



CONSUMERS ENERGY

2024 Energy Waste Reduction Annual Report

Case No. U-21671

May 30, 2025

Consumers Energy

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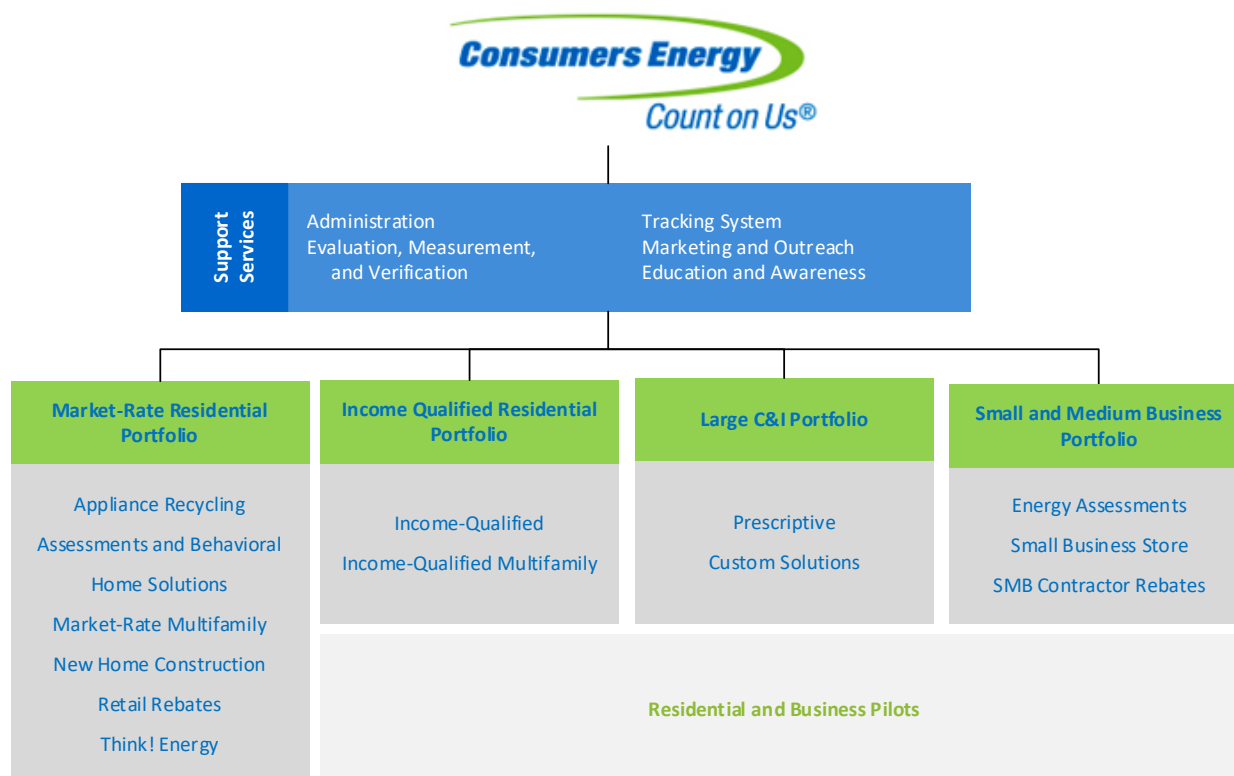
Introduction

For over 15 years, Consumers Energy has operated a comprehensive Energy Waste Reduction (EWR) Program as part of its strategic clean energy vision—exceeding statutory savings targets year after year and providing more than \$7.3 billion in customer savings since the program's inception.

The 2024 EWR program efforts described in this report resulted in the Company exceeding the 2024 program targets as approved in Michigan Public Service Commission (MPSC) Case No. U-21321 (Consumers Energy's 2024-2025 EWR Plan).

Portfolio Summary

The Company's EWR portfolio comprises a diverse collection of 9 residential and 5 primary business programs that target all major sectors, customer classes, and fuel types (gas, electric, and combination customers) and includes offerings for low-income and small business customers.



Workforce

Consumers Energy values a diverse and robust trade ally network that offers opportunity for those entering the field and skill-building and training for existing contractors. In 2024, the EWR program workforce efforts included trade ally training and recruitment, launching a comprehensive training and certification pathway for contractors in Jackson (building on the Company's Clean Energy Workforce projects in Flint), and providing healthy building materials resources. The EWR program conducted over 150 trade ally recruitment and training activities in 2024 with training provided in-person, via webinar, or through lunch and learn sessions and series.

