

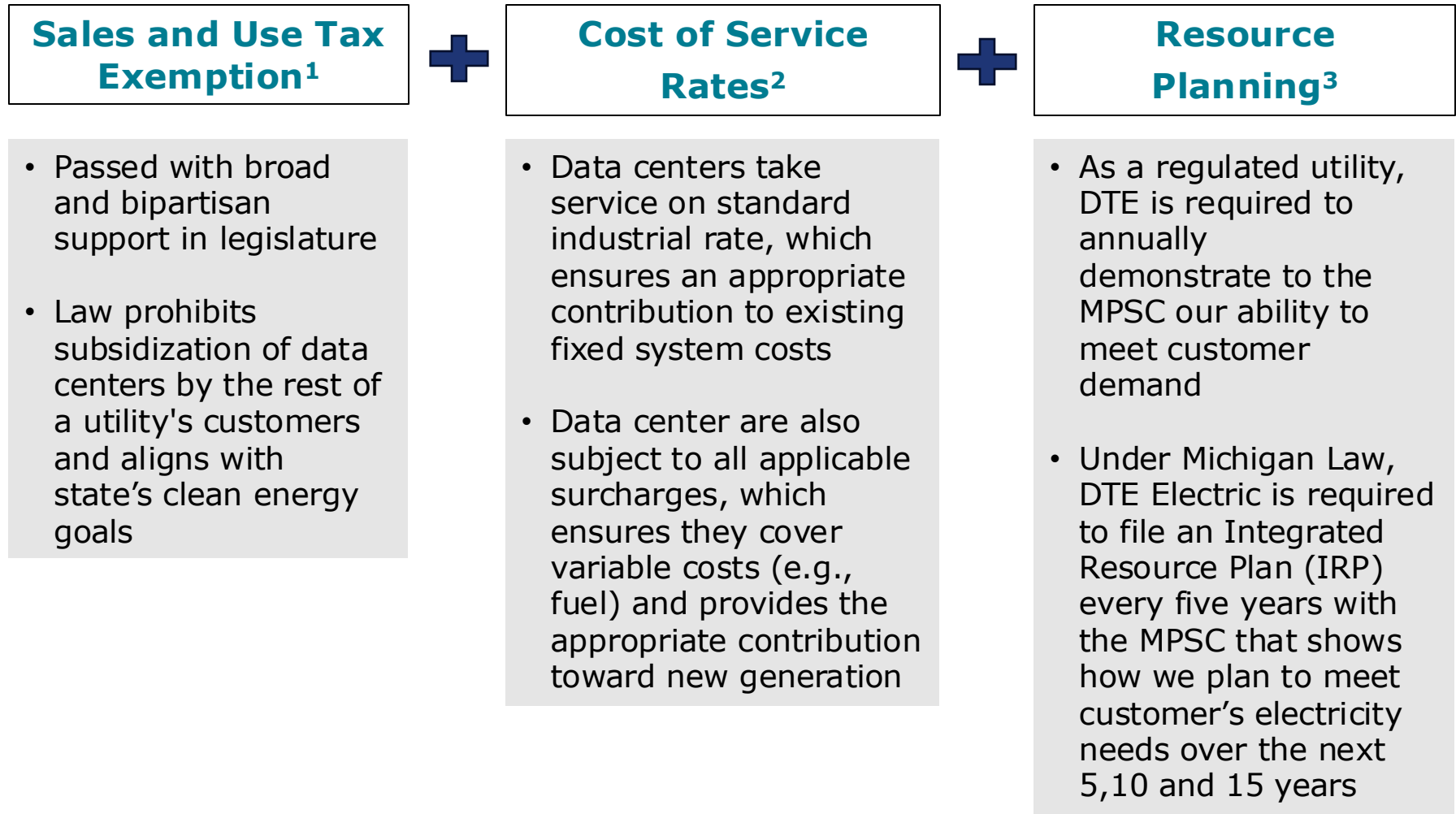


Data Centers and Michigan Electric Utilities

Protections for Customers

December 2025

Michigan has key laws and regulations in place that protect customer affordability and reliability as data center join DTE's electric system



1. [House Bill 4906 of 2023 \(Public Act 207 of 2024\) - Michigan Legislature](#), [Senate Bill 237 of 2023 \(Public Act 181 of 2024\) - Michigan Legislature](#)
2. MCL 460.6a, Michigan Public Service Commission Act, Act 3 of 1939, as amended; <https://www.michigan.gov/mpsc/regulatory/ratemaking>
3. [Case No. U-21775- Michigan electricity providers file reports showing they again have enough capacity to meet customer needs](#); Michigan Compiled Laws (MCL) § 460.6t Enacted under Public Act 341 of 2016, as amended by Public Act 231 of 2023.

