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Senate Energy & Technology Committee:

Readying Michigan to Make Good Energy Decisions

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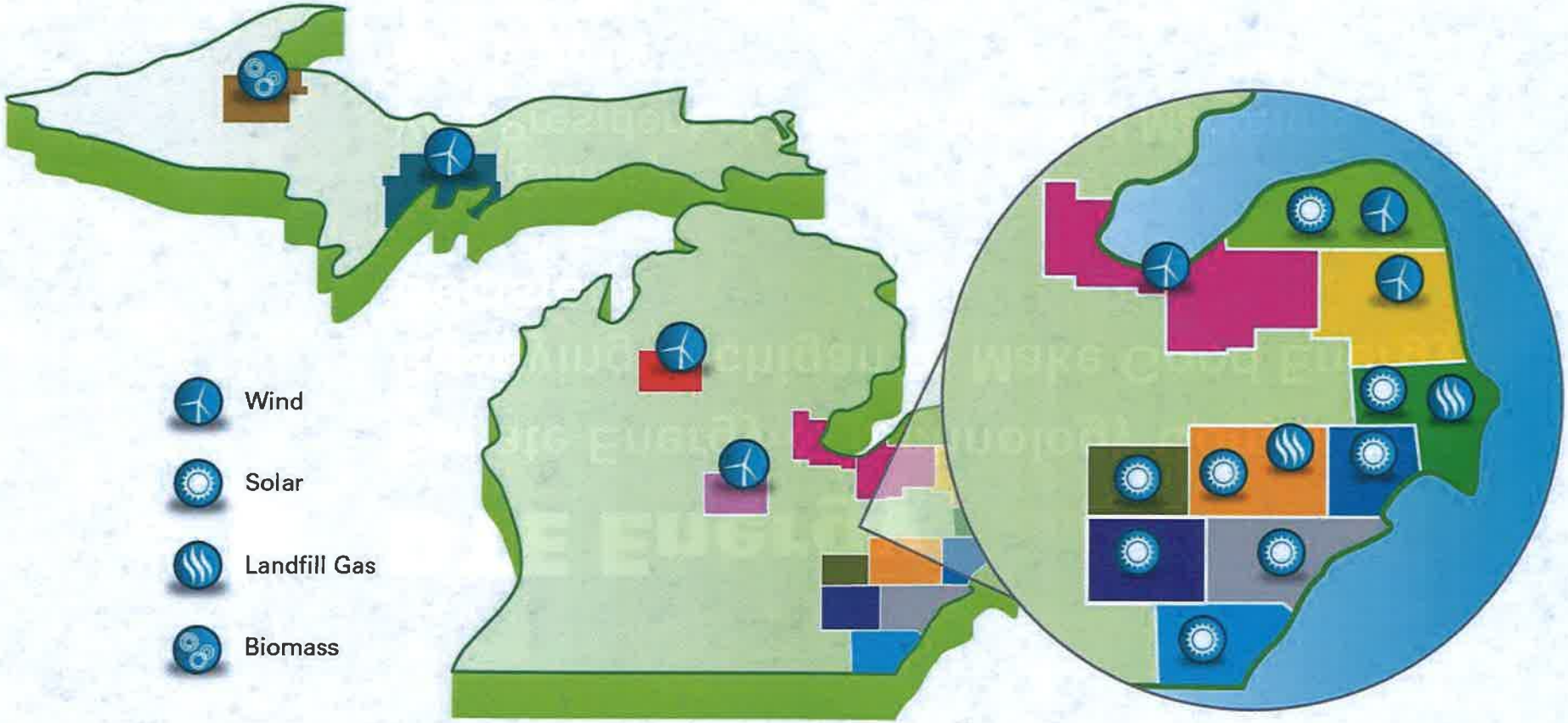
Vice President of Renewables and Marketing

