
DTE Energy®



**Energy Optimization
Pilot Program Review**

**MPSC Design Collaborative Meeting
March 15, 2011**



Topics for discussion

The purpose of today's presentation is to discuss an overview of DTE Energy's *stage-gate pilot process and portfolio management plan*. *Highlights will also be given for two pilot projects.*

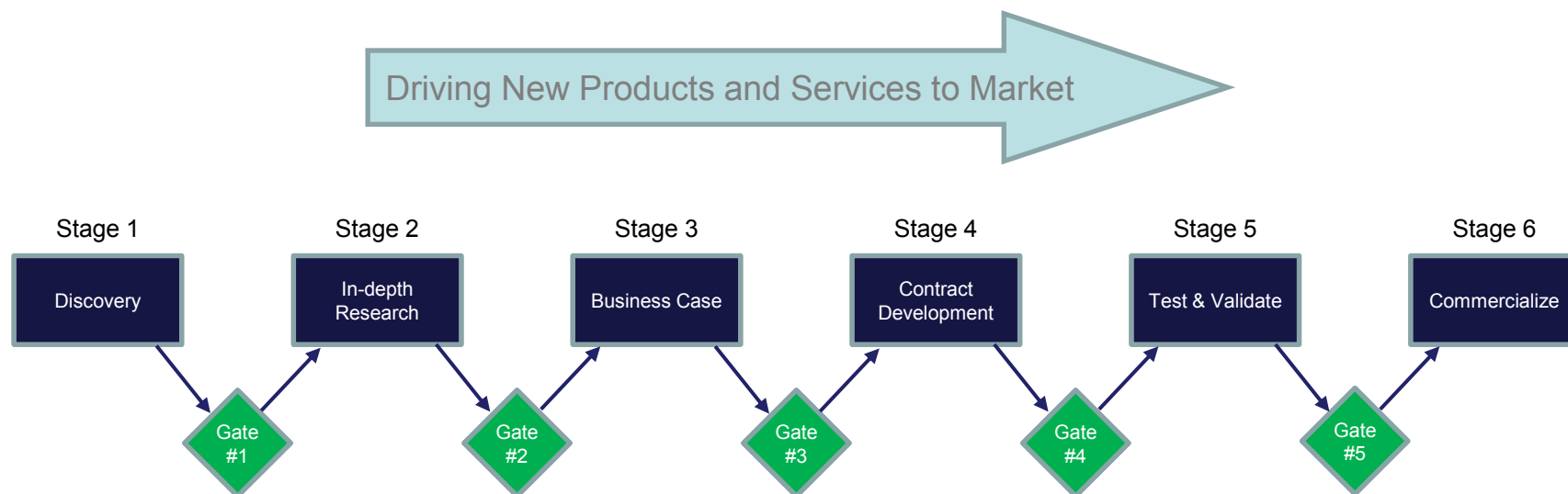
Topics

- Stage-Gate Process
- Pilot Application and Two-Stage Screening
- Portfolio Management
- Independent Grocer Pilot and Program
- White Tags / Blue Tags Potential Pilot



Stage-Gate Process

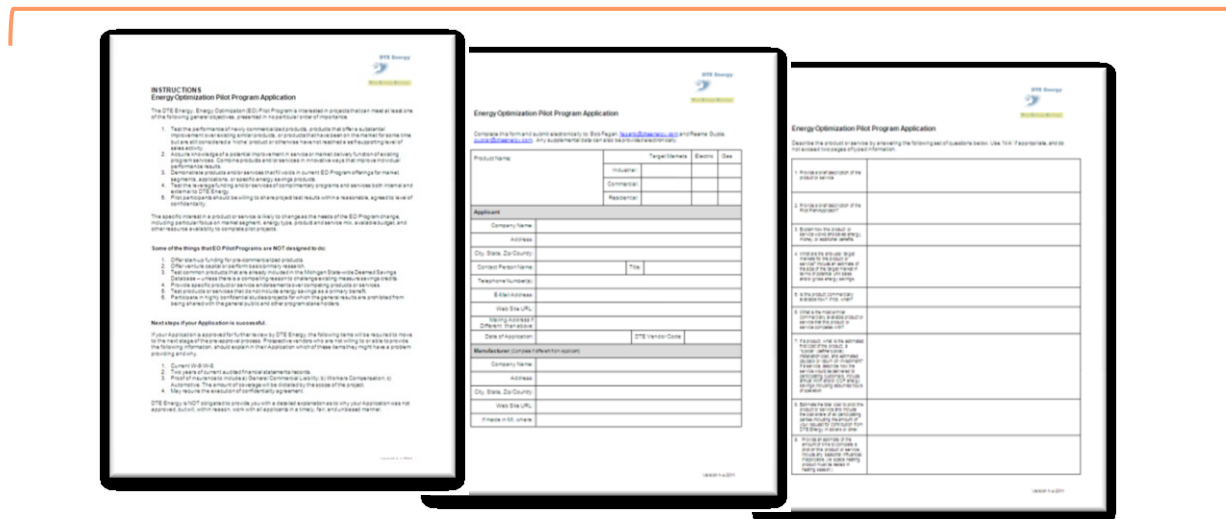
- ❑ Stage-Gate Process guides individual pilot project progression in a consistent manner
- ❑ Cross-functional project governance reviews and approves project plans at key review points, assigning resources to individual projects





