

6-13-2022

## The Public's Case Against DTE Energy: Extracting Profits, inducing health harms, and damaging democracy

Alex B. Hill

*Wayne State University, Detroit, MI, alexbhill@wayne.edu*

Bridget Vial

*Michigan Environmental Justice Coalition*

Aly Shaw

*Public Accountability Initiative / LittleSis*

Gin Armstrong

*Public Accountability Initiative / LittleSis*

Robert Galbraith

*Public Accountability Initiative / LittleSis*

Follow this and additional works at: [https://digitalcommons.wayne.edu/urbstud\\_frp](https://digitalcommons.wayne.edu/urbstud_frp)



Part of the [Civic and Community Engagement Commons](#), [Energy Policy Commons](#), [Inequality and Stratification Commons](#), [Public Policy Commons](#), [Race and Ethnicity Commons](#), [Urban Studies Commons](#), and the [Urban Studies and Planning Commons](#)

---

### Recommended Citation

Hill, A. B., Vial, B., Shaw, A., Armstrong, G., and Galbraith, R. (2022). Report: The Public's Case Against DTE Energy: Extracting Profits, inducing health harms, and damaging democracy. We The People Michigan with Michigan Environmental Justice Coalition, and LittleSis/Public Accountability Initiative.

This Article is brought to you for free and open access by the Urban Studies and Planning at DigitalCommons@WayneState. It has been accepted for inclusion in Urban Studies and Planning Faculty Research Publications by an authorized administrator of DigitalCommons@WayneState.



**REPORT:**

# The Public's Case Against DTE Energy

**Extracting profits, inducing health harms, & damaging democracy -**

**& what it would take to build people-powered utilities.**



a report by WE THE PEOPLE MICHIGAN and partners: Michigan Environmental Justice Coalition (MEJC) and the Public Accountability Initiative/LittleSis



\*THIS IS NOT A LEGAL DOCUMENT

**THE DISTRICT COURT  
OF THE PEOPLE\***

**THE PEOPLE OF MICHIGAN**

vs.

**DTE ENERGY  
DTE ELECTRIC COMPANY (DTEE)  
MICHIGAN ENERGY FIRST**

Case: 22-1-00-1  
Judge: The Folks  
MJ  
Filed: 2022-06-14

VIOLATIONS:

%Harm to **PEOPLE**

**THE INDICTMENT**

**THE CHARGES:**

**COUNT ONE-THREE:**

**HARM TO THE PEOPLE OF MICHIGAN; (1) EXTRACTING PROFITS, (2) INDUCING  
HEALTH HARMS, AND (3) DAMAGING DEMOCRACY**

**GENERAL ALLEGATIONS**

**Introduction**

The DTE Energy corporation, herein DTE, has perpetuated harm to the people of Michigan, including financially through reckless utility shutoffs, exorbitant rate hikes, and extended power outages attributable to disinvested infrastructure. DTE has staved off efforts to become carbon neutral, stymied rooftop and community solar efforts, and engaged in greenwashing under the guise of consumer needs. DTE has both propped up and taken down political figures and utilized dark money nonprofits to further their own profit-driven agenda.

Hill, Alex B., Bridget Vial, Aly Shaw, Gin Armstrong, and Robert Galbraith. Report: The Public's Case Against DTE Energy: Extracting Profits, inducing health harms, and damaging democracy. *We The People Michigan with Michigan Environmental Justice Coalition, and Public Accountability Initiative*, 2022.

## CONTENTS

- 1** Introduction
- 3** Extracting Profits
- 7** Inducing Health Harms
- 11** Damaging Democracy
- 18** Conclusions

## LIST OF FIGURES & TABLES

- 5** FIGURE 1: DTE outage maps from Summer 2021 with City of Detroit ZIP codes overlaid. Outages hotspot south of I-94 predominantly on the city’s Southwest and Eastside.
- 8** FIGURE 2: Map of the health costs of DTE’s air pollution by census tract
- 10** FIGURE 3: Network map of DTE Executives Board memberships
- 14** TABLE 1: DTE board, employees, and PAC campaign donations and recipients receiving at least \$10,000 from 2019 to 2022
- 15** FIGURE 4: Network map of DTE Executives connections to Michigan Energy First
- 17** TABLE 2: DTE lobbying expenditures 2019-2021

## TIMELINE

- 2020** - DTE shuts off power to customers 80,600 times while taking \$268M in CARES Act funding and paying out \$807M to shareholders
- 2021** - DTE and Consumers Energy fund controversial slush fund of former Michigan House Speaker, accused of sexual assault, including \$30k from Michigan Energy First nonprofit
  - JUL** - DTE sunk millions of dollars into opposition of Proposal P in Detroit
  - AUG** - Nearly 1 million people without power in SE Michigan, DTE service area
  - SEP** - Michigan Representative Joe Bellino, Chair of House Energy Committee, received \$1,500 from DTE to play charity golf
- 2022** - DTE lobbying effectively kills bipartisan “community solar” legislation that showed potential for \$1.5B economic benefits and \$20k over 3 decades

## COUNT ONE:

# EXTRACTING PROFITS FROM CAPTIVE CUSTOMERS

The DTE investor-owned utility is profit-obsessed while Michiganders bear the brunt of its diminished service. The company has perpetuated punitive utility shutoffs under the guise of helping consumers not rack up bills, increased rates generating \$774 million in the last 5 years, and allowed extended power outages because of disinvestment.

## 1. SHUTOFFS

DTE's rate of shutoffs outpaces any other Michigan utility company. With two million customers, the majority in Southeast Michigan, DTE disconnected electric accounts 1.2 million times from 2013-2019.<sup>1</sup>

In 2021, DTE disconnected accounts

# 178,200

times for nonpayment<sup>2</sup>

Shutoffs in 2021 represented DTE's highest annual number of service disconnections since 2016. Out of all of Michigan's privately-owned utility companies, DTE has by far the highest rate of shutoffs.