2024 Workforce Development highlights include:

- In partnership with Walker Miller, held a Clean Energy Workforce Development upskilling training and certification program in Flint (building on the two previous sessions) that provided comprehensive training including Building Performance Institute (BPI) and Healthy Housing Principles. 12 of 15 participants completed all coursework, with all 15 completing 3 of 4 certifications, creating additional capacity for implementing important programs and pilots like Health and Safety and the Flint Initiative.
- Completed a Clean Energy Workforce Development upskilling training and certification program in Jackson aimed towards providing career advancement for individuals within the energy efficiency industry. Thirteen of 14 students were able to complete all course curriculum, earning all available certifications. A Novice Cohort for non-industry, unemployed, or minimum-wage individuals is scheduled for Jackson area residents in spring 2025.

Workforce Investment		
Electric	Gas	Total
\$494,316	\$99,814	\$594,130
Workforce Education		
Trainings:		
Description:	Training sessions for trade allies and mini-boot camp events	
Residential:	# of Events	60+
	#of Participants	350+
Business:	# of Events	9
	#of Participants	200
Technical Bulletins:		
Description:	Technical bulletins to contractor network	
Content:	Wall Insulation	
	Healthy Building Materials	
	Energy Star Protocol	
Workforce Development		
Description:	The initiative focuses on increasing workforce availability in underrepresented and disadvantaged areas, aiming to create pathways to well-paying jobs and stimulate local economic growth.	
Coordination/ Partnership	Promoted community initiatives to support workforce expansion.	
	Participated in FWR Collaborative workforce subcommittee	

Workforce Development Cont.		
Training	Home Energy Rating System (HERS) rater, Building Science and Building Operator courses and certification offerings, upskilling training and certification programs.	
	# of Participants	70+
Webinars	# of Recruitment Webinars Events	35+
	# of Participants	200+

Heat Pump		
Description:	Heat Pump Education and Installation	
Coordination	Focused on weatherizing multifamily and single-family homes for heat pump readiness	
	Engaged with the Michigan Heat Pump Collaborative to deliver heat pump training and education	
	# of Collaborative webinars/trainings	6
	# of Collaborative Summits (Kalamazoo, Lansing, Gaylord)	3
Heat Pumps	# installed	424

Environmental Benefits

Consumers Energy programs have yielded significant environmental benefits. Since 2009, they have reduced carbon dioxide emissions by over 31 million tons, with annual reductions reaching 3.6 million tons in 2024. Furthermore, equipment installed in 2024 saved 547 million gallons of water that year, and measures installed since 2021 have saved over 5.5 billion gallons.

Environmental Benefits	2024	2009 to 2024
Total US Tons CO2 Avoided	3,610,591	31,376,458
Total US Tons SO2 Avoided	758	21,648
Total US Tons NOx Avoided	985	11,134
	2024	Lifetime
Total Gallon Water Savings	547 Million	5.5 Billion

Supplier Diversity

The Company's EWR portfolio continued to track supplier diversity by the spend amount, spend percentage, and the number of diverse suppliers.

Diverse Suppliers	Count
Minority	7
Women	19
Veteran	1
African American	16
Asian, Asian Indian, Asian- Pacific	5
Total Suppliers:	48
Supplier Diversity Investment	
Investment Total	\$10,343,613
Investment Percentage	4%

Income-Qualified Initiatives

Multifamily

The Multifamily Income Qualified initiative served nearly 25,000 residents, investing over \$24 million in program delivery, energy efficient measures, and incentives for multifamily properties and tenants.

Property Level Data			
	Properties	Buildings	Units
Customers Served	283	1,778	24,818
		Subsidized	17,869
		Unsubsidized	6,949

Property Participation Data	
Category	# of Properties
Level I Energy Assessment	29
Level II Energy Assessment	0
Installed 2 or More Measures	198

Measure Level Data		
Measures	# of Properties	Incentives
HVAC	70	\$1,771,219
Lighting	110	\$5,770,681
Water Heating	49	\$195,886
Appliance	26	\$985,870
Custom	64	\$4,543,449

Multifamily Continued

Conversion Rates			
	% Received Assessment	% Program Outreach	% Contractor
Prescriptive Projects	35%	35%	65%
Custom Projects	66%	66%	34%

