

DTE Energy Low-Income Energy Efficiency Assistance Program

Program Profile



Tapping Existing Networks to Broaden Program Reach

DTE Energy, an electric and natural gas utility in Detroit, significantly expanded the reach of its Low-Income Energy Efficiency Assistance (EEA) Program by developing partnerships with a diverse network of agencies and organizations that serve low-income households. The partners work directly with low-income customers to provide a wide range of energy efficiency upgrades, using funds from DTE Energy and other sources.

Through these partnerships, DTE Energy is able to reach and engage thousands of low-income customers through multiple pathways, leverage other funding sources, reduce costs, and improve customer satisfaction.

Utilities often struggle to attract participants for their low-income energy efficiency programs. This is due in part to language barriers, lack of information, negative past experiences with utility shutoffs, and the complex paperwork required to enroll. Utilities themselves sometimes find it challenging to connect with low-income communities due to a lack of established communication channels.

DTE Energy partners with more than 30 agencies and organizations that already serve and understand the needs and concerns of the low-income community. These partnerships have helped it to increase program participation and reduce greenhouse gas emissions by an amount comparable to the annual energy-related emissions of more than 1,000 homes in one year alone.²

DTE Energy's approach illustrates how a utility can use strategic partnerships with organizations that already serve target markets to expand the reach of its energy efficiency efforts, serve more low-income customers, and help meet the goals of its energy efficiency programs.

Fast Facts

Program Scope: DTE Energy partners with existing low-income service organizations to expand access to energy efficiency programs.

Communities Served: Low-income customers in DTE Energy's service area.

Funding: An energy optimization surcharge, mandated by law in Michigan, covers the costs of utility energy efficiency programs (DTE's total annual planned filing for energy optimization spending on low-income programs is \$12–\$13 million).¹

Key Partners: Approximately 30 participating organizations, including city and county agencies, regional community service organizations, and nonprofit organizations.



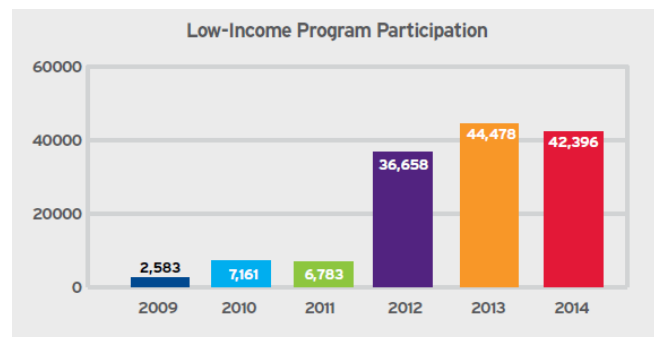


Making It Happen

DTE launched its energy efficiency initiatives in 2009 to help meet state-mandated energy efficiency targets. Like many utilities, DTE initially focused its low-income efforts on supplementing federal weatherization funding. While this is a common approach, local agencies and organizations that implement federal weatherization assistance are often already operating at or near full capacity, rendering them unable to take full advantage of additional funding from utilities. This was particularly true during the first three years of DTE's low-income program (2009–2011), due to an increase of weatherization funding for the implementing agencies from the American Recovery and Reinvestment Act. As a result, DTE's EEA program struggled to meet its participation targets, serving only a small fraction of the eligible customers.

To improve participation rates, in 2012 DTE broadened EEA's focus beyond weatherization agencies to develop partnerships with a variety of nonprofit social service organizations, affordable housing providers, and local municipalities. DTE supplemented the organizations' existing resources with its own funds generated from ratepayer surcharges, allowing its partners to expand their services to include energy efficiency improvements.

DTE promotes the EEA program, sets program guidelines, and handles customer service issues that arise. Customers are typically introduced to the program by the participating organizations directly or through DTE's outreach efforts. Once qualified for EEA, customers receive energy efficiency improvements from the partner organizations and their contractors (with oversight from DTE) at little or no cost, including home weatherization, refrigerator upgrades, and/or furnace or boiler tune-ups. They are then referred to other DTE programs, as appropriate, to further reduce energy use. DTE also works with food banks to distribute hundreds of thousands of energy-efficient light bulbs to those seeking food assistance, leveraging a ready-made distribution channel for families in need.