The 2022 reporting by Outlier Media and ProPublica caused the Detroit City Council to unanimously vote to ask DTE

<sup>1</sup> Sarah Alvarez and Agnel Philip. (2022). Lights Out: Profitable Utility Company Shut Off Electricity to Homes Hundreds of Thousands of Times. Outlier Media with ProPublica.  
<https://www.propublica.org/article/lights-out-profitable-utility-company-shut-off-electricity-to-homes-hundreds-of-thousands-of-times>

<sup>2</sup> Ibid.

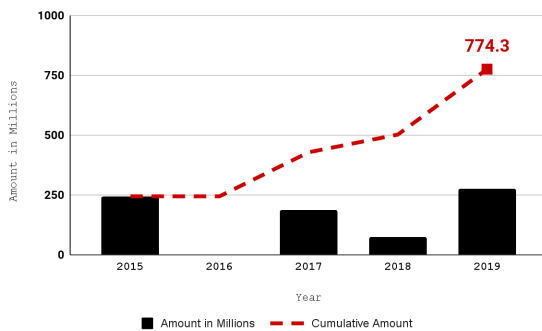
to stop all electricity shutoffs for at least a year until a plan can be made that doesn't harm city residents. Utility shutoffs are just one of the many housing burdens that Detroiters face that cause undue stress and raise the risk of eviction and foreclosure for people with families and elder residents.



Protestors outside of the DTE plaza in Downtown Detroit (2017)

## 2. RATE HIKES

Since 2015, DTE increased rates to consumers generating **\$774 million**,<sup>3</sup> the second highest rate of increase of any investor-owned utility in the country.<sup>4</sup>



In the early days of the pandemic, investor-owned utilities feared impacts of COVID-19 on their bottom line and successfully lobbied for federal bailouts. DTE received \$236M from the Coronavirus Aid, Relief, and Economic Security (CARES) Act. But rather than facing losses, DTE – alongside investor-owned utilities around the country – reaped record profits, reporting \$30M excess revenue in 2020 even as they continued to shut off vulnerable customers.<sup>5</sup>

In November 2021, DTE requested an additional \$388 million electricity rate

<sup>3</sup> Keith Matheny. (2019). DTE Energy rate hikes among biggest in country — as reliability still lags. Detroit Free Press. <https://www.freep.com/story/news/local/michigan/2019/08/05/dte-energy-electric-rate-hikes/1900782001/>

<sup>4</sup> Tom Perkins. (2021). DTE Energy, other Michigan utilities capture pandemic windfall. Planet Detroit. <https://planetdetroit.org/2021/03/dte-energy-other-michigan-utilities-capture-pandemic-windfall/>

<sup>5</sup> Ibid.

increase from Michigan Public Service Commission (MPSC). The new 8.8% rate increase wouldn't go into effect until November 2022. DTE claims the requested rate increase is to cover an expected revenue shortfall for 2022–2023.

A growing number of community organizations are engaging in legal intervention and public organizing around this case. They are fighting to secure affordable rates, equal access to the benefits of clean energy, community ownership, and resilient infrastructure. The coalition is calling for DTE to have real accountability to measure improvements before they are able to ask for any kind of rate increase. In addition to resisting DTE's bad proposals, the coalition is putting forward proposals for low-income community solar programs, beneficial infrastructure investments, and measurements for improvement in areas critical to human well-being..



Small DTE branded flashlight being distributed at Meijer on 8 Mile. (Credit: @PaulTheUrbanist, June 2022)



### 3. POWER OUTAGES

DTE has a track record of long and frequent blackouts – often leaving customers in the dark for more minutes per year than any other investor-owned utility in Michigan (a state that ranked eighth worst nationally for the same metric in 2018).<sup>6</sup> An August 2021 outage left over 1 million people without power – some for up to 7 days. The American Society of Civil Engineers (ASCE) gives Michigan's energy infrastructure a C- grade rating

due to "aging infrastructure, lack of investment to preserve function."<sup>7</sup>

In 2021, ASCE gave Michigan a

**C-**

for energy infrastructure<sup>8</sup>

The number of outages and blackouts places Michigan in the top 10 worst out of all U.S. States.

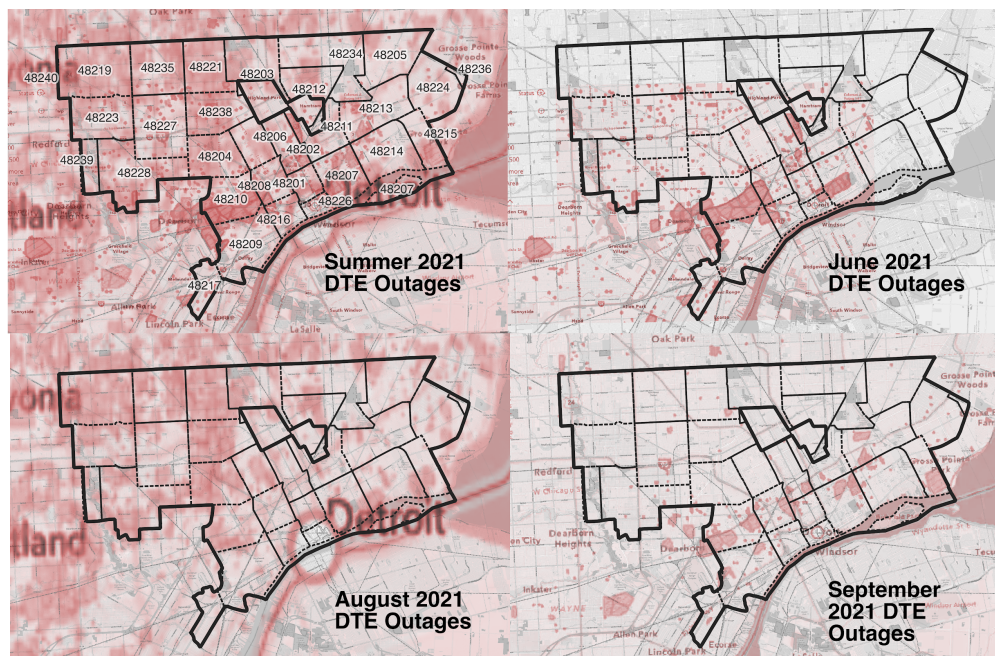


FIGURE 1: DTE outage maps from Summer 2021 with City of Detroit ZIP codes overlaid. Outages hotspot south of I-94 predominantly on the city's Southwest and Eastside.