Investment Data			
	Electric	Gas	Total
Incentive Spend	\$12,216,632	\$9,511,965	\$21,728,597
Non-Incentive Spend	\$1,149,091	\$919,604	\$2,068,695
Total	\$13,534,054	\$10,613,620	\$24,147,674

Outreach Data	
Inquire Type	Quantity
Conversations with MSHDA Staff	5
Properties Contacted	779
Inquiries Received from Properties (website/email)	146
IQ Presentations in Coordination with DTE	5

Savings Data				
	MWh	MWh Lifetime	MCF	MCF Lifetime
Direct Install	2,729	21,713	50,044	69,339
Prescriptive & Custom	9,999	120,286	70,067	1,098,398
Total	12,729	141,999	120,111	1,167,738

Single Family

Investment Data			
	Electric	Gas	Total
Incentive Spend	\$12,216,632	\$9,511,965	\$21,728,597
Non-Incentive Spend	\$1,149,091	\$919,604	\$2,068,695
Total	\$13,534,054	\$10,613,620	\$24,147,674

Participation	
Total Participants	14,385
Participants Receiving Energy Assistance	3,702
CARE Participants	489
Participants with Arrears	2,321
Disconnects	685

Savings Data				
	MWh	MWh Lifetime	MCF	MCF Lifetime
Direct Install	11,171	49,810	46,134	359,205
Prescriptive & Custom	36,700	262,768	278,787	2,967,399
Total	47,871	312,578	324,921	3,326,604

Health and Safety

The Income Qualified (IQ) Health and Safety program, launched in 2020, adopts a comprehensive approach to improving homes and multifamily properties by addressing both energy efficiency and health benefits. In 2024, the program transitioned from a pilot to a full-scale offering within the IQ program. It identifies and addresses necessary repairs to facilitate the installation of energy-saving measures, providing support for these improvements. The program also collaborates with various organizations and contractor networks to leverage additional funding sources for participating customers, thereby maximizing the assistance provided. Furthermore, it operates in coordination with the Flint Initiative to target specific communities effectively.

Pursuant to the MPSC Case No. U-21321 (2024 – 2025 EWR Plan) Settlement Agreement the Company is providing the following data for the Health and Safety Program.

Income Qualified Health & Safety		
	Single Family	Multifamily
Investment	\$3,018,826	\$2,615,715
Total Energy Savings (MWh)	97	1,226
Total Energy Savings (MCF)	2,005	24,391
# of Customer Served	64	4,038
# of Deferrals Identified	64	4,504
# of Deferrals Resolved	64	4,038
# of Customers Receiving Bill Assistance	36	N/A
# of Customers in Arrears	20	N/A
# of Disconnections	4	29
# of Measures Installed/Repairs Completed	1,391	4,038
Health and Safety Measures:		
HVAC (Qty)	169	1,765
HVAC (Investment)	\$142,575	\$581,325
Structural (Qty)	315	425
Structural (Investment)	\$1,118,075	\$155,579
Electrical/Plumbing (Qty)	56	176
Electrical/Plumbing (Investment)	\$142,575	\$381,530
Air Quality/ Environmental (Qty)	661	1,173
Air Quality/Environmental (Investment)	\$505,188	\$1,120,389
Pest Control/ Other (Qty)	189	499
Pest Control/Other (Investment)	\$37,100	\$351,198

*Number of customer units in deferral projects

**All customers in arrears receive communication about EWR Income Qualified programs. In 2024, the energy assistance program sent 772,000 emails to State Emergency Relief (SER) customers through 6 email campaigns, 19,000 letters to high-arrears customers, and 11,800 letters to CARE participants referencing EWR Income Qualified programs.

Flint Initiative

The Flint Initiative, launched in 2023, is a geographically targeted approach in and around Flint (directed to Flint zip codes 48502 through 48507). The initiative aims to find and provide EWR intervention to economically vulnerable customers including those in arrears, struggling to pay utility bills, and at risk of disconnection. The Flint Initiative also coordinates closely with the Health and Safety Pilot to avoid deferral—or the inability to install energy efficiency measures—due to health and safety concerns within a home or building. The initiative focuses on expanding existing efforts with community agencies, energy assistance coordination, outreach to income-qualified participants who recently installed emergency equipment, education and awareness efforts, trade ally education and engagement, and other targeted approaches. Customers within priority zip codes are informed about the Initiative and EWR opportunities through community partner outreach, Income Qualified program marketing, energy assistance program outreach and marketing, and community agency strategic outreach to both multifamily properties and single-family homes.