Michigan's Sales & Use Tax Exemption¹ for enterprise data centers is designed to ensure that each data center pays their fair share

Electric Service – Rates

The facility will not take electric service under any of the following rates:

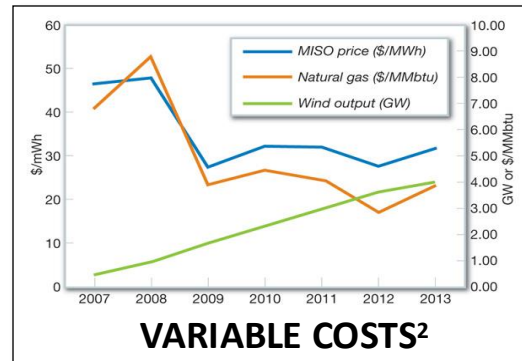
- (A) The long-term industrial load rate, unless the designated power supply resource on which the long-term industrial load rate is based was placed in operation after January 1, 2024, and the rate is at least equivalent to the average industrial rate charged to other industrial customers of the electric utility that serves the facility.
- (B) A tariff rate approved in Michigan Public Service Commission Case No. U-21160, U-21163, or U-21646.
- (C) A rate that causes residential customers to subsidize the costs incurred to provide electric service to the facility.

Clean Energy

At the time an exemption is claimed, the facility will have procured or will procure clean energy as defined in the clean and renewable energy and energy waste reduction act equivalent to 90% of the facility's forecasted electricity usage on an annual basis, and a qualified entity will certify to the Michigan strategic fund that this requirement is met. Demonstration that this requirement is met may be made by *any* of the following and electric utilities, cooperative electric utilities, and municipal utilities shall identify and, if necessary, develop tariffs, contracts, and other mechanisms that support the enterprise data center in this demonstration:

- (A) Self-supply through on-site generation that meets the definition of renewable energy as that term is defined in the clean and renewable energy and energy waste reduction act.
- (B) Long-term contract with the electric utility, cooperative electric utility, or municipal utility serving the geographic area where the facility is located, which ensures no costs to serve the facility are passed onto other customers of the electric utility, cooperative electricity utility, or municipal utility. This sub-subparagraph shall not be interpreted to require the facility to be allocated costs of network transmission upgrades that would otherwise be allocated to other customers through the electric utility, cooperative electric utility, or municipal utility's generally applicable rate-making processes for the recovery of such costs, such as power supply cost recovery proceedings.
- (C) Participation in a voluntary green pricing program

Michigan's regulated customer rates are established using "cost of service" principles, which divide total costs by the load served



Regulated Rates



1. Includes: generation infrastructure, transmission and distribution poles and wires, and administrative costs
2. Includes: market price, fuel costs
3. Also known as customer demand or usage

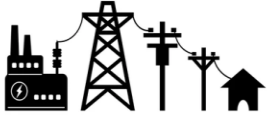
Our next IRP will finalize the retirement of the Monroe Power Plant and outline the plan to meet the state's clean energy targets and our growing demand

Key Factors for our 2026 IRP

- **Long-term customer demand**
- **Generation resources needed to reliably serve customers**
- **Compliance with the 2023 Clean Energy Law**
 - Increased Renewable Portfolio Standard: 50% by 2030, 60% by 2035
 - New Clean Energy Standard: 80% by 2035, 100% by 2040
 - State-wide energy storage mandate of 2,500 MW by 2030
- **Affordability impacts**, particularly on income-constrained and vulnerable customers

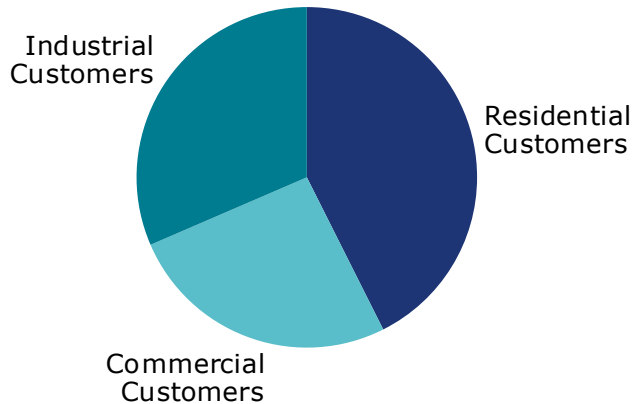


Data Centers will cover a significant portion of DTE's costs, creating a benefit for our existing customers

