



Breanne K. Reitzel
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October 31, 2023

Lisa Felice
Executive Secretary
Michigan Public Service Commission
7109 West Saginaw Highway
Lansing, MI 48917

RE: In the matter, on the Commission's own motion, regarding the regulatory reviews, revisions, determinations, and/or approvals necessary for **DTE ELECTRIC COMPANY and DTE GAS COMPANY** to fully comply with Public Act 295 of 2008, as amended by Public Act 342 of 2016
MPSC Case No. U-21322

Dear Ms. Felice:

Attached for electronic filing in the above captioned matter is DTE Electric Company's and DTE Gas Company's Stipulation and Settlement Agreement. Also attached is the Proof of Service.

Very truly yours,

Breanne K. Reitzel

BKR/cdm
Attachment

cc: Service List

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission’s own motion,)	
regarding the regulatory reviews, revisions,)	Case No. U-21322
determinations, and/or approvals necessary for)	(Paperless e-file)
DTE ELECTRIC COMPANY and DTE GAS)	
COMPANY to fully comply with Public Act)	
<u>295 of 2008, as amended by Public Act 342 of 2016.</u>)	

STIPULATION AND SETTLEMENT AGREEMENT

Pursuant to Section 78 of the Administrative Procedures Act of 1969 (“APA”), as amended, MCL 24.278 and Rule 333 of the Rules of Practice and Procedure before the Michigan Public Service Commission (“MPSC” or “Commission”), the undersigned parties agree as follows:

WHEREAS, This Stipulation and Settlement Agreement (“Settlement Agreement”) between DTE Electric Company and DTE Gas Company (“DTE” or “Companies”), Michigan Attorney General (“AG”), Natural Resources Defense Council (“NRDC”), National Housing Trust (“NHT”), Sierra Club (“SC”), the Ecology Center (“EC”), and the Michigan Public Service Commission Staff (“Staff”) (collectively, the “Parties”), is intended by the Parties as a final settlement and satisfaction of all issues before the Commission in the biennial review of DTE’s 2024-2025 Energy Waste Reduction (“EWR”) Plan.

WHEREAS, On December 21, 2022, the Commission issued an Order in Case No. U-21322 requiring DTE to file its EWR Plan by July 1, 2023.

WHEREAS, DTE filed its application, with supporting testimony and exhibits, requesting approval of its EWR Plan on June 29, 2023, pursuant to the Commission’s Order and the requirements of Act 295, as amended by Act 342.

WHEREAS, on July 10, 2023, the Commission directed DTE to publish a notice of hearing in newspapers of general circulation in DTE Electric’s and DTE Gas’s service territories. A

prehearing conference was conducted on August 17, 2023, at which a procedural schedule was adopted, and DTE, AG, NRDC, NHT, SC, EC, and Commission Staff appeared as Parties participating in this case.

WHEREAS, in response to the filing, Staff thoroughly reviewed the Company's filing, including the direct testimony and exhibits of the Company's witnesses. The result of that review and the settlement discussions is this executed settlement agreement. Staff's assessment encompassed review of the programs proposed along with the cost projections associated with those programs. Staff concluded that the programs and expenditures presented in this case are reasonable and prudent. Staff reviewed the surcharges necessary to ensure the appropriate collection and reviewed the costs associated with administration, evaluation, and other support services necessary for the program years for this plan period. These were also deemed reasonable and prudent. The targets projected to be achieved exceed the legislative target.

WHEREAS, the Parties have agreed to enter into a full settlement of this case, and request that the Commission enter an order accepting and approving DTE's EWR Plan subject to the modifications as set forth in this Settlement Agreement.

NOW THEREFORE, for purposes of settlement of Case No. U-21322, the Parties agree as follows:

1. The Parties agree that DTE's filed 2024-2025 EWR Plan should be approved in its entirety except as modified by this Settlement Agreement and the attachments to this Settlement Agreement.

2. *Performance Incentive Mechanism.* The metrics associated with the Performance Incentive Mechanism ("PIM") will be as set forth in Attachment A of this Settlement Agreement.

3. *Market assessment study for single family Residential and Income-Qualified building envelope measures.* As part of a commitment to increase uptake of air sealing and insulation measures by its residential and income-qualified customers, DTE will contract with its evaluator and/or another firm to independently assess the market, identify barriers to and opportunities for growing the market, and develop a set of program design recommendations for what it would take to increase annual customer demand for and investment in air sealing and insulation upgrades across a range of income levels. DTE intends to have the market assessment completed in 2024. DTE will work with interested Parties to this Settlement in developing the scope of work for the study, holding a kick-off meeting with the hired contractor, reviewing draft results, and subsequently discussing if the results should be reflected in changes to the Company's EWR programs for 2025 and beyond. The study may be developed and co-funded with Consumers Energy.

4. *Income-Qualified building envelope measures.* DTE will work to increase the portion of the single-family income-qualified housing units treated by its EWR programs that receive insulation upgrades and blower-door guided air sealing, with a goal of providing such measures to 60% of all EWR income-qualified program participants that use DTE electricity or gas for space-heating by calendar year 2027. This will include:

- a. offering to assist community-based partners to increase their capacity to deliver such measures through staff training, technical support and the supply of necessary equipment (e.g., blower doors);
- b. continuing to support and promote DTE's Energy Efficiency Academy to help develop a growing pipeline of workers trained to provide weatherization services;

- c. leveraging of federal Inflation Reduction Act (IRA) funds to support the installation of air sealing and insulation measures, as well as to address workforce development;
- d. increasing funding allocations for those partners which are more effective in providing building envelope measures and have capacity to increase; and
- e. testing of new program delivery models, including – for those community-based partners that do not have the capability and/or interest in weatherization services – delivery of air sealing and insulation by a DTE-hired contractor at the time the community-based partners are providing other measures and services (through coordination with such partners).