The Flint Initiative uses a coordinated community approach with partners including Flint elementary schools and parent/teacher associations, the City of Flint Lead Remediation program, medical providers, neighborhood organizations, housing commissions, and the Company's Think! Energy EWR and energy assistance programs. EWR efforts are targeted to Consumers Affordable Resource for Energy (CARE) program, Low Income Home Energy Assistance Program, Michigan Energy Assistance Program, and arrearage customers.

The Flint Initiative supports a holistic approach to EWR for both single-family and multifamily income-qualified customers that includes assessments, direct install measures, premium appliance and building shell improvements, and health and safety and healthier homes assessments to improve indoor air quality and living conditions, reduce environmental triggers in the home, and allow for further EWR upgrades.

2024 Flint Initiative		
	Single Family	Multifamily
2024 Investment (EWR Measures)	\$4,661,164	\$2,037,812
Total Annual Energy Savings (MWh)	12,515	1,100
Total Annual Energy Savings (MCF)	75,771	7,356
# of Customer Served*	1,617	4,947 units
# of Customers Receiving Bill Assistance**	676	N/A
# of Customers in Arrears	432	257
# of Disconnections	121	24
# of Measures Installed	970	4,050
# of Health and Safety participants in Flint	56	284 units

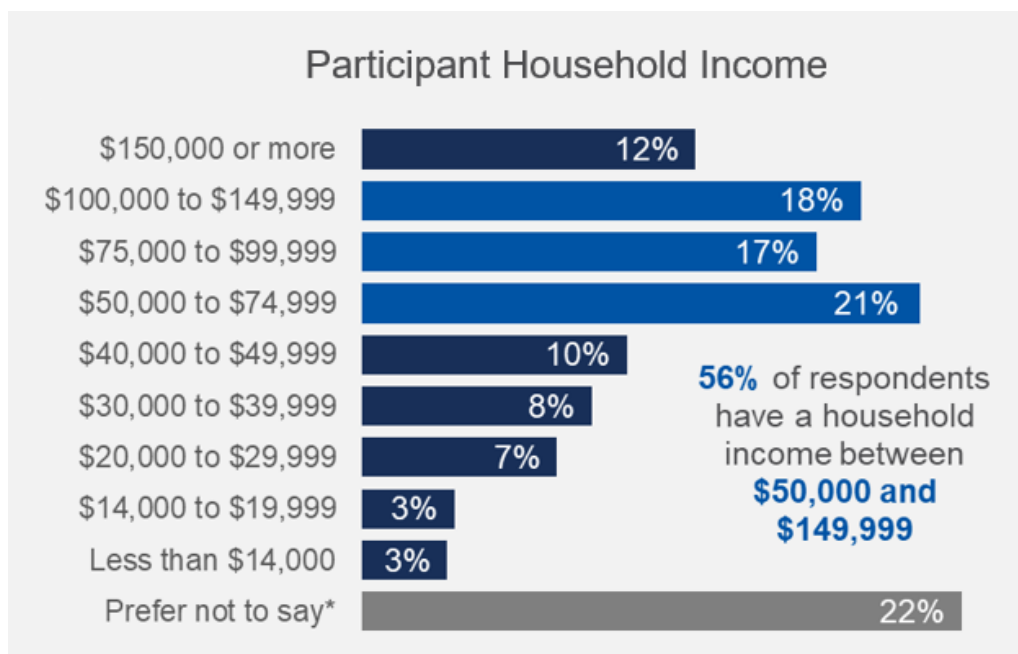
*Multifamily customers served reflects units in 28 properties and 373 buildings

*Multifamily Health and Safety participants reflects units in 3 properties and 27 buildings

**Data not available for multifamily customers

Voluntary Demographic Data

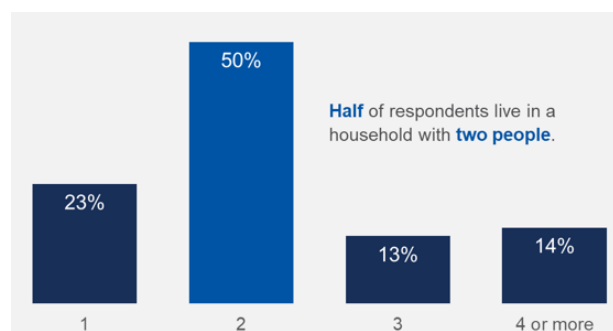
Beginning in 2022, Consumers Energy began including demographic questions in the surveys it conducts to understand customers' program experience, satisfaction, and persistence of measures installed. In 2024, survey responses were received from 13,455 October 2023 – September 2024 program participants and between 58 and 81 percent of respondents completed the demographic questions.