<sup>6</sup> 2020 Utility Performance Report. (2020). Citizens Utility Board.

[https://www.michigan.gov/-/media/Project/Websites/AG/utilities/power-outages/CUB\\_of\\_MI\\_UTILITY\\_Performance\\_Report\\_2020\\_Edition.pdf?rev=272d071efacc4f0a94596ea5c9460508](https://www.michigan.gov/-/media/Project/Websites/AG/utilities/power-outages/CUB_of_MI_UTILITY_Performance_Report_2020_Edition.pdf?rev=272d071efacc4f0a94596ea5c9460508)

<sup>7</sup> 2021 Report Card for America's Infrastructure. (2021). American Society of Civil Engineers. <https://infrastructurereportcard.org/>

<sup>8</sup> Ibid.

The Midcontinent Independent System Operator (MISO), the largest energy market that operates the power grid for most of the Midwest, is warning of rolling blackouts in Summer 2022.

Summer 2022 heatwaves + blackouts could expose an estimated

**68 - 100%**

of Detroiters to heat exhaustion and/or heat stroke<sup>9</sup>

Research analysis found that a combined summer heatwave and extended power outage in Detroit could be deadlier than Hurricane Katrina. Detroiters are already at elevated risk during heatwaves due to the heat trapping effect of large paved areas in cities. The modeled impact of a combined heatwave and blackout could expose 68 to 100% of the Detroit population to heat exhaustion and/or heat stroke.<sup>10</sup>

Michigan Representatives Abraham Aiyash and Yousef Rahbi introduced a five-bill package to require public utilities to pay customers by the hour for power outages. The legislation is part of a longstanding effort by the lawmakers and Michigan's environmental and consumer advocate community to hold Michigan's major

utilities accountable for poor service and high costs.

The five bills would provide a number of protections for utility customers, including automatic bill credits when the power goes out repeatedly, escalating credits based on duration of outage, greater transparency on utility bills and requirements for distribution and grid investment plans to be reviewed by the MPSC.



Protestors at a rally in support of rate rebate legislation (Credit: Bridge Detroit, 2022)

<sup>9</sup> Stone Jr, B., Mallen, E., Rajput, M., Gronlund, C. J., Broadbent, A. M., Krayenhoff, E. S., ... & Georgescu, M. (2021). Compound climate and infrastructure events: how electrical grid failure alters heat wave risk. *Environmental Science & Technology*, 55(10), 6957-6964.

<sup>10</sup> Ibid.

## COUNT TWO:

# INDUCING HEALTH HARMS

While paying some of the nation's highest electricity rates, DTE's customers also pay for electricity with their health. Emissions of fine particulate matter, sulfur dioxide, and nitrogen oxide contribute to health impacts like asthma exacerbations, particularly in young children, and heart disease, lung cancer, and other causes of premature death, primarily affecting older adults.

### 1. ASTHMA & AIR TOXICS

Health costs imposed by DTE's energy generation are high relative to other utilities. DTE has historically used a much higher proportion of coal for electricity generation, relative to other fuels – 60 percent.

In 2019, MEJC and University of Michigan researchers Drs. Gronlund, Reames, and Schulz conducted a Health Impact Assessment of the DTE Energy service area.<sup>11</sup> They estimated that the health costs from DTE power plant air pollution sum to **\$302 million** annually across Wayne, Oakland, and Macomb counties.<sup>12</sup>

DTE-imposed health costs are not equally distributed. Black, Brown, immigrant, and low-income communities breathe in the worst effects of the Trenton and River Rouge coal-fired power plants. Standardizing for differences in age distribution, the

average per-person, per-year, health cost in most Detroit, Dearborn, and Downriver Census tracts, that figure ranges from \$80 to \$115.

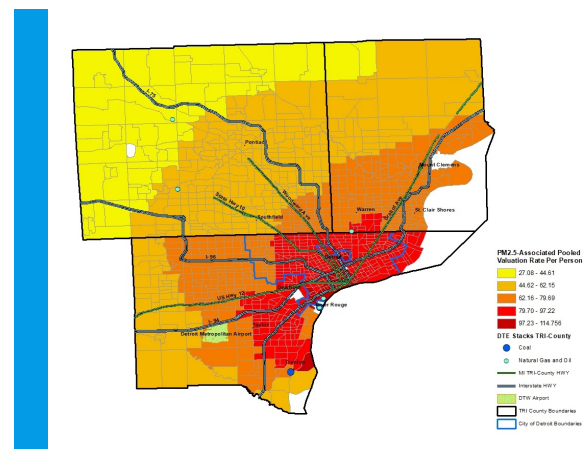


FIGURE 2: Map of the health costs of DTE's air pollution by census tract

Based on this analysis, advocates argued before the Michigan Public Service Commission (MPSC) that DTE should have to take health impacts into account in their 15-year Integrated Resource Plan (IRP). DTE objected, refusing responsibility for the costs of inhalers, trips to the emergency room, and years of lost life incurred by customers living nearest their plants.