DTE will continue to ensure that there is a focus on health and safety, as well as quality installation of all building envelope measures.

5. *Increased rebate levels for air sealing and insulation for electrically-heated single family homes.* DTE will increase rebate levels for residential insulation measures, blower-door guided air sealing, and BPI-certified comprehensive energy assessments to the lesser of \$5,000 or 50% of the cost of such measures for homes that heat with electricity or have a signed contract to electrify their primary heating system. If DTE is promoting the electrification of primary heating systems in single family homes outside of EWR that have delivered fuels like propane, kerosene, or fuel oil (e.g., Delivered Fuel Electrification Pilot in K. Peterson’s testimony in Case No. U-21297), DTE will refer those customers to this program.

6. *Behavior Savings.* DTE will limit behavior savings to the lesser of 10% of the total portfolio savings or 72,000 MWh for electric and 250,000 MCF for gas for 2024 and 2025.

7. *EWR Supplier Diversity Reporting.* DTE will report on supplier diversity spend in its EWR annual reconciliations. Specifically, DTE will include the dollar and percentage spent with minority- and/or women-owned businesses and number of diverse suppliers.

8. *Demographic Data Collection.* DTE will append demographic data from third-party sources to Energy Efficiency Assistance (EEA) and Income-Qualified Multifamily participation data. When possible, DTE will survey customers to collect primary demographic data. Demographic data may include, but are not limited to, income, race, ethnicity, renter status, number of units in apartment buildings, census tract, housing age, and other relevant census data.

In addition, DTE will track and report demographic data for participants in all income-qualified programs. For reporting, data will be aggregated rather than attributed to individual households. Data points to track include:

- a. Voluntary information during post-participation survey. These data will be supplemented by census data and other sources:
 - i. Income.
 - ii. Race.
 - iii. Ethnicity.
- b. Required information on application or during program participation:
 - i. Renter status (renter/owner).
 - ii. Number of apartments in the building (or single family).
 - iii. Affordable housing type (public, subsidized, or unsubsidized).
- c. Participant information that DTE can determine on its own and publicly report:
 - i. Census Tract.

- ii. Age of home/property (this could also be requested from applicants).
 - iii. The number of homes treated in each Census Tract for income-qualified participants should be reported out to stakeholders alongside demographic information for that Census Tract, such as income, race, and ethnicity.
 - iv. The number of homes treated in each Census Tract for residential participants.
- d. Collect and report total customer count for single-family EWR participants enrolled in LSP.
 - e. All data collection of customers, delineated in item 8.a. through d., will comply with current Commission data and privacy regulations. All data collection is subject to future Commission regulation on the collection, storage, and dissemination of customer information whether individual or in aggregate.

9. *Income-Qualified Multifamily Data Analysis.* DTE will monitor the data tracked in Section 8, and in compliance with all current and future Commission customer information data privacy regulation, to:

- a. Identify patterns indicating which types of properties may be underserved (e.g., electrically heated properties, unsubsidized, or smaller properties);
and

- b. Explore whether there are strategies (e.g., marketing) that may lead to more underserved properties participating in the program, which may include receiving Health & Safety pilot upgrades.

10. *Additional Funding Sources.* DTE will track and report on current and ongoing collaborations and efforts to promote additional funding sources from federal, state, and/or private sources for all its EWR programs.

11. *Income-Qualified Multifamily reporting.* DTE will report on items outlined in Attachment B. Reporting of items are subject to modifications based upon written agreement of the Parties. Data collection, reporting and dissemination will comply with any current or future Commission data and privacy regulations.

12. *Neighborhood Approach.* DTE will implement the Neighborhood Approach as outlined in Attachment C.

13. *Income-Qualified Multifamily program design.* DTE will refine its Income-Qualified Multifamily program to include the following:

- a. DTE will offer to pay contractors directly for work performed for some measures (e.g., air sealing and insulation) as property owner directed.
- b. When not paying a contractor directly, the program will offer the option of paying incentives in stages. For example, if the property is working in stages (by building or floor), the program will initiate payment at staged completion of installation.
- c. Working with Michigan Saves to provide below-market rate bridge loans with terms between 12 months to 3 years, to bridge construction costs.

- d. DTE will endeavor to work with MSHDA to (A) encourage/require LIHTC applicants to include DTE's Income-Qualified Multifamily program rebates in their applications and (B) to identify likely potential LIHTC rehabilitation applicants at least 12 months in advance of their application to incorporate efficiency measures in their capital needs assessment (CNA) / physical needs assessment (PNA). DTE will support property owners in conducting an energy assessment when completing their building's CNA/PNA and provide an incentive reservation letter to the applicant.

14. *Michigan 211*. In furtherance of ensuring that payment assistance customers have access to and are informed about EWR program options, DTE will share a list of all available income-qualified programs, along with descriptions and contact information with Michigan 211.