May 6, 2014

DTE Energy's Renewable Energy Projects



April 2014

DTE Energy's Michigan-based supply led to over

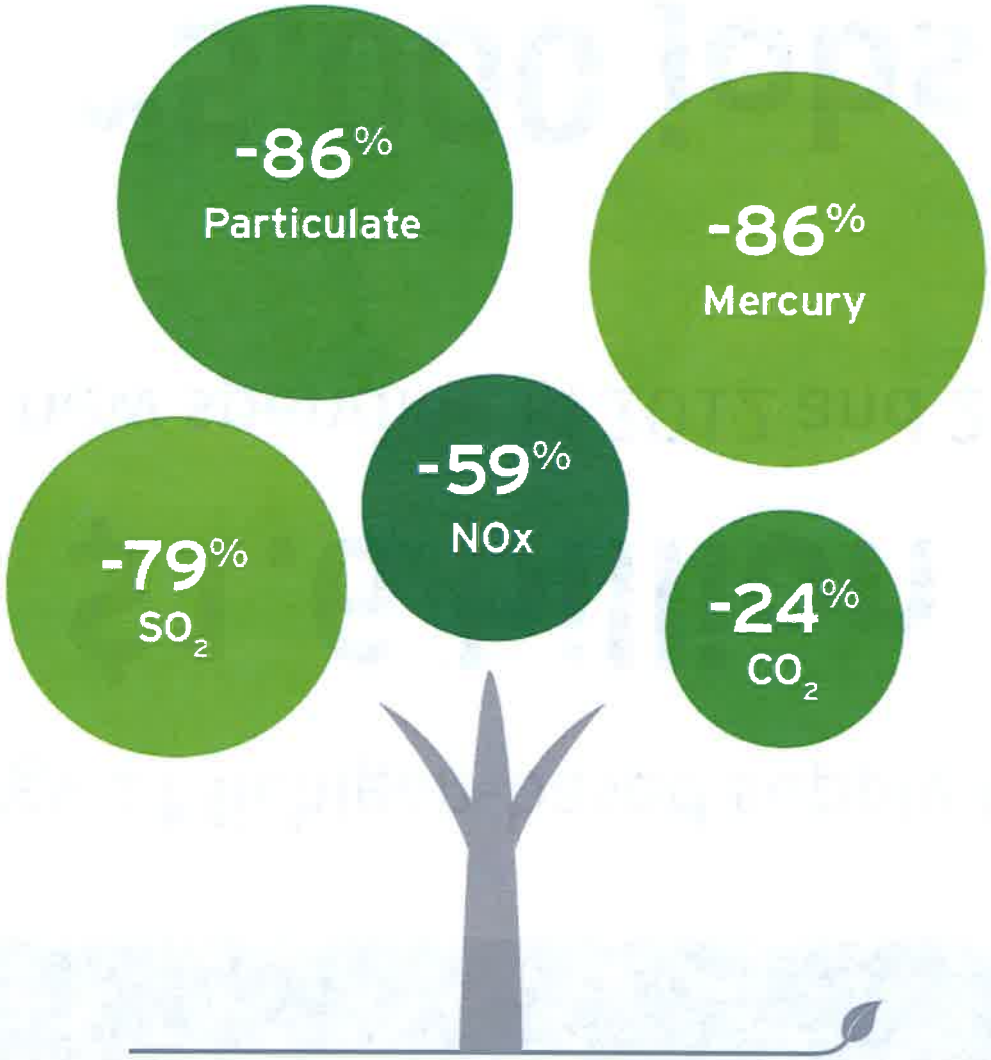
$1.6 billion

in new spending in 2012 and 2013

~5,000 jobs

Estimated jobs supported by DTE spend

DTE Electric's Projected Emissions Reductions 2007-2018



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A **flexible** energy policy enables us to utilize the most **cost-effective** technologies and minimize the financial impact on customers.

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Michigan's energy future requires significant infrastructure investment. A **stable, responsible regulatory construct** attracts new investment in **reliability**.