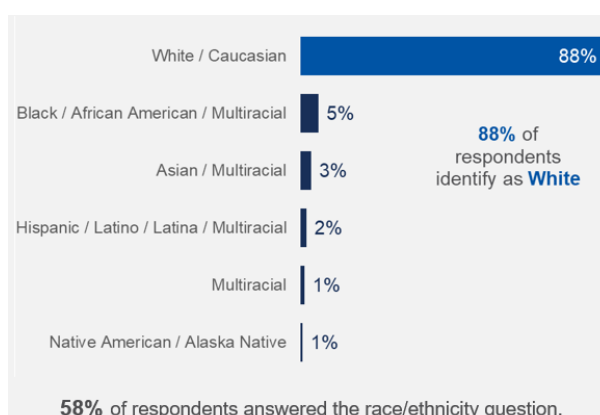
76% of respondents answered the income question, and 59% gave a numeric response

***Those who responded "prefer not to say" are not included in the calculations for the numeric response percentages.**

n=7,945



Household size
(81% of respondents answered)
n=10,914



Participant Race/Ethnicity
(58% of respondents answered)
n=7,770

Energy Waste Reduction Achievements

The section outlines several key achievements, including Energy Waste Reduction annual megawatt reduction, Electric and Gas Results, Portfolio Investment and Savings, Pilot Investment, as well as results from Utility System Resource Cost Test (UCT), and Benefit Cost Test. These tables provide a comprehensive overview of the progress and investments made in these areas.

Table 4-1. Statutory Savings Goals and Investment Levels

Electricity	2024
Electric Savings Goal as % of Total Sales	1.50%
Natural Gas	2024
Natural Gas Savings Goal as % of Total Sales	0.875%

Table 4-2. 2024 Electric Results

Savings	Achieved First Year	Target
MWh	664,676	657,656
% of Planned Target	101%	100%
Investment		
\$ Millions	\$199.5	\$195.9
Benefit-Cost Test Results		
UCT Score	1.99	

Table 4-3. 2024 Natural Gas Results

Savings	Achieved First Year	Target
Mcf	3,262,070	2,934,071
% of Planned Target	111%	100%
Investment		
\$ Millions	\$91.4	\$95.5
Benefit-Cost Test Results		
UCT Score	1.95	