15. *Weatherization Materials Reporting*. DTE will continue to track and report on the weatherization materials used in the Energy Efficiency Assistance, Income-Qualified Multifamily, and Audit & Weatherization programs. All data collection of customers will comply with current Commission data and privacy regulations. All data collection is subject to future Commission regulation on the collection, storage, and dissemination of customer information whether individual or in aggregate.

16. *DTE Engagement with Inflation Reduction Act Programs*. The Michigan Department of Environment, Great Lakes, and Energy (EGLE) is expected to submit the state's plan for implementing the IRA's Home Energy Rebates program no later than January 31, 2025. EGLE is also expected to submit a plan for implementing the IRA's Home Electrification and Appliance Rebates program by August 2024. Between now and submission of those plans, EGLE is expected to seek input from stakeholders. DTE commits to the following:

- a. DTE will encourage the state to implement a “one-stop shop” approach to implementation of the HOMES and HEEHRA programs that helps customers to stack these rebates with other state, federal, and utility funding streams for whole-home retrofits, including at a minimum: pre-weatherization repairs (Health & Safety pilot); and weatherization.
- b. If the rebates become available during the 2024-25 plan period, DTE will play an active role in marketing the federal rebate programs / the state’s one-stop shop (if created) to its customers in order to make home improvement investments easier for customers and to both increase participation and lower costs per household of participation in DTE’s EWR programs.
- c. DTE will encourage EGLE to prioritize treatment of low-income households by allocating more than the federally-required 50% set-asides for such customers, as well as considering an additional set-aside for low-income multifamily buildings. This will advance equity objectives by increasing the number of low-income households receiving efficiency upgrades. It will also help to increase participation in the state’s low-income EWR programs while simultaneously lowering EWR program costs per household.
- d. DTE will encourage the state to make rebates accessible by using categorical eligibility and self-attestation for income verification.
- e. DTE will support the state in developing a plan for contractor outreach and training to include as part of its state plan.

17. *Triannual Settlement Updates.* DTE and the interested Parties to the Settlement will meet three times annually for DTE to provide reporting and updates on the progress of the items described in the Settlement Agreement.

18. *Monthly, quarterly, or 45-day reporting.* Previously required monthly, quarterly or 45-day reporting from DTE to Commission Staff on the status of program implementation will be on a voluntary basis going forward. Program implementation status will be reported to Commission Staff if, at any time throughout a program year, DTE expects to not meet legislative targets, recently approved IRP EWR targets, or targets established and approved in this case.

19. *Pilot expenditures.* DTE will be authorized, as proposed in the plan, to spend up to 7% of its budget on pilot programs for program years 2024 and 2025. Two percent of those expenditures will be allocated exclusively for the ongoing Health & Safety pilot program. DTE will report, in its annual reconciliation and annual report to the Commission for those program years, the actual dollars spent on the Health & Safety implementation that were derived from the actual pilot spend.

20. This Settlement Agreement is entered into for the sole and express purpose of reaching a compromise among the Parties. All offers of settlement and discussions relating to this Settlement Agreement are considered privileged under MRE 408. If the Commission approves this Settlement Agreement without modification, neither the Parties to this settlement nor the Commission shall make any reference to, or use this Settlement Agreement or the order approving it, as a reason, authority, rationale, or example for taking any action or position or making any subsequent decision in any other case or proceeding; provided however, such references may be made to enforce or implement the terms of the Settlement Agreement and the order approving it.

21. This Settlement Agreement is not severable. Each provision of this Settlement Agreement is dependent upon all other provisions of this Settlement Agreement, including the attachments. Failure to comply with any provision of this Settlement Agreement, including commitments phrased in firm language (such as “shall” or “will”) in the attachments, constitutes failure to comply with the entire Settlement Agreement. If the Commission rejects or modifies this Settlement Agreement, this Settlement Agreement shall be deemed to be withdrawn, and shall not constitute any part of the record in this proceeding or be used for any other purpose and shall not operate to prejudice the pre-negotiation positions of any party.

22. This Settlement Agreement is reasonable and in the public interest and will reduce the time and expense of the Commission, its Staff, and the Parties.

23. The Parties agree to waive Section 81 of 1969 PA 306 (MCL 24.281), as it applies to the issues in this proceeding, if the Commission approves this Settlement Agreement without modification.

24. This Settlement Agreement may be executed in any number of counterparts, each considered an original, and all counterparts that are executed shall have the same effect as if they were the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Settlement Agreement to be duly executed by their respective duly authorized officers as of the date first written below.

DTE ELECTRIC COMPANY AND DTE GAS COMPANY

By: _____
Breanne K. Reitzel (P81107)
DTE Electric Company
DTE Gas Company
One Energy Plaza, Detroit, MI 48226
(313) 235-9772

Dated: October 31, 2023

MICHIGAN PUBLIC SERVICE COMMISSION STAFF

2023.10.30

Heather M. Durian 14:20:57

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By: _____

Dated: October 30, 2023

Heather Durian (P67587)
Alena Clark (P73252)
Assistant Attorneys General
7109 West Saginaw Hwy, 3rd Fl
Lansing, MI 48917
(517) 241-6680

SIERRA CLUB

By: _____

Dated: _____, 2023

Elena Saxonhouse
Sierra Club Environmental Law Program
2101 Webster St., Suite 1300
Oakland, CA 94612