<sup>11</sup> Martinez, M., Gronlund, C., Batterman, S., & Schulz, A. (2020, October). Assessing health impacts of energy plans: A case study of an HIA for dte energy's integrated resource plan. In *APHA's 2020 VIRTUAL Annual Meeting and Expo* (Oct. 24-28). APHA.  
<https://ourpowermi.org/research/health-impact-assessment/>

<sup>12</sup> Ibid

## 2. CLIMATE CHANGE

Thanks to activist pressure, aging infrastructure, and rising coal prices, all of DTE's coal-fired power plants are scheduled to close by year 2028. This should be a victory for public health, environmental justice, and climate: **We should be seizing this decade to invest at mass-scale in renewable, pollution-free energy infrastructure – solar, wind, geothermal, energy efficiency, battery storage, and microgrids.**

Instead, DTE is exploiting the opportunity to rapidly build a new generation of fracked-gas infrastructure. DTE has announced, in June 2022, the start of operations at the newly-constructed Blue Water Energy Facility, a \$1 billion gas-fired power plant.<sup>13</sup> Plants like these are built to last 30 years or more. If Michigan were to commit to 100% renewable energy in the power sector by 2035, the Blue Water Energy Facility would be obsolete after less than 10 years of operation. But ratepayers could be on the hook<sup>14</sup> for the cost of DTE's investment – plus nearly 10 percent profit – for decades.

Guaranteed profit on capital investments<sup>15</sup> is one reason for DTE's obsession with gas. Pipeline profits are another. DTE's unregulated affiliate companies are major owners of pipelines (like Rover, Nexus, and others) that will fuel the regulated utility's plants. In fact, in order to justify the construction of Nexus, DTE promised to buy fuel from Nexus at above-market rates.



Work for Me, DTE! opposes greenwashing outside DTE-sponsored "Climate Leadership Conference" in Detroit (Credit: Sara Faraj, 2020)

<sup>13</sup> Jackie Smith. (2022). DTE's massive natural gas plant in East China is now up and running. Port Huron Times Herald. <https://www.thetimesherald.com/story/news/2022/06/06/dtes-massive-natural-gas-plant-east-china-now-up-and-running/7529072001>

<sup>14</sup> Rocky Mountain Institute. (2022). You Might Be Paying For A Worthless Gas Plant. Clean Technica. <https://cleantechnica.com/2022/04/19/you-might-be-paying-for-a-worthless-gas-plant/>

<sup>15</sup> Tom Perkins. (2021). Are Michigan's investor-owned utilities driving away auto jobs and investment? Outlier Media. <https://outliermedia.org/are-michigans-investor-owned-utilities-driving-away-auto-jobs-and-investment/>

### 3. GREENWASHING

DTE’s advertisements color over the fact that the company is committed to burning fossil fuels for another 30 years. Like many fossil fuel corporations, DTE’s well-funded marketing campaigns seek to promote a climate-concerned brand image – a practice known as “greenwashing.” DTE sponsors climate conferences, touts decorative solar projects in local newspapers, and emails its customers about energy efficiency opportunities. DTE is adept at claiming credit for programs and plans that it was forced to adopt,<sup>16</sup> following hotly contested legal battles at the MPSC.

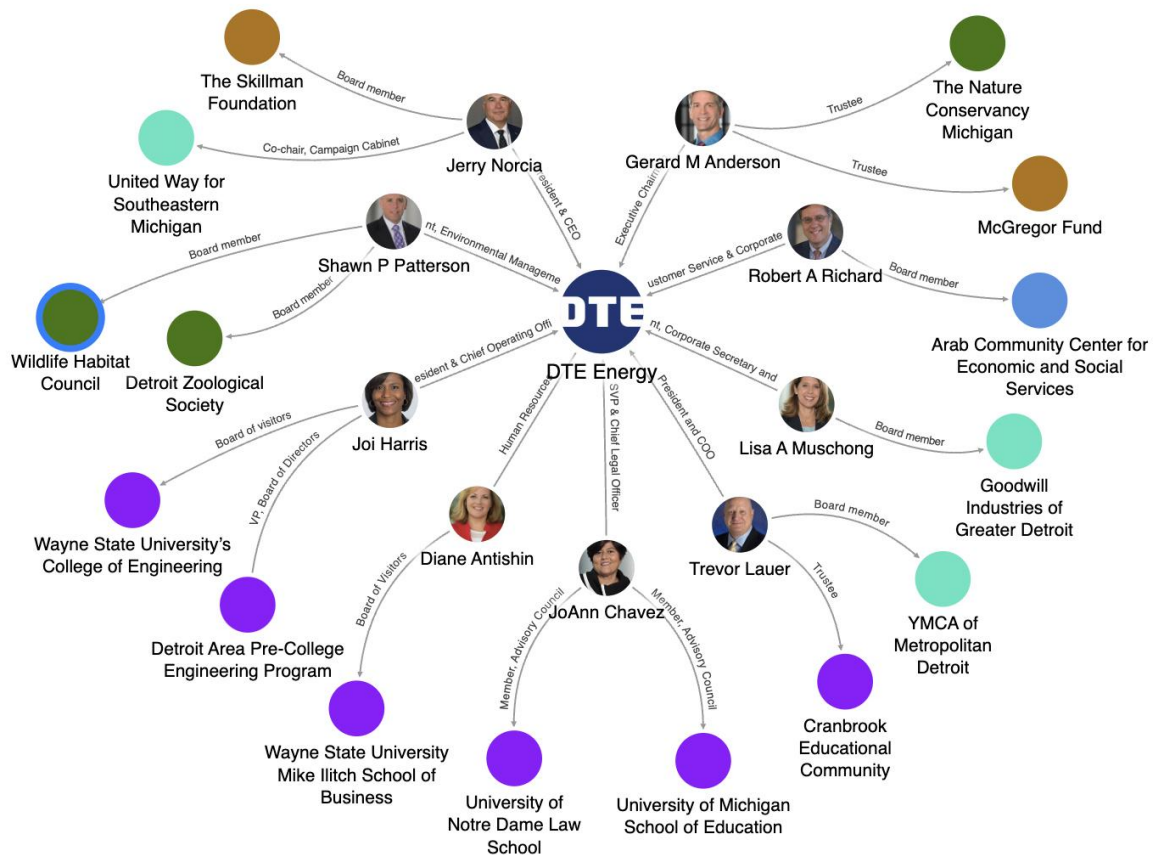


FIGURE 3: Network map of DTE Executives Board memberships (LittleSis)

<sup>16</sup> Soulardarity. (2021). Statement On DTE Settlement Agreement. [https://www.soulardarity.com/settlement\\_statement](https://www.soulardarity.com/settlement_statement)

DTE's executives have their own networks of connections that span Michigan's most prestigious philanthropic and academic institutions. The presence of DTE executives on these boards gives DTE even more influence, legitimacy, and reach, as this notorious corporate actor is presented as an active member of various community spaces.