Table 4-4. 2024 Portfolio Investment

	Utility System Resource Cost Test	Lifetime CCE /kWh*	Lifetime CCE /Mcf*	Electric Investment	Natural Gas Investment	Total Investment
RESIDENTIAL PROGRAMS						
Appliance Recycling	1.41	0.05	-	\$ 10,232,439	\$ -	\$ 10,232,439
Assessments and Behavior	0.92	0.10	4.29	\$ 6,433,127	\$ 4,855,948	\$ 11,289,075
Contractor Rebates – Res	1.54	0.07	3.36	\$ 3,285,428	\$ 11,953,801	\$ 15,239,229
Income-Qualified Energy Assistance	0.88	0.04	6.01	\$ 17,754,867	\$ 20,975,498	\$ 38,730,365
Income-Qualified Multifamily	0.62	0.10	9.09	\$ 13,534,054	\$ 10,613,621	\$ 24,147,675
Market Rate Multifamily	0.63	0.27	5.04	\$ 3,445,382	\$ 1,964,140	\$ 5,409,522
New Home Construction	6.15	0.02	0.75	\$ 734,154	\$ 1,099,803	\$ 1,833,957
Retail Rebates	1.91	0.03	3.93	\$ 2,832,317	\$ 2,349,294	\$ 5,181,611
Think! Energy	3.08	0.03	1.24	\$ 1,686,399	\$ 1,113,140	\$ 2,799,539
Residential Pilot Programs	2.41	0.09	4.45	\$ 3,627,829	\$ 2,270,696	\$ 5,898,525
Residential Shared Savings	-	-	-	\$ -	\$ -	\$ -
Total Residential	1.33	0.06	4.16	\$ 63,565,996	\$ 57,195,941	\$ 120,761,937
BUSINESS PROGRAMS						
Prescriptive Solutions	3.54	0.02	1.96	\$ 67,375,023	\$ 7,849,017	\$ 75,224,040
Custom Solutions	6.23	0.01	0.94	\$ 7,599,430	\$ 11,188,580	\$ 18,788,010
Energy Assessments	1.57	0.08	2.24	\$ 3,761,678	\$ 3,463,429	\$ 7,225,107
Contractor Rebates – Bus	2.71	0.02	-	\$ 11,165,859	\$ 580,618	\$ 11,746,477
Small Business Store	5.44	0.01	0.77	\$ 262,049	\$ 46,539	\$ 308,588
Self-Direct Projects	-	-	0.00	\$ -	\$ -	\$ -
Business Pilot Program	2.82	0.03	2.97	\$ 5,719,603	\$ 1,248,875	\$ 6,968,478
Business Shared Savings	-	-	-	\$ -	-	-
Total Business	2.48	0.02	1.32	\$ 95,883,641	\$ 24,377,058	\$ 120,260,699
SUPPORT SERVICES						
Utility Oversight	-	-	-	\$ 26,017,042	\$ 5,253,553	\$ 31,270,595
Tracking System	-	-	-	\$ 1,163,623	\$ 234,962	\$ 1,398,585
Education & Awareness	-	-	-	\$ 5,756,655	\$ 2,885,562	\$ 8,642,217
EM&V	-	-	-	\$ 7,113,872	\$ 1,446,744	\$ 8,560,616
Support Services Subtotal	-	-	-	\$ 40,051,192	\$ 9,820,821	\$ 49,872,013
TOTAL	1.98	0.03	2.87	\$ 199,500,829	\$ 91,393,820	\$ 290,894,649

*Cost of Conserved Energy does not include Pilots or Education and Awareness

** Includes Residential Agriculture savings within the Business program

Table 4-5. 2024 Portfolio Savings

	First Year Net MWh Savings	MWh Lifetime Savings	First Year Net MW Savings	First Year Net Mcf Savings	Mcf Lifetime Savings
RESIDENTIAL PROGRAMS					
Appliance Recycling	27,429	205,726	3.9	-	-
Assessments and Behavior	25,577	61,910	2.9	397,620	1,131,056
Contractor Rebates – Res	3,349	48,413	1.4	267,944	3,558,460
Income-Qualified Energy Assistance	62,577	467,078	2.0	357,347	3,656,375
Income-Qualified Multifamily	12,729	141,999	1.4	120,111	1,167,738
Market Rate Multifamily	2,267	15,035	0.2	138,028	502,500
New Home Construction	1,979	39,571	0.88	73,158	1,463,151
Retail Rebates	10,243	88,950	1.8	105,861	598,287
Think! Energy	10,037	64,435	0.8	155,503	899,189
Residential Pilot Programs	10,987	115,431	-	75,096	733,718
Residential Shared Savings	298	3,854	0.1	55,483	495,294
Total Residential	167,471	1,252,401	15.3	1,746,151	14,235,768
BUSINESS PROGRAMS					
Prescriptive Solutions**	331,913	3,706,048	56.4	402,676	3,709,216
Custom Solutions	62,592	1,048,394	5.7	714,411	11,930,296
Energy Assessments	5,125	44,923	0.6	230,400	1,544,702
Contractor Rebates – Bus	46,300	499,811	6.8	-	-
Small Business Store	3,919	23,023	0.4	10,475	60,347
Self-Direct Projects	10,695	10,695	-	-	-
Business Pilot Programs	17,322	181,987	-	41,303	420,042
Business Shared Savings	1,883	32,369	0.1	25,977	352,250
Total Business	479,750	5,547,250	70.0	1,425,242	18,016,853
SUPPORT SERVICES					
Utility Oversight	-	-	-	-	-
Tracking System	-	-	-	-	-
Education & Awareness	17,455	176,470	-	90,677	1,017,396
EM&V	-	-	-	-	-
Support Services Subtotal	17,455	176,470	-	90,677	1,017,396
TOTAL	664,676	6,976,121	85.3	3,262,070	33,270,017

