



WHEREAS: The Intergovernmental Panel on Climate Change [reports](#) "rapid, far-reaching" changes are necessary in the next decade to avoid catastrophic global warming. The energy sector must play a critical role in mitigating this risk. Already, the sector is transitioning away from coal, yet its growing reliance on natural gas creates new risk, locking in long-term emissions.

Natural gas use [contributes to climate change](#) throughout its supply chain, from upstream methane leaks to downstream combustion in buildings. Gas combustion for heating and cooking is a primary reason commercial and residential buildings [account for](#) 12.3% of greenhouse gas (GHG) emissions nationwide. Approximately 22% of emissions disclosed by DTE are from customer gas use. This does not include gas' upstream emissions, which DTE [does not report](#).

Electrification of heating and cooking [has emerged](#) as a cost-effective approach to decarbonize buildings. Related technologies are becoming more economical and [studies](#) show increased climate benefits as electric grids transition off fossil fuels. Growing support is evidenced by cities nationwide [introducing building codes](#) to incentivize electrification over gas. Recognizing this disruptive trend, multiple states have launched official [investigations](#) into the future of gas distribution systems. As electrification becomes more cost-competitive, supportive policies gain traction, and utilities face pressure to reduce GHGs, hybrid power and gas utilities like DTE face transition challenges and opportunities.

While some utilities and industry groups [defend](#) continued reliance on gas, investors are concerned this will lead to overinvestment in gas distribution, and related stranded asset risk, and to missed opportunities to grow clean power demand. Recently, peers [Duke](#) and [Dominion](#) lost billions after abandoning the Atlantic Coast Pipeline project. Meanwhile, peers like [Entergy](#) and [PG&E](#) are actively promoting electrification through incentives and public statements.

DTE's current GHG reduction [commitments](#) for gas use are commendable but insufficient to meet Paris goals. Its disclosures lack information about whether DTE has fully reported the climate impacts of continuing to invest in gas distribution or assessed opportunities for transitioning toward building electrification to meet urgent climate goals.

BE IT RESOLVED: Shareholders request the Board of Directors prepare a report (at reasonable cost and omitting proprietary information) exploring options as to whether and how the Company could reduce its total contribution to climate change by



encouraging electrification of the built environment within the company's service areas as part of a Company transition toward enterprise-wide alignment with the Paris Climate Agreement.

SUPPORTING STATEMENT: Shareholders seek information, at board and management discretion, on the relative benefits and drawbacks of integrating the following actions:

- Providing expertise and financial support or incentives for commercial and residential electrification efforts;
- Supporting public policies that encourage new building construction to utilize electricity rather than gas for heating and cooking, and to transition buildings currently served by gas;
- Setting time bound targets related to the actions above.