As one might expect, these executives sit on the boards of powerful business lobbying groups and policy planning coalitions including Business Leaders for Michigan, the Detroit Regional Partnership, the Downtown Detroit Partnership, Detroit Economic Club, and the West Michigan Policy Forum, among others. These boards are where Michigan's business elite come together to strategize on policy. While politicians move legislation, these circles are largely where corporate-friendly policies are formed and gain traction.

DTE also has its own philanthropic arm, the DTE Energy Foundation, which distributed nearly \$120 million to hundreds of organizations from 2015 to 2020.<sup>17</sup> This foundation, which funds numerous small cultural, educational, environmental, and basic needs organizations that rely on donations to serve their missions, is another means through which DTE exercises its power.

---

<sup>17</sup> DTE Energy Foundation, Nonprofit Explorer, ProPublica. <https://projects.propublica.org/nonprofits/organizations/382708636>

From 2018 to 2019, DTE Energy Foundation gave

**\$1.2M**

in grants to environmental groups<sup>18</sup>

Environmental groups in Michigan received a total of at least \$1.2 million in grants from DTE's foundation in 2018 and 2019. The Nature Conservancy received \$405,000 in those two years, Releaf Michigan received \$240,000, the Wildlife Habitat Council (Maryland) received \$125,000, and the Pennsylvania Environmental Council received \$60,000. DTE's funding of environmental groups allows them to escape accountability for their role in harming Michigan's environment and contributing to climate change.

The economic power exercised by DTE through its foundation can have a cooling effect on opposition to the corporation and its agenda.<sup>19</sup> This tactic combined with highly connected executives and board members, means that DTE is nearly inescapable in Michigan social and political life.

---

<sup>18</sup> DTE Energy Foundation, Nonprofit Explorer, ProPublica. <https://projects.propublica.org/nonprofits/organizations/382708636>

<sup>19</sup> Strings Attached: How utilities use charitable giving to influence politics and increase investor profits. (2019). Energy and Policy Institute. <https://www.energyandpolicy.org/strings-attached-how-utilities-use-charitable-giving-to-influence-politics-increase-investor-profits-dte-energy/>

## **COUNT THREE:**

### **DAMAGING DEMOCRACY**

In addition to the ways that DTE harms the environment and the people who rely on the utility for electricity and home heating and cooking, the corporation is a powerful operator in Michigan politics. DTE spends millions of dollars on political influence to advance its interests in government through campaign contributions, secretive “dark money” groups, and through an army of lobbyists. In addition to the money DTE spends to influence the outcomes of elections and to advocate for or against various laws or regulations, the company also exerts political power through funding an assortment of think tanks, business advocacy groups, and cultural institutions.

DTE is one of the most powerful corporate forces in Michigan politics. The corporation injects money into campaigns through its corporate political action committee (PAC), through individual donations from executives and board members, and through “dark money” non-profits controlled by the corporation. DTE and its board and executives also have funding and governance roles at corporate advocacy groups that operate political action committees of their own that spend money on elections.

#### **1. CAMPAIGN DONATIONS**

The *Detroit News* recently reported that DTE and Consumers Energy had made campaign contributions to 140 out of 146 Michigan lawmakers, or 96% of the members of the state legislature in recent years.<sup>20</sup> This was part of the two utilities’ \$55 million in political and civic spending between 2017 and 2020.

While DTE gives to both parties, most of its campaign spending goes to Republicans who control the Michigan state legislature. Since 2019, DTE employees, board members, and the DTE PAC have contributed:

- \$130,000 to the **Senate Republican Campaign Committee**, and
- \$124,475 to the **House Republican Campaign Committee**.
- DTE is the top funder of the **Growing Michigan Majority Fund**, giving \$8,500 through the DTE PAC to the group, which has given \$38,250 to the **Senate Republican Campaign Committee** since 2021, according to Transparency USA.<sup>21</sup>
- DTE gave \$14,000 to the **Building Accountability Behind**

<sup>20</sup> Craig Mauger. Michigan utilities spent millions electing lawmakers who could probe outages. *Detroit News*, August 29, 2021. <https://www.detroitnews.com/story/news/politics/2021/08/30/michigan-utilities-spent-millions-electing-lawmakers-who-could-probe-outages/5601033001/>

<sup>21</sup> Growing Michigan Majority Fund. Transparency USA. <https://www.transparencyusa.org/mi/pac/growing-michigan-majority-fund-519904-ind/?cycle=2017-to-now>

**Experience PAC** from 2020 through 2022.

- The Building Accountability Behind Experience PAC has given \$55,000 to the **House Republican Campaign Committee** and \$15,000 to Attorney General Tom Leonard since 2020 according to Transparency USA.<sup>22</sup>
- The company also gave \$14,000 to the **Senate Majority 2022 PAC** through the **DTE PAC**. This group has given \$338,950 to the **Senate Republican Campaign Committee** and \$130,000 to the **Michigan Republican Party** since 2017, according to Transparency USA.<sup>23</sup>

Campaign donations mostly come from DTE's PAC, but DTE's board members, executives, and employees represent a significant base of donors. When DTE employees donate together, their common employer sends a message to the candidates they support. DTE employees, board members, and the corporate PAC have contributed **\$2,427,629** to candidates and committees in Michigan since 2018.<sup>24</sup>

<sup>22</sup> Building Accountability Behind Experience PAC. Transparency USA.