Tracy Jane Andrews (P67467)
Christopher M. Bzdok (P53094)
Troposphere Legal
420 E. Front Street
Traverse City, MI 49686

NATURAL RESOURCES DEFENSE COUNCIL, NATIONAL HOUSING TRUST, AND THE ECOLOGY CENTER

By: _____

Dated: _____, 2023

Holly Hillyer (P85318)
Tracy Jane Andrews (P67467)
Christopher M. Bzdok (P53094)
Troposphere Legal
420 E. Front Street
Traverse City, MI 49686

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Dated: _____, 2023

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NATURAL RESOURCES DEFENSE COUNCIL, NATIONAL HOUSING TRUST, AND THE ECOLOGY CENTER

By: _____

Dated: _____, 2023

 Digitally signed by Holly Hillyer
DN: cn=Holly Hillyer, o=Troposphere
Legal, PLC,
email=holly@tropospherelegal.com, c=US
Date: 2023.10.30 16:09:07 -04'00'

Holly Hillyer (P85318)
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**NATURAL RESOURCES DEFENSE COUNCIL, NATIONAL HOUSING TRUST, AND
THE ECOLOGY CENTER**

By: _____

Holly Hillyer (P85318)
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Troposphere Legal
420 E. Front Street
Traverse City, MI 49686

Dated: _____, 2023

MICHIGAN ATTORNEY GENERAL

By: **Michael E. Moody** _____

Michael E. Moody (P51985)
Joel B. King (P81270)
525 W. Ottawa Street
P.O. Box 30755
Lansing, MI 48909

Digitally signed by
Michael E. Moody
Date: 2023.10.30
16:04:48 -04'00'

Dated: _____, 2023

Attachment A:

Electric Performance Incentive Mechanism

	Legislative First Year Savings Tiers		Lifetime Savings (MWh)		Income Qualified Spend (\$)		Income Qualified Electrically Heated Buildings & Weatherization Measures			
			Minimum (100%)		Minimum (100%)		Minimum (100%)		Minimum (100%)	
			YR 2024	6,840,124	YR 2024	\$37,221,433	YR 2024	800	YR 2025	1,050
			YR 2025	6,771,325	YR 2025	\$45,721,433				
		Maximum (133%)		Maximum (118%)		Maximum (131%)		Maximum (143%)		
		YR 2024	9,120,165	YR 2024	\$43,789,921	YR 2024	1,050	YR 2025	1,500	
		YR 2025	9,028,434	YR 2025	\$53,789,921					
		Weight 80%		Weight 10.0%		Weight 15.0%		Weight 15.0%		
		%Savings	%Incentive	%Savings	%Incentive	%Measure	%Incentive	%Measure	%Incentive	
Tier 1	1.00%	15.00%	100.0%	11.43%	100.0%	1.43%	100.0%	2.14%	100.0%	2.14%
	1.01%	15.10%	100.7%	11.52%	100.4%	1.44%	100.6%	2.16%	100.9%	2.16%
	1.02%	15.20%	101.3%	11.61%	100.7%	1.45%	101.3%	2.18%	101.7%	2.18%
	1.03%	15.30%	102.0%	11.70%	101.1%	1.46%	101.9%	2.19%	102.6%	2.19%
	1.04%	15.40%	102.7%	11.79%	101.4%	1.47%	102.5%	2.21%	103.4%	2.21%
	1.05%	15.50%	103.3%	11.89%	101.8%	1.49%	103.1%	2.23%	104.3%	2.23%
	1.06%	15.60%	104.0%	11.98%	102.1%	1.50%	103.8%	2.25%	105.1%	2.25%
	1.07%	15.70%	104.7%	12.07%	102.5%	1.51%	104.4%	2.26%	106.0%	2.26%
	1.08%	15.80%	105.3%	12.16%	102.8%	1.52%	105.0%	2.28%	106.9%	2.28%
	1.09%	15.90%	106.0%	12.25%	103.2%	1.53%	105.6%	2.30%	107.7%	2.30%
	1.10%	16.00%	106.7%	12.34%	103.5%	1.54%	106.3%	2.31%	108.6%	2.31%
	1.11%	16.10%	107.3%	12.43%	103.9%	1.55%	106.9%	2.33%	109.4%	2.33%
	1.12%	16.20%	108.0%	12.53%	104.2%	1.57%	107.5%	2.35%	110.3%	2.35%
	1.13%	16.30%	108.7%	12.62%	104.6%	1.58%	108.1%	2.37%	111.1%	2.37%
	1.14%	16.40%	109.3%	12.71%	104.9%	1.59%	108.8%	2.38%	112.0%	2.38%
	1.15%	16.50%	110.0%	12.80%	105.3%	1.60%	109.4%	2.40%	112.9%	2.40%
	1.16%	16.60%	110.7%	12.89%	105.6%	1.61%	110.0%	2.42%	113.7%	2.42%
1.17%	16.70%	111.3%	12.98%	106.0%	1.62%	110.6%	2.43%	114.6%	2.43%	
1.18%	16.80%	112.0%	13.07%	106.4%	1.63%	111.3%	2.45%	115.4%	2.45%	
1.19%	16.90%	112.7%	13.17%	106.7%	1.65%	111.9%	2.47%	116.3%	2.47%	
1.20%	17.00%	113.3%	13.26%	107.1%	1.66%	112.5%	2.49%	117.1%	2.49%	
1.21%	17.10%	114.0%	13.35%	107.4%	1.67%	113.1%	2.50%	118.0%	2.50%	
1.22%	17.20%	114.7%	13.44%	107.8%	1.68%	113.8%	2.52%	118.9%	2.52%	
1.23%	17.30%	115.3%	13.53%	108.1%	1.69%	114.4%	2.54%	119.7%	2.54%	
1.24%	17.40%	116.0%	13.62%	108.5%	1.70%	115.0%	2.55%	120.6%	2.55%	
Tier 2	1.25%	17.50%	116.7%	13.71%	108.8%	1.71%	115.6%	2.57%	121.4%	2.57%
	1.26%	17.60%	117.3%	13.81%	109.2%	1.73%	116.3%	2.59%	122.3%	2.59%
	1.27%	17.70%	118.0%	13.90%	109.5%	1.74%	116.9%	2.61%	123.1%	2.61%
	1.28%	17.80%	118.7%	13.99%	109.9%	1.75%	117.5%	2.62%	124.0%	2.62%
	1.29%	17.90%	119.3%	14.08%	110.2%	1.76%	118.1%	2.64%	124.9%	2.64%
	1.30%	18.00%	120.0%	14.17%	110.6%	1.77%	118.8%	2.66%	125.7%	2.66%
	1.31%	18.10%	120.7%	14.26%	110.9%	1.78%	119.4%	2.67%	126.6%	2.67%
	1.32%	18.20%	121.3%	14.35%	111.3%	1.79%	120.0%	2.69%	127.4%	2.69%
	1.33%	18.30%	122.0%	14.45%	111.6%	1.81%	120.6%	2.71%	128.3%	2.71%
	1.34%	18.40%	122.7%	14.54%	112.0%	1.82%	121.3%	2.73%	129.1%	2.73%
	1.35%	18.50%	123.3%	14.63%	112.4%	1.83%	121.9%	2.74%	130.0%	2.74%
	1.36%	18.60%	124.0%	14.72%	112.7%	1.84%	122.5%	2.76%	130.9%	2.76%
	1.37%	18.70%	124.7%	14.81%	113.1%	1.85%	123.1%	2.78%	131.7%	2.78%
	1.38%	18.80%	125.3%	14.90%	113.4%	1.86%	123.8%	2.79%	132.6%	2.79%
	1.39%	18.90%	126.0%	14.99%	113.8%	1.87%	124.4%	2.81%	133.4%	2.81%
	1.40%	19.00%	126.7%	15.09%	114.1%	1.89%	125.0%	2.83%	134.3%	2.83%
	1.41%	19.10%	127.3%	15.18%	114.5%	1.90%	125.6%	2.85%	135.1%	2.85%
1.42%	19.20%	128.0%	15.27%	114.8%	1.91%	126.3%	2.86%	136.0%	2.86%	
1.43%	19.30%	128.7%	15.36%	115.2%	1.92%	126.9%	2.88%	136.9%	2.88%	
1.44%	19.40%	129.3%	15.45%	115.5%	1.93%	127.5%	2.90%	137.7%	2.90%	
1.45%	19.50%	130.0%	15.54%	115.9%	1.94%	128.1%	2.91%	138.6%	2.91%	
1.46%	19.60%	130.7%	15.63%	116.2%	1.95%	128.8%	2.93%	139.4%	2.93%	
1.47%	19.70%	131.3%	15.73%	116.6%	1.97%	129.4%	2.95%	140.3%	2.95%	
1.48%	19.80%	132.0%	15.82%	116.9%	1.98%	130.0%	2.97%	141.1%	2.97%	
1.49%	19.90%	132.7%	15.91%	117.3%	1.99%	130.6%	2.98%	142.0%	2.98%	
Tier 3	1.50%	20.00%	133.3%	16.00%	117.6%	2.00%	131.3%	3.00%	142.9%	3.00%

1. The financial incentive is calculated by adding up the percentages earned in each of the 3 metrics. The incentive earned is the lesser of the percentage earned for Legislative First Year Savings Tiers or the combined percentages earned in the 3 other metrics. The total incentive award can not exceed the award based on the Company's Legislative First Year Savings Tiers achieved.

2. Income-Qualified Electrically Heated Buildings & Weatherization Measures includes: Cold climate Heat Pump, Heat Pump Water Heater, Air sealing 15%, Air sealing 20%, Air sealing 30%, Air sealing 40%, Air sealing 50%, Above Grade Wall Insulation, Attic Insulation, Basement Wall Insulation, Crawlspace Insulation, Floor Insulation, Knee-wall Insulation, or Rim Joist Insulation in multifamily or single-family buildings that are electrically heated or have AC and non-DTE fossil fuel (gas or propane). All Measures counted separately. Max of one air sealing measure per housing unit can be counted. Insulation measures must be applied to the majority of applicable surface in a building to count. Includes both income qualified single family and income qualified multifamily buildings. Multifamily measures that are servicing multiple units will be counted per unit serviced.