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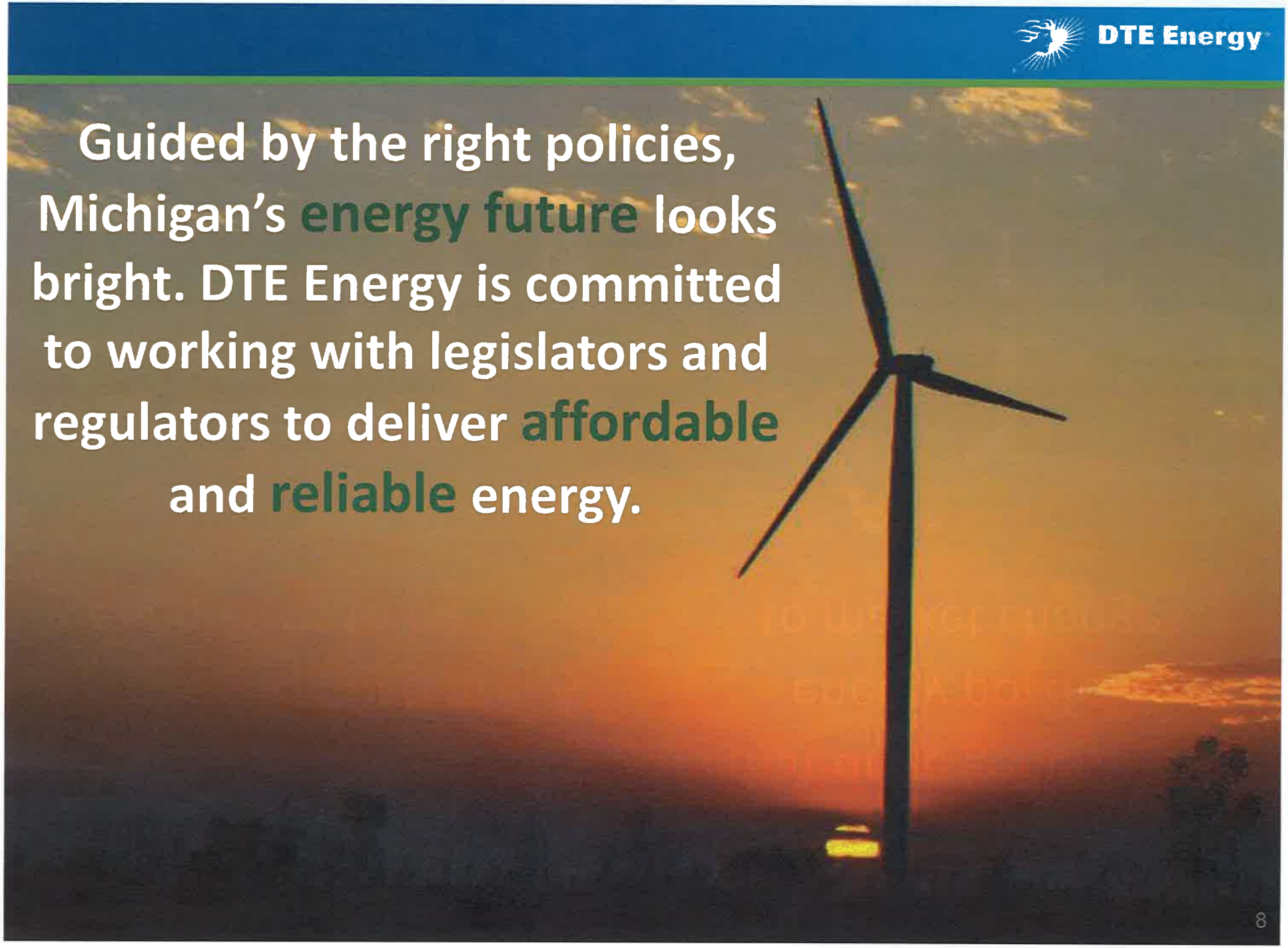
There are numerous factors that drive generation costs to fluctuate. A **diverse** energy portfolio enables us to be **responsive** to market changes.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Guided by the right policies, Michigan's energy future looks bright. DTE Energy is committed to working with legislators and regulators to deliver affordable and reliable energy.
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Appendix

Utility scale wind produces power at competitive rates, but is intermittent. A diverse portfolio will be key to ensuring Michigan's energy future