<https://www.transparencyusa.org/mi/pac/building-accountability-behind-experience-pac-519348-ind/?cycle=2017-to-now>

<sup>23</sup> Senate Majority 2022 PAC. Transparency USA.

<https://www.transparencyusa.org/mi/pac/senate-majority-2022-pac-516629-ind/?cycle=2017-to-now>

<sup>24</sup> Campaign finance disclosure. State of Michigan. <https://www.michigan.gov/sos/elections/disclosure/cfr>

Since 2018, DTE, its employees and board, and corporate PAC have given

**\$2M+**

to political candidates

While slightly favoring Republicans, donations from DTE aligned individuals and the DTE PAC flowed to both sides of the aisle, a common tactic for large corporations that are ultimately interested in currying favor with whomever is in power at any given time.



Mike Shirkey, Lee Chatfield, and Mike Duggan, top recipients of DTE's PAC

Political spending allows DTE to influence legislation that could impact their corporate profits in general, but the contributions are often strategically timed.

After the power outages of summer of 2021, the company PAC reportedly spent \$60,684 on campaign contributions between July 1 and October 20th, 2021.

Just weeks before a scheduled oversight hearing in the fall, DTE and Consumers' PACs gave \$23,250 to 11 out of 16 members of the **House Energy**



**Committee** within the five-week period before their oversight hearings and immediately following widespread outages on September 7, 2021.<sup>25</sup>

In August of 2021, when one million DTE customers were suffering from another significant power outage, the chair of the **House Energy Committee** Representative, Joe Bellino, accepted a total of \$4,670 in in-kind payments from DTE for golf tournament fees, according to a campaign finance complaint filed by Progress Michigan.<sup>26</sup> While accepting these payments from DTE, Rep. Bellino was also preventing **House Bill 4236** from moving out of the House Energy Committee. This bill, which has bipartisan support in the Michigan legislature, would lift the 1% cap on the amount of customers who are able to generate solar energy on individual properties.

As noted in **TABLE 1**, DTE has given over \$32,000 in total to **Compete Michigan PAC, Compete Michigan PAC 2, and Compete Michigan PAC 3** since 2019. The Compete Michigan PACs are the leadership PACs of State Senate Majority Leader Mike Shirkey. After the January 6th insurrection, Shirkey was criticized for stating in a video that the event was a hoax and “was all staged.”

---

<sup>25</sup> Craig Mauger. Michigan's utilities give cash to Whitmer, key lawmakers amid outage probes. Detroit News, October 28, 2021. <https://www.detroitnews.com/story/news/politics/2021/10/29/michigan-utilities-give-cash-whitmer-gop-key-lawmakers-amid-outage-probes-dte-consumers/8570481002/>

<sup>26</sup> Campaign finance act and lobby registration act complaint. (2021). Progress Michigan. <https://progressmichigan.org/wp-content/uploads/2021/09/CAMPAIGN-FINANCE-COMPLAINT.pdf?akid=24982.107822.TMqiSN&rd=1&t=7>

In response, DTE condemned the statements and claimed that it would pause political donations and review their contribution policy.<sup>27</sup> However, less than a year later, DTE's PAC gave a \$2,500 donation to **Compete Michigan PAC 2** in September of 2021 and a \$2,500 donation to **Compete PAC 3** in December of 2021.

DTE has also been involved in Detroit's local politics. DTE, its top donor, made a payment of \$50,000 to the Committee to Protect Detroit's Future, a group formed to stop **Proposal P**, which included measures for Detroit water affordability, expanded internet broadband access, and created a Human Rights Commission to address systemic racism in Detroit. The ballot measure was opposed by Detroit Mayor Mike Duggan, who received \$15,000 from DTE's PAC towards his reelection campaign in 2021 along with \$18,150 from DTE employees in the same cycle, according to Wayne County's campaign finance records.

DTE also gave \$25,000 in 2019 to **Citizens Research Council of Michigan**, a policy research group that issued a memo critical of Proposal P.<sup>28</sup> The group claimed that “these efforts are likely to affect the city government operations and come with a financial

---

<sup>27</sup> Riley Beggin. (2022). Michigan businesses resumed giving to election objectors in 2021. Detroit News. <https://www.detroitnews.com/story/news/politics/2022/01/07/michigan-businesses-resumed-giving-election-objectors-2021/9083372002/>

<sup>28</sup> Citizens Research Council of Michigan. Proposal P on the Detroit Primary Ballot: The Proposed Detroit Charter. July 2021. Memorandum 1166. <https://crcmich.org/publications/proposal-p-the-proposed-detroit-charter>

cost." DTE Vice President of Government Affairs, Renze Hoeksema,

also sits on the Citizens Research Council's board of directors.

The table below shows committees and candidates that received at least \$10,000 from DTE's board, employees, or PAC over the last four years, from 2019 to 2022.

