The Extra Benefits of Energy Efficiency for Utilities and Customers

Presentation at the International Energy Agency Roundtable on Capturing the Multiple Benefits of Energy Efficiency

October 15, 2013

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DTE Energy
• Use energy efficiency to drive customer satisfaction
• Target our marketing to increase awareness/satisfaction and decrease costs
• More satisfied customers lead to lower service costs and better regulatory outcomes
Who We Are

DTE Electric
- Tenth largest US electric utility with 2.1 million customers
- 7,600 square mile service territory centered around Detroit
- Approx. $5 billion in revenue, $16 billion in assets
- Regulated by the Michigan Public Service Commission (MPSC)

DTE Gas
- Eleventh largest US natural gas utility with 1.2 million customers
- 14,700 square mile service territory throughout Michigan
- Significant state regulated gas storage capacity benefits customers (~132 Bcf)
- Approx. $2 billion in revenue, $4 billion in assets
- Regulated by the Michigan Public Service Commission (MPSC)
How Energy Efficiency Impacts Customer Satisfaction

Customers Believe metric impacts customer satisfaction primarily via Pricing and Corporate Image

Energy Programs
SAVENRGY Helping customers save money on bills

Customer Satisfaction Key Drivers

- M Electric Delivery: 78% (27%)
- N Gas Delivery*: 89% (4%)
- O Electric Pricing: 64% (18%)
- P Gas Pricing: 67% (18%)
- Q Service Reputation: 71% (29%)
- R Corporate Image: 76% (4%)

Customer Touches
- Increased Awareness
- Budget Spend

Benefits
- 53%
- 11%

Customers Believe
- Budget Spend
- Customer Touches
- Increased Awareness
Residential Awareness - Before

- **2011 Target**: 65%
- **July, 2011 Target**: 65%
- **July, 2011 Status**: 64%
- **July, 2011 Gap**: (1%)
Residential Customers Believe - Before

Help Save Energy Historical Trend

- 2011 Target: 68%
- July, 2011 Target: 68%
- July, 2011 Status: 62%
- July, 2011 Gap: (6)%
Review Data by Region

**Detroit**

Gap from target as high as 23% in April

- January: 59%
- February: 54%
- March: 61%
- April: 45%
- May: 49%
- June: 55%
- July: 54%

**Oakland**

Gap from target as high as 14% in July

- January: 67%
- February: 56%
- March: 56%
- April: 61%
- May: 54%
- June: 59%
- July: 54%

Identify Target Customers
Cash Flow

Gap from target as high as 15% in July

Affluent Greens

Gap from target as high as 23% in July

Identify Target Customers
Save energy and money this winter. DTE Energy can show you how!

There are a variety of easy ways you can save money on your energy bills this winter. Things as simple as ...

• Unplugging your appliances when they're not in use
• Turning down your thermostat to 60°
• Even better, getting a programmable thermostat can save you about $180
• Sealing air leaks around doors and windows
• Switching to CFL bulbs – they use 90% less energy than standard bulbs

Learn More!

For even more tips, go to dteenergy.com/saveenergy

Shopping tips that SAVE.

One of the easiest ways to save energy and money is to look for the ENERGY STAR® logo when shopping for appliances and lighting.

• A new ENERGY STAR® qualified washer could save you $135 each year on your utility bills.
• An ENERGY STAR® qualified programmable thermostat can save up to $180 per year!
• ENERGY STAR® qualified CFL light bulbs last 10 times longer than incandescent bulbs. Plus, they save about $44 over the life of the bulb.

Looking for more helpful hints? Just go to dteenergy.com/saveenergy for all kinds of shopping tips, information on understanding energy costs and much more.
Targeted Events & Sponsorships
Results - Awareness

Awareness Trend

2011 Target = 65%

YTD Target = 65%

YTD Status = 67%

YTD Gap = 2%
Results – Customers Believe

- Customers Believe
  - Budget Spend
  - Customer Touches
  - Increased Awareness
  - Customers Believe

Help Save Energy Trend

- Target = 68%
- Improvement of 7 points from July
- 2011 Target: 68%
- YTD Target: 68%
- YTD Status: 69%
- YTD Gap: 1%
Detroit numbers improved by 14 points

Oakland County saw an improvement of 5 points
Results: By Segment

Cash Flow

Segment numbers improved by 18 points

Affluent Greens

Segment numbers improved by 23 points
Survey Results

**Awareness**

- 2012 Target = 54%

**Customers Believe**

- 2012 Target = 59%

- Q1 2011: 57%
- Q2 2011: 30%
- Q3 2011: 40%
- Q4 2011: 50%
- Q1 2012: 60%
- Q2 2012: 70%
- Q3 2012: 80%
- Q4 2012: 70%
- Q1 2013: 60%
- Q2 2013: 50%
## Identifying Target Business Customers

### Business Customer Targeting

<table>
<thead>
<tr>
<th>Segments</th>
<th>Energy Efficiency Interest</th>
<th>Energy Efficiency Knowledge</th>
<th>Industry Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>EE Advocates</td>
<td>High</td>
<td>High</td>
<td>Institutions</td>
</tr>
<tr>
<td>Tech Leaders</td>
<td>High</td>
<td>High</td>
<td>Institutions, warehousing, food service</td>
</tr>
<tr>
<td>Help me Learn</td>
<td>Medium – High</td>
<td>Medium</td>
<td>Heavy Industry, food services, light mfg.</td>
</tr>
<tr>
<td>Budget Focused</td>
<td>Medium – High</td>
<td>Low</td>
<td>Food services, warehousing</td>
</tr>
<tr>
<td>Leave me alone</td>
<td>Low</td>
<td>Low</td>
<td>Heavy Industry, Light Manufacturing</td>
</tr>
</tbody>
</table>

### Overall Recommendation:
- **By Segment**
  - Help me Learn
  - Budget Focused
  - Tech Leaders (added in 2013)
- **By Industry**
  - Food Services
  - Heavy Industry
  - Light Manufacturing
  - Warehousing
  - Institutions (added in 2013)
Business - After

Survey Results

**Awareness**

- 2012 Target = 54%
- 2013 Target = 63%

**Customers Believe**

- 2012 Target = 59%
- 2013 Target = 70%