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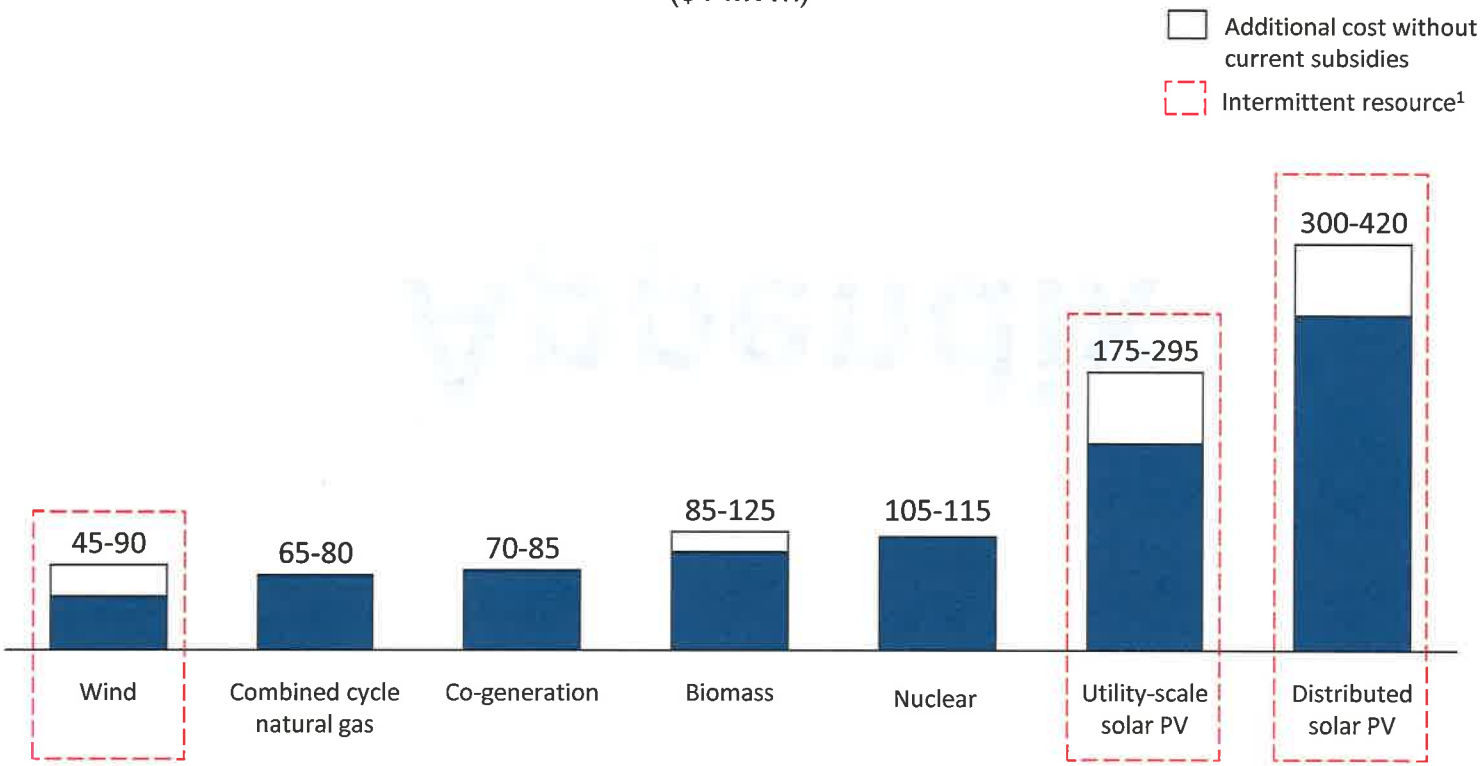