Pilot Application and Two-Stage Screening

PILOT APPLICATION



- Review Pilot Application
- Contact Vendor
- Determine Fit To Portfolio

- Perform Market Assessment
- Perform Desktop Research
- Interview Experts

Quality Function Deployment Ratings

GATE 1 - SCREEN 1

- Quick screen
- Decision to Go/No-Go/Hold

GATE 2 - SCREEN 2

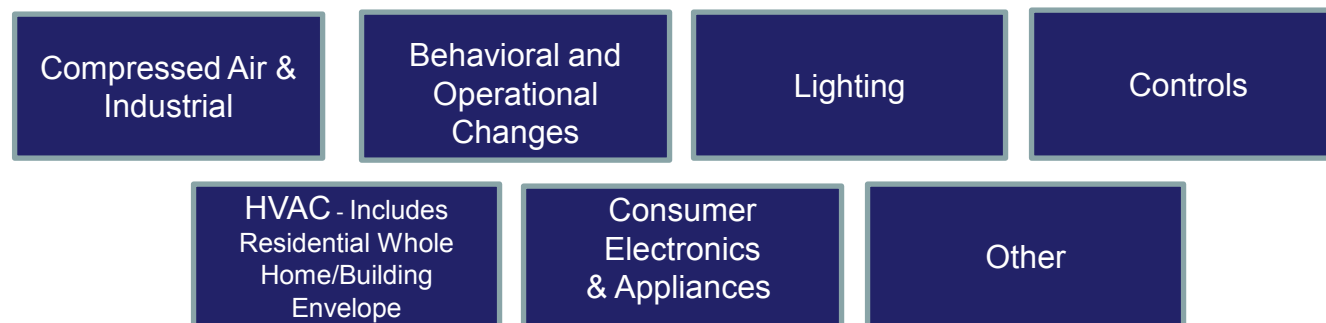
- In-depth screen
- Decision to Go/No-Go/Hold



Portfolio Management Process

Are we on the right track?

- On track to optimize pilot budget spend by customer class
- Best pilots selected
- Effective resource allocation
- Right mix of projects in pipeline with ability to fill known EO Program gaps





Independent Grocer Pilot and Program

Why This Pilot

- Help City of Detroit's efforts to make fresh foods more available and affordable to inner city families
- Typically independently owned grocers have older less efficient equipment than big box competitors
- High potential for energy savings with extended hours of operation and energy intensive equipment
- Hard to reach segment

Limited Time Program Offer

- Targeted independent grocery stores between 10,000 and 30,000 sq ft
 1. City of Detroit
 2. Wayne, Washtenaw, and Monroe Counties
 3. Livingston, Macomb and Oakland Counties
 4. Thumb Counties
- March 18, 2010 conducted customer seminar at U of M Dearborn Training and Education Center in Dearborn Michigan
- 11 vendors and 38 customers attended
- Offered in-store opportunity assessments
- Program period for customized prescriptive list of measures:
 - Applications submitted by May 31, 2010
 - Equipment installed by August 13, 2010

Pilot Objective

- Performed energy audits in 4th quarter 2009 on three independent grocery stores
- Determined an energy use profile including store size, typical averages of electricity and gas usage, opportunity for energy savings and measures of interest
- Developed a customized prescriptive list of measures and modeled energy savings

Results and Lessons Learned

- More than 40 stores and more than \$300 k paid in incentives
- Total savings of 4.5 million kWhr and 12,300 therms
- Most grocers were not aware of how their energy dollar was spent (refrigeration, lighting...)
- Some grocers were skeptical of energy and cost savings estimates
- Grocers didn't want to interrupt business in the busy summer period to install equipment

Independent Grocer Whole Building Solution Approach

DTE Energy®



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SUPERMARKET APPLICATIONS

RETROFIT SOLUTIONS:



SAMPLE ENERGY SAVING SOLUTIONS





White Tags / Blue Tags Pilot

Description

- White Tags are a new product for the energy efficiency market and are similar to what Green Tags/RECs are for the renewable energy market
- A White Tag is a tradable commodity created by each 1 MW of reduced electric consumption
- White Tags are NOT created if the energy savings was produced as a requirement of another mandated program or an incentive was paid from another program

On going Investigation

- Regulatory review
- EM&V acceptance
- Allowable sources/ projects for White Tag generation
- Accepted validation for White Tag production

Desired Results

- The Pilot Program will test several factors including:
 - Market acceptance
 - Regulatory acceptance
 - EM&V acceptance
 - ID common and potential sources of White Tags
 - Estimate market value/cost compared to other EO incentives
 - Ability for White Tags to balance EO Portfolios and energy savings goals
 - Flexibility to use White Tags as an alternate/ additional motivation for completing energy efficiency projects

Next Steps

- Share pilot concept and proposal with stakeholders
- Obtain DTE Energy Regulatory, Legal, and Management input prior to conducting Pilot
- Establish a monitoring/tracking process
- Assist with marketing efforts to help find White Tag generators