**TABLE 1**

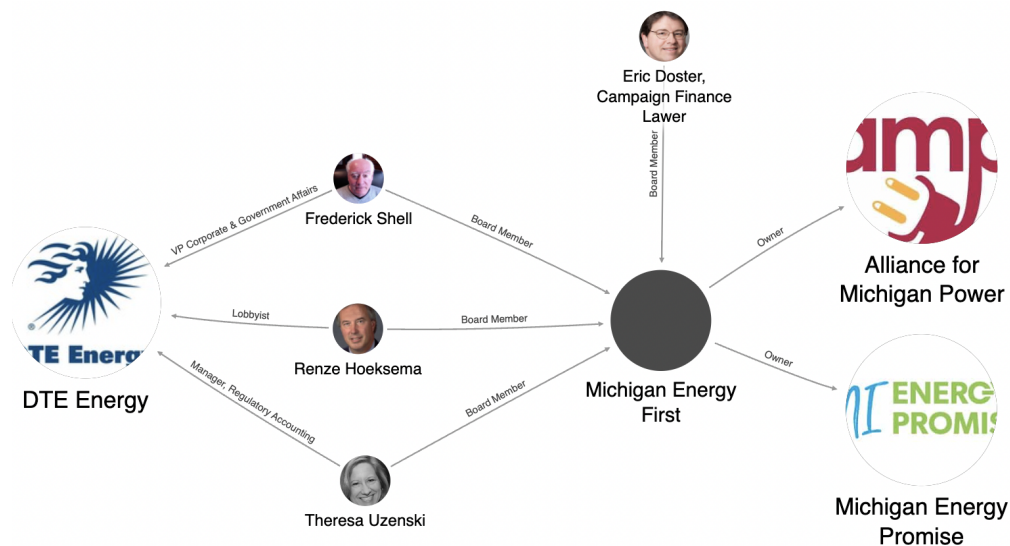
<b>Recipient</b>	<b>Board</b>	<b>Employees</b>	<b>PAC</b>	<b>TOTAL</b>
Senate Republican Campaign Committee	\$10,000		\$120,000	<b>\$130,000</b>
House Republican Campaign Committee	\$2,500		\$121,975	<b>\$124,475</b>
Gretchen Whitmer for Governor	\$2,500	\$54,350	\$52,060	<b>\$108,910</b>
Michigan Senate Democratic Fund	\$9,515		\$90,000	<b>\$99,515</b>
Michigan House Democratic Fund			\$83,500	<b>\$83,500</b>
Fair and Equal Michigan		\$51,613	\$20,500	<b>\$72,113</b>
Business Leaders for Michigan (Business Leaders for Michigan PAC + Business Leaders for Michigan PAC II)	\$7,000	\$12,000	\$30,000	<b>\$49,000</b>
Jason Wentworth		\$13,200	\$32,250	<b>\$45,450</b>
Donna Lasinski		\$14,750	\$27,000	<b>\$41,750</b>
Compete Michigan PAC + Compete Michigan PAC 2 + Compete Michigan PAC 3	\$3,000	\$14,850	\$14,500	<b>\$32,350</b>
Lee Chatfield	\$1,000		\$31,000	<b>\$32,000</b>
Jim Ananich	\$0	0	\$25,250	<b>\$25,250</b>
Joe Bellino		\$8,700	\$6,500	<b>\$15,200</b>
Michigan Chamber of Commerce (Michigan Chamber PAC + Michigan Chamber of Commerce PAC II)	\$5,000	\$5,000	\$5,000	<b>\$15,000</b>
Democratic State Central Committee			\$15,000	<b>\$15,000</b>
Michigan Republican Party			\$15,000	<b>\$15,000</b>
Building Accountability Behind Experience PAC			\$14,000	<b>\$14,000</b>
Aric Nesbitt	\$1,000		\$12,000	<b>\$13,000</b>

**TABLE 1: DTE board, employees, and PAC campaign donations and recipients receiving at least \$10,000 from 2019 to 2022 (Michigan Secretary of State data analyzed by LittleSis)**

## 2. DARK MONEY

In addition to DTE's political donations and influence in the community, the company also diverts funds to dark money groups that attempt to influence elected officials and community leaders. In 2014, the group Michigan Energy First was launched by DTE executives.<sup>29</sup> Since then, the group has given millions to support politicians and legislation in Michigan.<sup>30</sup>

Through Michigan Energy First, DTE executives created the front groups Alliance for Michigan Power in 2014 and Michigan Energy Promise in 2019 to create the illusion of grassroots support for DTE and their anti-renewable energy positions.



**FIGURE 4: Network map of DTE Executives connections to Michigan Energy First**

Both groups maintain an online presence to support DTE's positions on issues like net metering for customers that use solar power and send electricity back into the grid. For example, in response to a net metering bill that DTE opposed, the Alliance for Michigan Power launched misleading Facebook ads attacking Democratic sponsors of the bill. Michigan Energy First has also given tens of thousands of dollars to community and faith leaders in Detroit who then publicly support DTE's policy positions at hearings in front of the public utility commission and online.<sup>31</sup>

<sup>29</sup> Andy Balaskovitz. (2019). Utility-linked group seeks to dismantle net metering in Michigan. Energy News Network. <https://energynews.us/2019/03/04/utility-linked-group-seeks-to-dismantle-net-metering-in-michigan/>

<sup>30</sup> Alliance for Michigan Power. Energy and Policy Institute. <https://www.energyandpolicy.org/alliance-for-michigan-power/>

<sup>31</sup> Tom Perkins. (2019). DTE Energy is quietly funding Detroit community leaders who publicly support the company. Metro Times. <https://www.metrotimes.com/news/dte-energy-is-quietly-funding-detroit-community-leaders-who-publicly-support-the-company-23312366>

In 2020 alone Michigan Energy First gave over **\$5 million** to over a dozen groups, with much of the money being spent to influence elected officials and public opinion.

**From 2019 to 2020, Michigan Energy First gave \$125,000 to the Peninsula Fund**, a fund controlled by staffers of former Speaker of the House Lee Chatfield, who was recently accused of sexual assault and is under criminal investigation for potential misuse of campaign finances and nonprofit funds.<sup>32</sup> The Peninsula Fund, controlled by Chatfield's highest paid staffers, Anne and Rob Minard, spent almost half a million dollars on food and travel in 2020 alone. The donations to Chatfield's Peninsula Fund come on top of the at least \$39,500 that DTE's PAC has given to Chatfield's campaign since 2017.