In addition to expanding its network of partner organizations, DTE began using census-based information on income levels to increase delivery of its general energy efficiency services (offered to all customers regardless of income level). Tapping into readily available census data allows the utility to easily identify low-income neighborhoods so it can focus a larger share of all



its energy efficiency services in those areas. Together, the EEA program and census-based targeting increased participation in DTE's low-income programs by more than 400 percent between 2011 and 2012.³

In 2014, DTE added a new program to EEA, called Supporting Energy Efficiency in Detroit (SEED) Homes, as a way to further expand the utility's energy efficiency services by combining them with existing bill assistance benefits. To participate, the customer initially works with DTE's bill assistance team, which helps customers pay off overdue bills and puts them on a payment plan to avoid power shutoffs. Next, DTE refers customers to a contractor to perform efficiency upgrades that will help lower their energy bills. After the upgrades are completed, the customer receives a certificate that explains what was done. Along the way, participants are educated about the program, the energy efficiency measures and equipment being installed, and the impact on their energy bills. This allows DTE to streamline its services, stretch federal and corporate funding for bill assistance, and tap into another established pathway for reaching its most vulnerable customers. The program exceeded its participation goals in 2014 and achieved 100 percent customer satisfaction, according to DTE's independent program evaluator.

Key Partners

DTE partners with more than 30 city and county agencies, regional community action agencies, affordable housing providers, and nonprofit organizations such as Habitat for Humanity which help identify and engage eligible customers and provide a variety of energy efficiency improvements. DTE also works with local food banks to distribute energy-efficient light bulbs.

Funding Sources

DTE's low-income programs are funded through a utility ratepayer surcharge. EEA is designed to align with federal income eligibility criteria to help make it easy to leverage additional funding from federal and state programs, fuel assistance contributions, and private and philanthropic contributions.

Achievements

EEA program participants enjoy energy cost savings, improvements to their homes, and more confidence in their ability to pay bills.

- The program saved a total of 12,000 MWh of electricity and 64 million cubic feet of natural gas in 2014. These reductions avoided approximately 11,780 metric tons of



CO₂ equivalent in greenhouse gas emissions, comparable to the annual energy-related emissions of more than 1,000 average American homes.⁴

- In 2014, EEA participants averaged \$120/year in utility bill savings, amounting to a roughly 6 percent savings in electricity and 14 percent savings in natural gas costs.⁵
- In partnership with local food banks, DTE distributed more than 400,000 compact fluorescent bulbs in 2014 alone to approximately 80,000 low-income customers.²
- Also in 2014, DTE fulfilled nearly 4,000 requests for funding of home weatherization and furnace tune-ups or replacements, and provided more than 2,700 customers with new ENERGY STAR certified refrigerators to replace their old, inefficient refrigerators.²
- From 2009 to 2014, the program served more than 140,000 low-income households, providing tens of millions of dollars in support for energy efficiency upgrades.⁶

Replicability

DTE's experience suggests that other utilities may be able to achieve similar results by partnering with agencies and organizations that specialize in working with low-income households. One of the keys to DTE's success is the *diversity* of its network: in addition to working with community action agencies, it partners with a range of other organizations such as food banks, neighborhood associations, veterans' organizations, Habitat for Humanity, affordable housing organizations, and others to provide multiple points of outreach and a variety of opportunities for low-income households to participate. The other key attribute of DTE's program is the focus on linking bill assistance and other public programs to make it easy for low-income customers to participate and reduce the cost of providing services.

For More Information

- [Energy Efficiency Assistance Program Website](#)
- [DTE Energy's 2014 Energy Optimization Report](#)

¹ Sharon Palmer, DTE Energy, 2016. Personal communication.

² DTE Energy, 2014. [Energy Optimization Report](#).

³ DTE Energy, 2015. [Linking and Leveraging Low-Income Programs in Michigan](#).

⁴ Source: DTE Energy, 2014. [Energy Optimization Report](#). Equivalency estimated using EPA's [Greenhouse Gas Equivalencies Calculator](#).

⁵ Source: DTE Energy, 2014. [Energy Optimization Report](#). Percentage estimates were calculated as follows: Based on average residential electricity bills (\$95/month), the savings represent a roughly 6 percent decrease in costs; for



natural gas customers (average bill in Michigan is approximately \$77/month) they represent a roughly 14 percent reduction. Actual percentages may be higher, since low-income housing typically uses more energy per square foot than average housing due to the general poor condition of the housing stock.

⁶ Source: DTE Energy, 2014. [Energy Optimization Report](#). The percentage of all low-income customers served is unknown, but can be very roughly estimated. DTE serves 2 million households, and 33 percent of Michigan's population is under 200 percent of the federal poverty level (i.e., income-qualified). The total low-income customer base is thus approximately 660,000 households. From this, it follows that DTE's low-income programs have served approximately 20 percent of its low-income customer base since 2009—with the caveat that households go in and out of poverty over time.