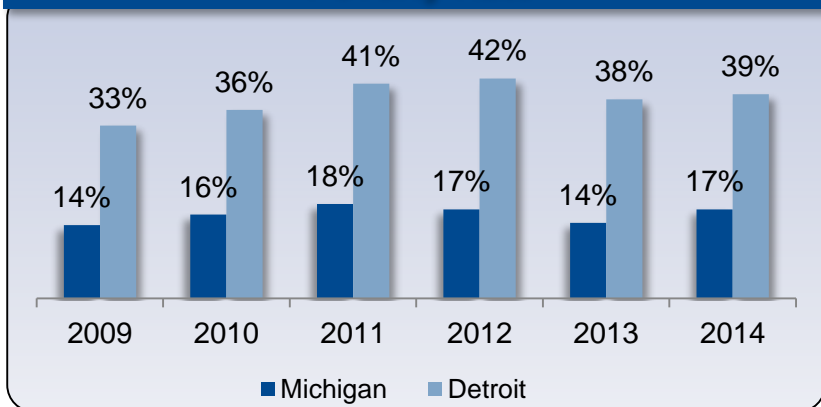
Source: Michigan Department of Technology, Management and Budget

Average Energy Cost as % of Income



Source: Applied Public Policy Research Institute for Study and Evaluation

Poverty Rate



Source: US Census Bureau American Community Survey

- Nearly 500,000 low income households reside within DTE Energy's service territory (\$36k per year for a family of four)
- Only half of these households receive energy assistance
- Many of these households face energy bills that are not affordable with their current income

The Low Income Self-Sufficiency program (LSP) was established to protect and support our most vulnerable customers



LSP Key Attributes

- Provides assistance before reaching crisis state
- Provides affordable payment option
- Provides a pathway to self-sufficiency
- Arrears forgiveness as an incentive for regular payments
- Educates customers on energy efficiency
- Reduces the customer disconnect cycle and utility costs
- Respectful model to assist and change customer behavior



Customer pays a fixed monthly amount based on their income

- \$95 per month for income <110% FPL
- \$120 per month for income 110% - 150% FPL

A portion of arrears are reduced each quarter as customers successfully remain on the plan

- 1/16 of pre-program arrears reduced every quarter

Payment calculation example

	Yearly	Monthly
Energy bill in last 12 months	(\$2,400)	(\$200)
Customer's target payment	\$1,140	\$95
LSP program funded portion	\$1,260	\$105

*** LSP payment plan amounts are 4% - 6% of income (less than the 6% affordable energy burden line)*

The LSP program has demonstrated success in providing assistance to low income customers



Metrics	2012-13 Program Results	2013-14 Program Results	2014-15 Program Results	Other Programs
Service disconnection rate (%)	1%	2%	2%	55%
Plan success rate (%)	67%	81%	90%	8%
Customer Satisfaction	97%	96%	96%	70%
Customers' usage within limit (%)	88%	96%	97%	50%
Basic Needs Assessment Score	NA	NA	+13.7%	Unknown

- Less than 2% of our 34,000 LSP customers experienced a service disconnect (53% improvement)
- Over 30,000 customers (90%) successfully completed the 2014-15 LSP program (82% improvement)
- The LSP program continues to have higher customer satisfaction than other programs (26% improvement)
- Customers that fall outside of the usage limits are referred for a Home Energy Consultation
- Basic needs assessment scores improved by 13.7% during a twelve month period

Multiple pilot programs have been implemented to find additional innovative solutions to better serve our low income population



Self-Sufficiency

- ✓ Partners include Salvation Army, United Way, Matrix Human Services & True North
- ✓ 3,500 customers participated in a United Way pilot utilizing a triage approach to customize a self-sufficiency plan based on customer need (budgeting, education, job training, transportation needs, etc.)
 - Crisis: customers with an immediate threat to safety or housing
 - Self-Sufficiency: customers unable to consistently pay monthly utility bills
 - Vulnerable: customers on fixed incomes or facing permanent disabilities
- ✓ A 400 customer pilot with Matrix Human Services focused on delivery of self-sufficiency through a sophisticated referral system



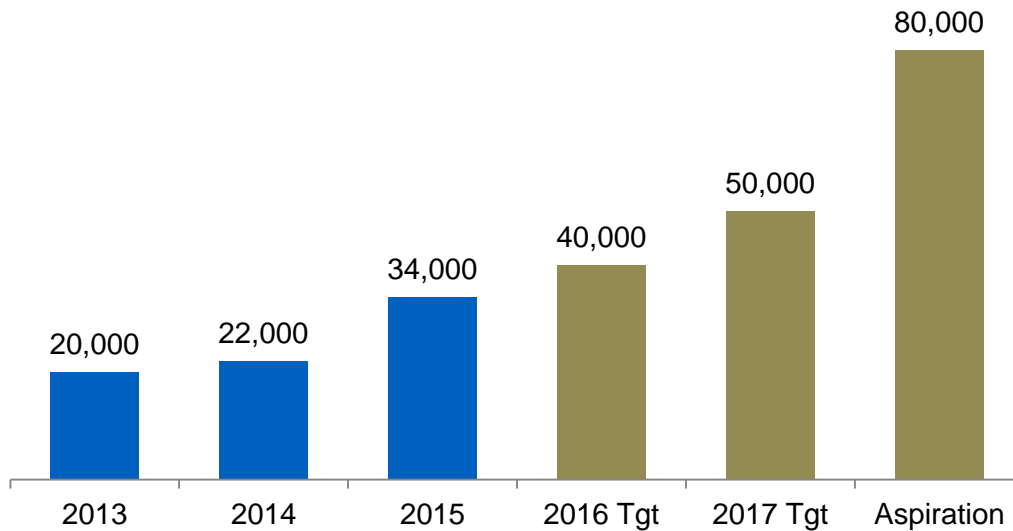
Energy Optimization

- ✓ From 2013 thru 2015YTD, \$5.7M EO dollars spent on LSP customers
- ✓ 15,000 LSP customers touched by EO over last three years
- ✓ More broadly, on top of this, the EEA program serves
 - ✓ 6000 households per year
 - ✓ 18,000 MWh savings/year
 - ✓ 60,000 MCF savings/year

We are targeting to enroll 40,000 customers for the 2016 LSP program year; our ultimate aspiration is to expand the program to 80,000 customers



LSP Customer Enrollments



- Our drive to assist additional customers is driven by:
 - ✓ Our aspiration to be a force for growth and prosperity in the community we serve
 - ✓ The desire to support our most vulnerable customers to become self-sufficient in a dignified way
 - ✓ A push to reduce operating costs that will benefit all DTE Energy customers

Key Success Factors

1. Strong, open, responsive relationship with a diverse network of public and nonprofit agencies offering a variety of social services
2. Co-branded marketing with compelling messages that point people to participating organizations
3. Leverage income qualified and highly engaged customers receiving bill assistance to energy efficiency programs
4. High level of coordination between utility, implementation contractor, agencies, and contractors
5. Focus on positive customer experience

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