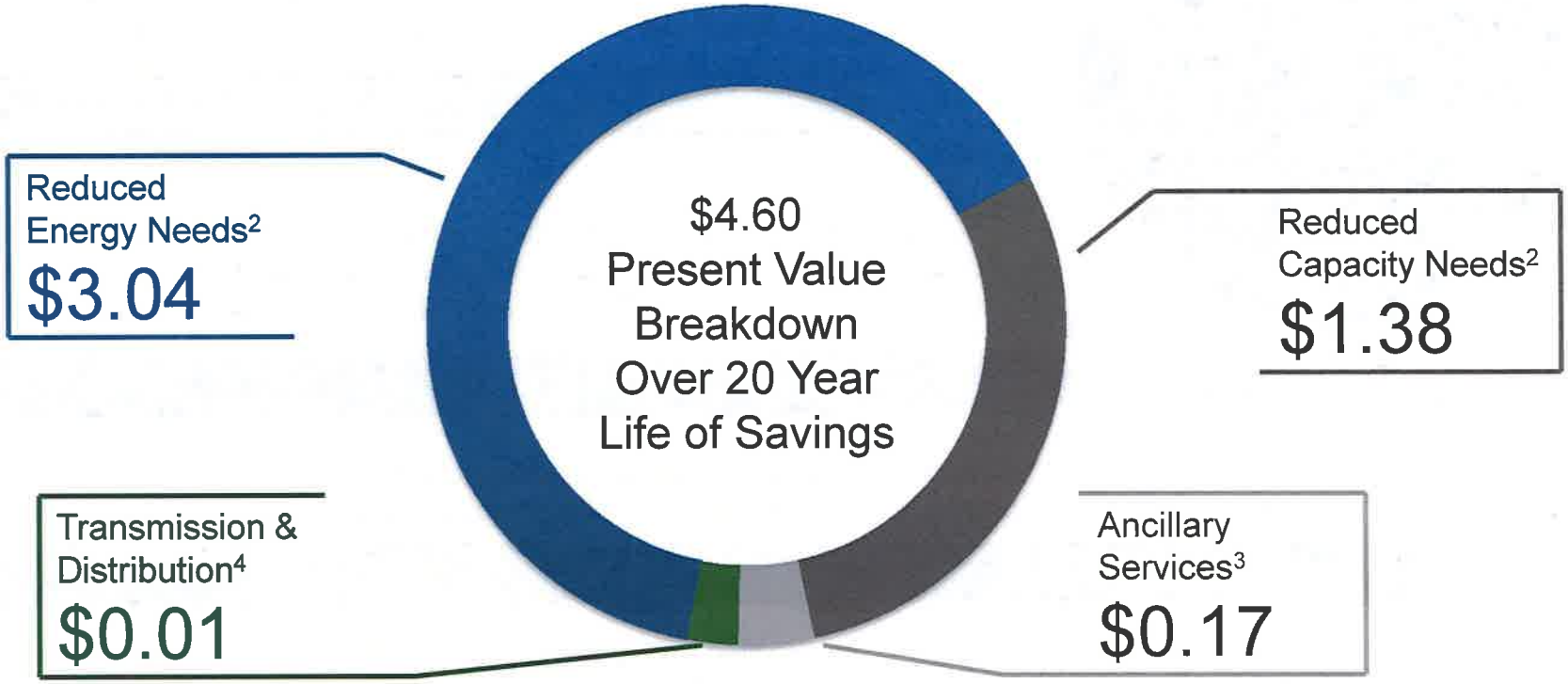
Levelized Costs for New Generation Technologies
($ / MWh)