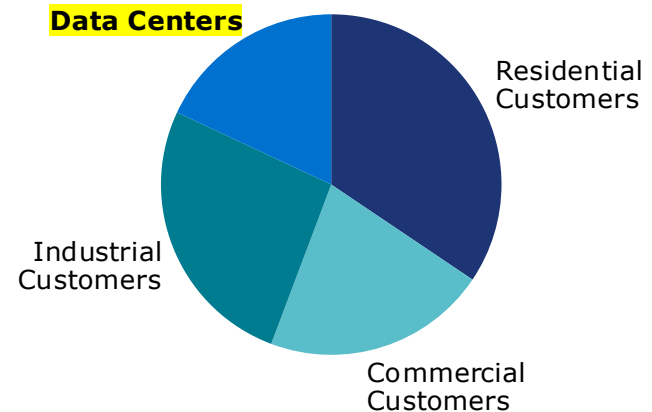


Our main costs are our power plants and our distribution grid – most of these costs are fixed in nature and don't change with how much electricity we deliver

Today, costs are allocated to different customer groups based on their usage



Data Centers will cover a significant portion of these costs which creates a benefit to our current customers



Our models show that a new large data center will likely contribute approximately \$300 million annually to improving DTE's electric grid/system, helping to reduce the total amount needed from other customers¹

1. MPSC case U-2199 - In the Matter of the Application for DTE Electric Company Approval for Special Contracts

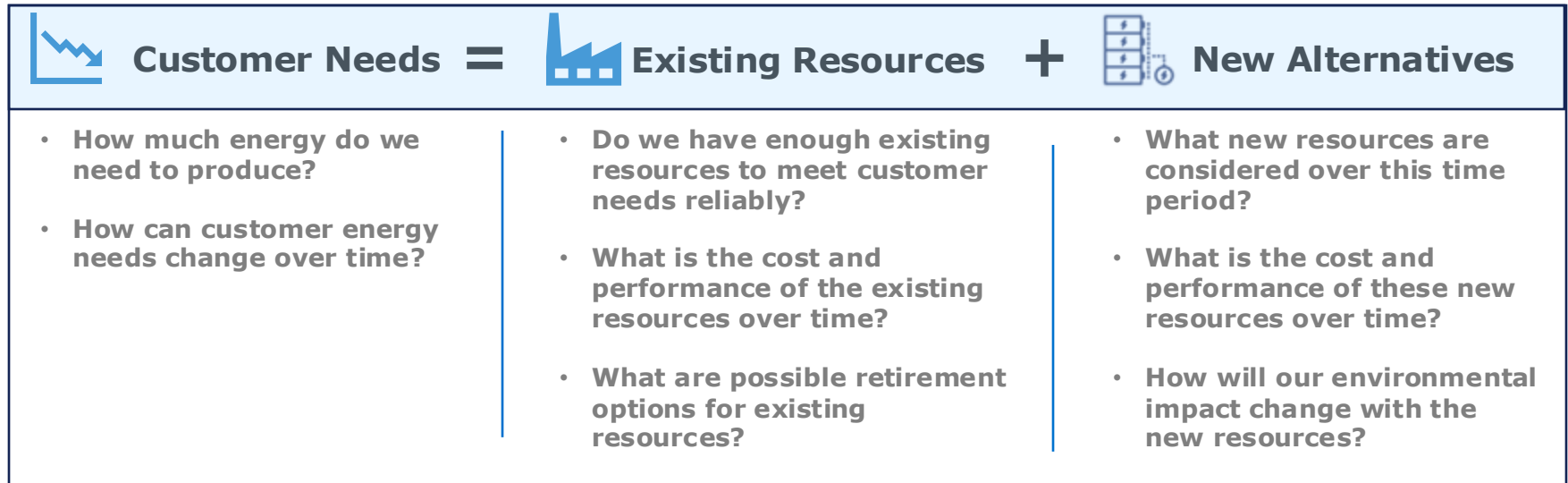
DTE has an agreement in place to serve Michigan's first hyper-scale data center, which will unlock significant economic benefits for the state



- Large private investment in Michigan: multibillion dollar investment on site and supporting infrastructure over the lives of the agreements
- 2,500 temporary construction jobs; 450 permanent, well paying on-site jobs
- Estimated \$20 million in new tax revenue plus community benefits
- Approximately \$300 million affordability benefit per year to existing utility customers
- Significant deployment of energy storage to serve data center load (paid for by data center)

An IRP is developed through evaluating customer needs and how to meet those needs reliably while balancing affordability as we continue to decarbonize

Inputs to the model



Run multiple scenarios and sensitivities over long-term planning period

Outputs of the model

Potential future generation paths, including details of resource needs, associated costs, and environmental impacts