Gas Performance Incentive Mechanism

	Legislative First Year Savings Tiers		Lifetime Savings (MCF)		Income Qualified Spend (\$)		Income Qualified Weatherization Measures			
			Minimum (100%)		Minimum (100%)		Minimum (100%)		Minimum (100%)	
			YR 2024	13,914,799	YR 2024	\$16,413,284	YR 2024	5,000	YR 2025	5,500
			YR 2025	14,243,290	YR 2025	\$16,413,284				
			Maximum (140%)		Maximum (118%)		Maximum (130%)		Maximum (127%)	
		YR 2024	19,480,718	YR 2024	\$19,309,745	YR 2024	6,500	YR 2025	7,000	
		YR 2025	19,940,606	YR 2025	\$19,309,745					
		Weight	80%	Weight	10.0%	Weight	15.0%	Weight	15.0%	
Tier 1	% Saving	% Incentive	% Saving	% Incentive	% Saving	% Incentive	% Measure	% Incentive	% Measure	% Incentive
	0.750%	15.00%	100.0%	11.43%	100.0%	1.43%	100.0%	2.14%	100.0%	2.14%
	0.755%	15.10%	100.8%	11.52%	100.4%	1.44%	100.6%	2.16%	100.5%	2.16%
	0.760%	15.20%	101.6%	11.61%	100.7%	1.45%	101.2%	2.18%	101.1%	2.18%
	0.765%	15.30%	102.4%	11.70%	101.1%	1.46%	101.8%	2.19%	101.6%	2.19%
	0.770%	15.40%	103.2%	11.79%	101.4%	1.47%	102.4%	2.21%	102.2%	2.21%
	0.775%	15.50%	104.0%	11.89%	101.8%	1.49%	103.0%	2.23%	102.7%	2.23%
	0.780%	15.60%	104.8%	11.98%	102.1%	1.50%	103.6%	2.25%	103.3%	2.25%
	0.785%	15.70%	105.6%	12.07%	102.5%	1.51%	104.2%	2.26%	103.8%	2.26%
	0.790%	15.80%	106.4%	12.16%	102.8%	1.52%	104.8%	2.28%	104.4%	2.28%
	0.795%	15.90%	107.2%	12.25%	103.2%	1.53%	105.4%	2.30%	104.9%	2.30%
	0.800%	16.00%	108.0%	12.34%	103.5%	1.54%	106.0%	2.31%	105.5%	2.31%
	0.805%	16.10%	108.8%	12.43%	103.9%	1.55%	106.6%	2.33%	106.0%	2.33%
	0.810%	16.20%	109.6%	12.53%	104.2%	1.57%	107.2%	2.35%	106.5%	2.35%
	0.815%	16.30%	110.4%	12.62%	104.6%	1.58%	107.8%	2.37%	107.1%	2.37%
	0.820%	16.40%	111.2%	12.71%	104.9%	1.59%	108.4%	2.38%	107.6%	2.38%
	0.825%	16.50%	112.0%	12.80%	105.3%	1.60%	109.0%	2.40%	108.2%	2.40%
	0.830%	16.60%	112.8%	12.89%	105.6%	1.61%	109.6%	2.42%	108.7%	2.42%
	0.835%	16.70%	113.6%	12.98%	106.0%	1.62%	110.2%	2.43%	109.3%	2.43%
	0.840%	16.80%	114.4%	13.07%	106.4%	1.63%	110.8%	2.45%	109.8%	2.45%
	0.845%	16.90%	115.2%	13.17%	106.7%	1.65%	111.4%	2.47%	110.4%	2.47%
	0.850%	17.00%	116.0%	13.26%	107.1%	1.66%	112.0%	2.49%	110.9%	2.49%
	0.855%	17.10%	116.8%	13.35%	107.4%	1.67%	112.6%	2.50%	111.5%	2.50%
	0.860%	17.20%	117.6%	13.44%	107.8%	1.68%	113.2%	2.52%	112.0%	2.52%
	0.865%	17.30%	118.4%	13.53%	108.1%	1.69%	113.8%	2.54%	112.5%	2.54%
	0.870%	17.40%	119.2%	13.62%	108.5%	1.70%	114.4%	2.55%	113.1%	2.55%
Tier 2	0.875%	17.50%	120.0%	13.71%	108.8%	1.71%	115.0%	2.57%	113.6%	2.57%
	0.880%	17.60%	120.8%	13.81%	109.2%	1.73%	115.6%	2.59%	114.2%	2.59%
	0.885%	17.70%	121.6%	13.90%	109.5%	1.74%	116.2%	2.61%	114.7%	2.61%
	0.890%	17.80%	122.4%	13.99%	109.9%	1.75%	116.8%	2.62%	115.3%	2.62%
	0.895%	17.90%	123.2%	14.08%	110.2%	1.76%	117.4%	2.64%	115.8%	2.64%
	0.900%	18.00%	124.0%	14.17%	110.6%	1.77%	118.0%	2.66%	116.4%	2.66%
	0.905%	18.10%	124.8%	14.26%	110.9%	1.78%	118.6%	2.67%	116.9%	2.67%
	0.910%	18.20%	125.6%	14.35%	111.3%	1.79%	119.2%	2.69%	117.5%	2.69%
	0.915%	18.30%	126.4%	14.45%	111.6%	1.81%	119.8%	2.71%	118.0%	2.71%
	0.920%	18.40%	127.2%	14.54%	112.0%	1.82%	120.4%	2.73%	118.5%	2.73%
	0.925%	18.50%	128.0%	14.63%	112.4%	1.83%	121.0%	2.74%	119.1%	2.74%
	0.930%	18.60%	128.8%	14.72%	112.7%	1.84%	121.6%	2.76%	119.6%	2.76%
	0.935%	18.70%	129.6%	14.81%	113.1%	1.85%	122.2%	2.78%	120.2%	2.78%
	0.940%	18.80%	130.4%	14.90%	113.4%	1.86%	122.8%	2.79%	120.7%	2.79%
	0.945%	18.90%	131.2%	14.99%	113.8%	1.87%	123.4%	2.81%	121.3%	2.81%
	0.950%	19.00%	132.0%	15.09%	114.1%	1.89%	124.0%	2.83%	121.8%	2.83%
	0.955%	19.10%	132.8%	15.18%	114.5%	1.90%	124.6%	2.85%	122.4%	2.85%
	0.960%	19.20%	133.6%	15.27%	114.8%	1.91%	125.2%	2.86%	122.9%	2.86%
	0.965%	19.30%	134.4%	15.36%	115.2%	1.92%	125.8%	2.88%	123.5%	2.88%
	0.970%	19.40%	135.2%	15.45%	115.5%	1.93%	126.4%	2.90%	124.0%	2.90%
	0.975%	19.50%	136.0%	15.54%	115.9%	1.94%	127.0%	2.91%	124.5%	2.91%
	0.980%	19.60%	136.8%	15.63%	116.2%	1.95%	127.6%	2.93%	125.1%	2.93%
	0.985%	19.70%	137.6%	15.73%	116.6%	1.97%	128.2%	2.95%	125.6%	2.95%
	0.990%	19.80%	138.4%	15.82%	116.9%	1.98%	128.8%	2.97%	126.2%	2.97%
	0.995%	19.90%	139.2%	15.91%	117.3%	1.99%	129.4%	2.98%	126.7%	2.98%
Tier 3	1.000%	20.00%	140.0%	16.00%	117.6%	2.00%	130.0%	3.00%	127.3%	3.00%