[1] Intermittent resources may incur additional costs, not included in these numbers, for integration and system reliability

DTE's current energy efficiency program has been cost effective, delivering present value benefits of $4.60[1] for each $1 invested



1. DTE energy efficiency benefit calculated per $1 of program investment
2. Cost per kWh saved (MISO 5 yr. cost & DTE long term forecast)
3. Cost of ISO fees
4. Conservative assumption, benefit likely greater

A recent statewide study defines future energy efficiency potential and confirms increasing costs as energy efficiency programs are expanded

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TECHNICAL POTENTIAL Electric – 38% Gas – 38%

Assumes 100% of all applicable measures are installed regardless of cost and market barriers where they are deemed to be technically feasible. This serves as a theoretical "upper limit".

ECONOMIC POTENTIAL Electric – 34% Gas – 30%

Assumes all measures that are technically feasible and cost-effective using long-run gas and electric price forecasts. Would require overcoming all market barriers and reaching all customers.

ACHIEVABLE POTENTIAL Electric – 15% Gas – 13%

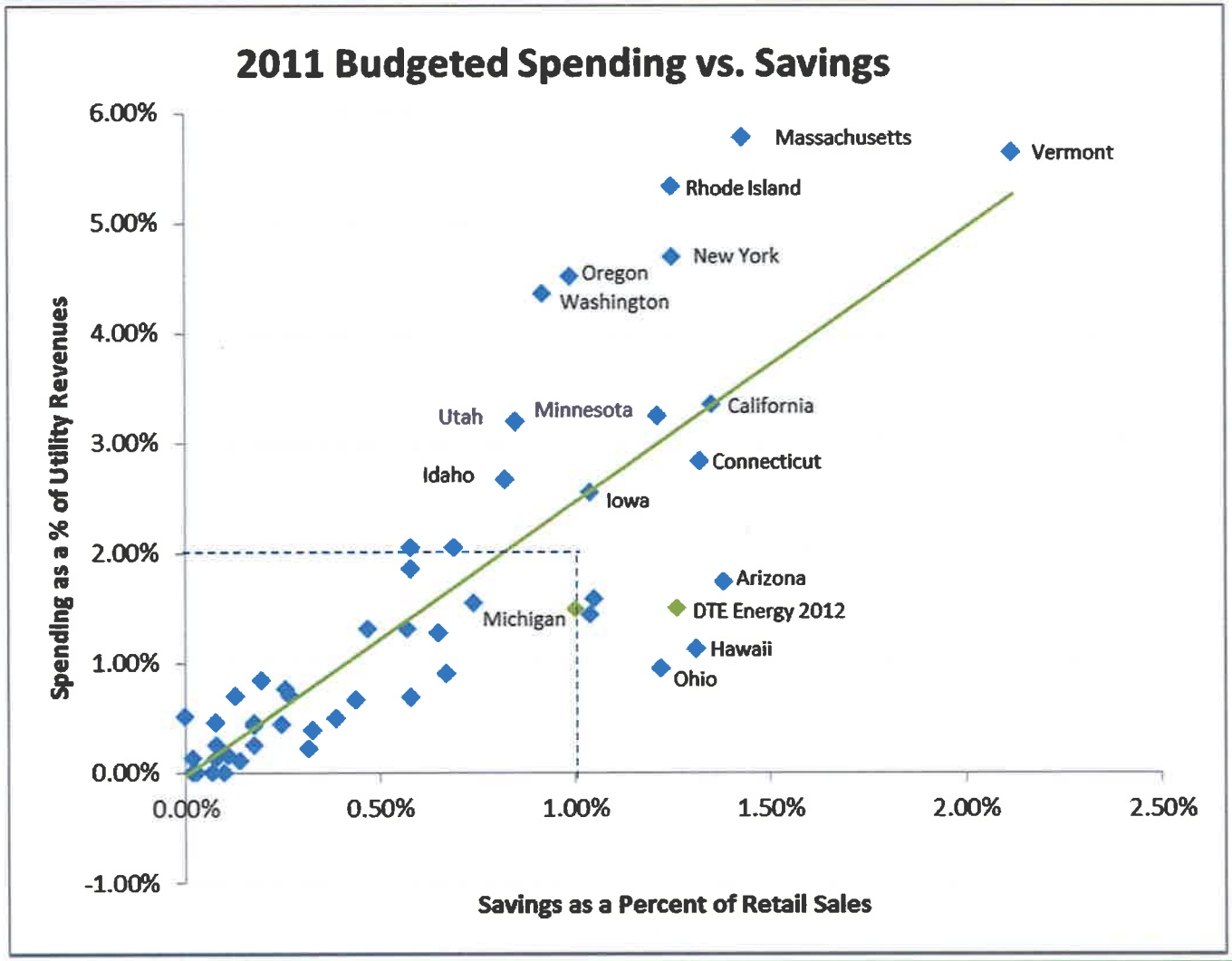
Savings that could realistically be achieved through specific programs and policies. Reaching achievable potential requires more costly enhanced program design necessary to increase customer's willingness and ability to participate.

PROGRAM ACHIEVABLE Electric – 6% Gas – 6%

The portion of achievable based upon 2% spend cap, taking into consideration current program design.

Study Timeline 2013-2023

Note: 2013 – 2023 Electric growth rate is forecast at 1.65%
* Michigan electric and Natural Gas Energy Efficiency Potential Study – GDS Associates, 2013

Benchmark data shows that energy efficiency programs become more costly as targets increase

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