* Shared savings are defined as unclaimed gas or electric savings from EWR-related work that generates both electric and gas savings at premises where a utility only provides single fuel service

**Includes Residential Agriculture savings within the Business program

Table 4-6. Summary of Electric Program Benefit-Cost Test Results

	Utility Cost Test	Total Resource Cost Test	Participant Measure	Rate Impact Measure
RESIDENTIAL PROGRAMS				
Appliance Recycling	1.41	1.25	10.99	0.30
Assessments and Behavior	0.65	0.29	1.51	0.23
Contractor Rebates – Res	1.43	0.36	1.04	0.36
Income-Qualified Energy Assistance	0.92	0.92	-	0.21
Income-Qualified Multifamily	0.66	1.51	9.13	0.25
Market Rate Multifamily	0.28	0.23	2.95	0.16
New Home Construction	5.13	2.96	8.22	0.26
Retail Rebates	2.32	0.37	5.82	0.47
Think! Energy	2.21	2.21	-	0.28
Residential Portfolio Average*	1.55	0.75	4.63	0.29
BUSINESS PROGRAMS				
Prescriptive Solutions	3.67	1.90	6.88	0.34
Custom Solutions	7.36	2.30	8.52	0.30
Energy Assessments	0.78	4.04	-	0.24
Contractor Rebates – Bus	2.86	1.68	6.77	0.31
Small Business Store	5.20	3.28	19.01	0.31
Business Portfolio Average	3.73	1.79	7.64	0.32
Total Electric Portfolio without Incentive*	2.53	1.48	6.16	0.35
Total Electric Portfolio with Incentive*	1.99	1.27	6.16	0.33

*Does not include Residential or Multifamily Income Qualified programs

Table 4-7. Summary of Natural Gas Program Benefit-Cost Test Results

	Utility Cost Test	Total Resource Cost Test	Participant Measure	Rate Impact Measure
RESIDENTIAL PROGRAMS				
Appliance Recycling	-	-	-	-
Assessments and Behavior	1.28	1.02	0.81	0.39
Contractor Rebates – Res	1.57	0.33	1.04	0.42
Income-Qualified Energy Assistance	0.84	0.84	-	0.34
Income-Qualified Multifamily	0.57	1.52	10.15	0.28
Market Rate Multifamily	1.39	0.78	4.51	0.38
New Home Construction	6.83	6.95	19.59	0.46
Retail Rebates	1.41	1.21	5.75	0.40
Think! Energy	4.40	4.40	-	0.49
Residential Portfolio Average*	2.08	0.75	4.63	0.29
BUSINESS PROGRAMS				
Prescriptive Solutions	2.49	1.19	3.34	0.46
Custom Solutions	5.46	7.31	16.88	0.51
Energy Assessments	2.42	5.19	-	0.45
Contractor Rebates – Bus	-	-	-	-
Small Business Store	6.81	6.74	35.94	0.51
Business Portfolio Average	3.87	3.01	9.96	0.49
Total Natural Gas Portfolio without Incentive*	2.59	1.35	3.95	0.46
Total Natural Gas Portfolio with Incentive*	1.95	1.16	3.95	0.43

*Does not include Residential or Multifamily Income Qualified programs

Table 4-8. 2025 Planned Investment

Electric Investment	2025
Planned Investment (\$M)	\$190.03
Natural Gas Investment	2025
Planned Investment (\$M)	\$95.07

Table 4-9. Pilot Program Investment

Pilot Portfolio	Investment Spend (\$)
Pilot Admin	
Allocated Labor	\$2,046,649
Origination & Design	\$3,514,843
Pilot Measure	
Induction Cooktops - Multifamily	\$62,486
Refrigerant Swap	\$27,266
Proof of Concept	
On-Bill Payment	\$11,040
1-My Energy Analyzer	\$914,399
Pilot Program	
Health & Safety*	\$5,672,486
Super-Efficient All Electric New Homes	\$597,904
Workforce Development	\$594,130
Combined Heat and Power	\$448,020
Local Government Benchmarking	\$254,619
Refrigeration Optimization and Peak Shifting	\$308,428
Additional Pilots	\$4,250,929
Total Pilot Spend	\$18,703,199

*Pursuant to the amended settlement agreement in Case No. U-21321, the Health and Safety Pilot has been transitioned into the Income Qualified Programs.