1. The financial incentive is calculated by adding up the percentages earned in each of the 3 metrics. The incentive earned is the lesser of the percentage earned for Legislative First Year Savings Tiers or the combined percentages earned in the 3 other metrics. The total incentive award can not exceed the award based on the Company's Legislative First Year Savings Tiers achieved.

2. Income Qualified Weatherization Measures includes: Air sealing 15%, Air sealing 20%, Air sealing 30%, Air sealing 40%, Air sealing 50%, Above Grade Wall Insulation, Attic Insulation, Basement Wall Insulation, Crawlspace Insulation, Floor Insulation, Kneewall Insulation, or Rim Joist Insulation. All Measures counted separately. Max of one air sealing measure per housing unit can be counted. Insulation measures must be applied to the majority of applicable surface in a building to count. Includes both income qualified single family and income qualified multifamily buildings. For multifamily buildings, the number of apartments affected by air sealing and/or insulation are what is counted.

Attachment B:

Income-Qualified Multifamily Reporting

DTE will track and share data with Staff, Sierra Club, NHT, NRDC, and the Ecology Center, subject to a signed NDA as it pertains to personally identifiable information, at the agreed upon triannual updates to provide input and foster further program discussions. Data reported, which may be changed upon mutual agreement between DTE and Staff, Sierra Club, NHT, NRDC, and Ecology Center, will include but is not limited to the following data specific to the Income-Qualified Multifamily (IQMF) program:

Property-Level Data

- a. # of properties and units served – for a single property all savings and measures will be reported together
- b. # of properties that received a Level I energy assessment
- c. # of properties that received a Level II energy assessment
- d. # of properties that installed 2 or more prescriptive or custom measures
- e. # of subsidized and unsubsidized properties participating

Measure-Level Data

- f. # of properties reported above that received incentives in the following categories:
 - i. HVAC
 1. Furnaces
 2. Boilers
 3. Heat Pumps
 4. Central AC
 5. Window AC
 6. Insulation
 7. Air Sealing
 8. Windows
 - ii. Lighting
 1. In-unit prescriptive/custom
 2. Common area prescriptive/custom
 3. Exterior
 - iii. Water Heating
 - iv. Appliances
 1. Refrigerators
 2. Clothes washer
 3. Clothes dryer
 - v. Custom
- g. Conversion rates:
 - i. Overall conversion rate (i.e., what % of properties moved from assessment to prescriptive/custom), separately for:
 1. Program outreach staff started projects

2. Contractor started projects
 - ii. Track measure recommendations for energy assessment reports

Investment Data

- h. Total incentive spending (by fuel)
- i. Total non-incentive spending (by fuel)

Savings Data

- j. MWh savings achieved in paid projects
- k. MCF savings achieved in paid projects
- l. In the annual reconciliation process, DTE will calculate the average % savings of total energy use per property (by fuel) for a statistically-informative random sample of weatherization projects, will report the results after the analysis is completed

Outreach Data

- m. # of electronic program inquiries received
- n. # of conversations with MSHDA staff
- o. Information on Income-Qualified Multifamily collaboration efforts presented in coordination with Consumers Energy

Attachment C:

Neighborhood Approach

1. DTE will renew the Neighborhood Approach Initiative (Initiative) for the 2024-2025 plan years, in addition to completing the Initiative that had been planned for 2022-2023 and is extending into 2024.
2. DTE will allocate the following budget to the Initiative:
 - a. \$2,000,000 from Income Qualified programs' budgets (i.e., Energy Efficiency Assistance (EEA) program and/or Income-Qualified Multifamily program) for 2024-25;
 - b. \$250,000 of Health & Safety Pilot funding shall be earmarked for the Initiative;
 - c. This budget can also be inclusive of recent federal funding (e.g., IRA programs such as Climate and Environmental Justice Block Grants) or state funding (e.g., EGLE grants) if available, even if brought in by partners/implementers.
 - d. The Initiative will prioritize addressing weatherization opportunities. To that end, the Initiative will not replace an existing gas furnace or gas water heater unless DTE has both (1) conducted an audit of weatherization opportunities and (2) arranged with the customer to install eligible weatherization measures identified through the audit that are acceptable to the customer.
3. The target area for the Initiative may be expanded, consistent with the Low Income Needs Assessment study, surveys, and implementation plan conducted according to the settlements reached in Case Nos. U-20876 and U-20881. The selection of any new target area(s) will take into account input from community-based organizations already providing services in the potential target area(s). For example, the Initiative may:
 - a. Expand along borders of the current neighborhood;
 - b. Move somewhere else within the target census tract;
 - c. Move somewhere else already identified as a priority census tract;
 - d. Continue to work in the 2022-23 selected neighborhood; or
 - e. Select a new location based on some combination of the above.
4. The Income-Qualified Multifamily Program will pursue properties in the zip code of the Initiative by conducting direct outreach with the goal of installing weatherization measures and high efficiency heat pump units (for electric-resistance heated properties).
5. DTE will have a dedicated outreach coordinator for the Initiative with community organizing experience, who will prepare and implement a grassroots, boots-on-the-ground outreach plan based on the specific attributes and resources of the target neighborhood(s). The outreach plan will rely primarily on community-based trusted messengers to help identify and enroll eligible customers in the Initiative.
 - a. Sierra Club may assist in identifying community resources and other connections to support the development of an outreach plan.
6. DTE will seek (through the EWR Low Income Workgroup and other networks within its service territory) to identify governmental or not-for-profit organizational partners who would be eligible for and interested in applying for new funding to fill gaps needed for whole-home retrofits in the selected neighborhoods in cooperation with DTE's EEA and Income-Qualified Multifamily Program. Such funds could be dedicated to DTE's existing partnerships with the Neighborhood Approach that are successful but need additional funding. DTE will support the selected partner(s) with grant proposals to be submitted during the years of this plan filing (2024-2025).

DTE will include reporting on this effort in its reporting regarding leveraging public funds referenced in paragraph 10 of the Settlement Agreement.

7. DTE will convene at least two meetings each calendar year with community-based organizations or institutions located or working in the target neighborhood(s) and administrators of various home repair and healthy housing programs working in or near the target neighborhood(s) to improve understanding of the community's needs and best avenues of outreach; identify opportunities to collaborate in seeking public funds; and help ensure that various organizations are not duplicating efforts to seek such funding. DTE will include reporting on this effort in its reporting regarding leveraging public funds referenced in paragraph 10 of the Settlement Agreement.
8. Using funding from DTE's existing administrative/evaluation budget, DTE will collect and provide to the Parties to the Settlement in the agreed-upon triannual meetings the following information as to the Initiative. DTE will collect this information through Q4 2025.
 - a. Breakdown of measures installed;
 - b. Average incentive per customer;
 - c. Number of single-family households served;
 - d. Number of multifamily buildings served and total number of units;
 - e. Cost of outreach implementation (total, average per participating customer), broken down by type of outreach (in-person, phone calls, material leave-behind, etc.);
 - f. Number of home assessments conducted;
 - g. Average Health & Safety Pilot funds per customer;
 - h. Energy efficiency measures able to be installed because of Health & Safety Pilot repairs/upgrades;
 - i. Cycle time for Initiative customer (assessment date to project completion);
 - j. Funding sources per household: EEA, WAP, Health & Safety Pilot, LIHEAP, BIL, other;
 - k. Number of deferrals/walkaways or customer declines and reason for each;
 - l. How customers receiving measures learned about the Initiative (e.g., block group, word of mouth, flyer);
 - m. Qualitative feedback from contractors and Wayne Metro (or other implementing partner(s)) about their experience with the Initiative, e.g., in response to questions like "What are your lessons learned?" "What would you recommend to others trying to implement a similar program?"
9. DTE will provide outreach/educational materials to multifamily owners and renters in the target neighborhood(s).
10. DTE will offer the following educational opportunities to potential participants in the Initiative, block groups, and other community groups (in partnership with implementing partners; public funds may be available).
 - a. Simple do-it-yourself weatherization;
 - b. How to access rebates; and
 - c. Federal funding opportunities.

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own)
motion, regarding the regulatory reviews,)
revisions, determinations, and/or approvals)
necessary for **DTE ELECTRIC**)
COMPANY and DTE GAS COMPANY)
to fully comply with Public)
Act 295 of 2008, as amended by Public)
Act 342 of 2016)

Case No. U-21322

PROOF OF SERVICE

STATE OF MICHIGAN)
) ss.
COUNTY OF WAYNE)

CAITLIN D. MYERS states that on October 31, 2023, she served a copy of DTE Electric Company's and DTE Gas Company's Stipulation and Settlement Agreement in the above captioned matter, via electronic mail, upon the persons listed on the attached service list.

CAITLIN D. MYERS

SERVICE LIST
MPSC Case No. U-21322

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COUNCIL; NATIONAL HOUSING
TRUST; SIERRA CLUB; THE
ECOLOGY CENTER**

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