**Between 2016 and 2020, Michigan Energy First has given \$600,000 to Michigan Citizens for Fiscal Responsibility**, a group that bankrolled the effort to limit the Michigan Governor's powers to extend a state of emergency. Publicly, this dark money group used Covid 19 restrictions as the reason for their support of the measure. However, this change in state law could also benefit DTE in future natural disasters. Under current state regulations, DTE is only required to issue credits to customers who experience power outages under "catastrophic conditions" if it fails to

restore service within 120 hours. The law defines catastrophic conditions as an event that results in an officially declared state of emergency. Rather than spending \$600,000 to invest in their power grid and avoid future outages, DTE spent that money on preventing the state from extending emergency declarations without approval from the legislature.

**From 2018 to 2020, Michigan Energy First gave \$1.1 million to Mayor Duggan backed candidates and legislative efforts.** Mayor Duggan sits on the board of the Detroit Regional Partnership with Gerry Anderson, the Chairman of DTE. Michigan Energy First gave \$750,000 to Detroiters for Change, a dark money group that supported Mayor Duggan backed candidates. Michigan Energy First also gave \$350,000 to a group called Our Neighborhoods First to support a ballot measure that Detroit Mayor Mike Duggan supported. The group, run by Mayor Duggan appointees Lorna Thomas and Betty Brooks, ran ads for Mayor Duggan's ballot measure, Prop N in 2020.

**In 2020, Michigan Energy First gave \$100,000 to the Campaign for a Sustainable Michigan Fund, a c(4) group run by the Michigan Environmental Council (MEC).** DTE worked with the MEC both as a coalition member on Vote Yes on Prop 1 and through their donation to the Sustainable Michigan Fund to pass

---

<sup>32</sup> Simon D. Schuster & Sergio Martínez-Beltrán. (2022). Lee Chatfield raised millions, traveled often. Michigan law kept much secret. Bridge Magazine. <https://www.bridgemi.com/michigan-government/lee-chatfield-raised-millions-traveled-often-michigan-law-kept-much-secret>

Prop 1 that would “change the way Michigan spends oil and gas royalties that support Michigan’s public recreation lands.”

### 3. LOBBYING

On top of the millions spent in dark money, on campaign and PAC contributions, and on corporate sponsorships, DTE also spent \$894,869.33 on lobbying expenses from 2019 through 2021.<sup>33</sup> The corporation spent these funds on individual lobbyists such as former Democratic State Representative Frank Accavitti Jr. and former Republican State Representative Mat Dunaskiss, both of whom were at one point Chairs of Michigan’s Energy and Technology Committee. DTE has also hired large corporate lobbying firms like Karoub Associates, Kelly Cawthorne, and Public Affairs Associates. These firms, which are largely made up of former state legislators, legislative staff, and former staff of Governor Gretchen Whitmer, use their connections on both sides of the aisle in Lansing to lobby on behalf of corporate interests like DTE.

Total DTE lobbying expenditures for each year can be seen in the table below, with the most being spent in 2019, the year DTE sought a \$388 million rate hike.

Year	Lobbying Expenses
2019	\$345,025.98
2020	\$280,476.32
2021	\$269,367.03

TABLE 2: DTE lobbying expenditures 2019-2021

Part of DTE’s lobbying expenditures are food and drink for legislators and other public officials they are lobbying. From 2019 through 2021, DTE reported \$20,892.71 in individual and group food and drink expenses on its lobbying reports. The majority of DTE’s spending on food and drinks was in the spring of 2019.<sup>34</sup> The corporation spent \$8,210 on receptions, lunches, and dinners for legislators and their staff in early 2019, a few months before their 8.69% rate increase was approved by the Michigan Public Service Commission. The top recipient of food and drink funds from DTE was Representative Joe Bellino, Chair of the House Energy Committee, who reported \$406 in food and drink expenses from DTE in 2019 alone.

<sup>33</sup> For Lobbying purposes in the State of Michigan, DTE ENERGY COMPANY has hired. Michigan Secretary of State. [https://miboecfr.nictusa.com/cgi-bin/cfr/lobby\\_detail.cgi?lobby\\_id%3D8768%26last\\_match%3D%26exp\\_last\\_match%3D%26lobby\\_seq\\_no%3D%26lobby\\_type%3D%2A%26lobby\\_name%3DDTE+ENERGY%26include%3Dactive%26show\\_employees%3DY#EMP](https://miboecfr.nictusa.com/cgi-bin/cfr/lobby_detail.cgi?lobby_id%3D8768%26last_match%3D%26exp_last_match%3D%26lobby_seq_no%3D%26lobby_type%3D%2A%26lobby_name%3DDTE+ENERGY%26include%3Dactive%26show_employees%3DY#EMP)

<sup>34</sup> Ibid.



## **CLOSING:**

### **CONCLUSIONS**

Taking on an investor-owned, profit-hungry utility company is no easy task, but collectively we can build a future that runs on community-owned, renewable power. DTE only answers to their shareholders, but we want to leave a healthy and beautiful world for everyone – one where they live as comfortably as our state's great abundance allows, with clean energy that is reliable, consistent, and affordable. We are committed to uncovering the role that DTE and other utility companies play in the politics in our state, and will be working to hold our elected officials at all levels of government accountable for taking DTE money and putting corporate interests over people.

### **PROFIT EXTRACTION**

DTE harms people by extracting profits from captive consumers for the benefit of shareholders while consumers face poor service and persistent outages.

- DTE's rate of shutoffs outpaces any other Michigan utility company. Since 2013, conducted **1.2 million** shutoffs
- Since 2015, DTE has increased rates to consumers generating **\$774 million** profit off of captive consumers.
- DTE has a track record of persistent power outages. An August 2021 outage left over **1 million** people without power – some for up to a week.
- Michigan gets **C- grade** for energy infrastructure due to lack of investment

### **HEALTH HARMS**

DTE harms people by subjecting them to unhealthy conditions in their communities. Consumers paying some of the highest electric rates in the country are also paying with their health.

- Estimated health costs from DTE power plant air pollution sum to **\$302 million** annually across Wayne, Oakland, and Macomb counties.
- Health costs are distributed unequally across the counties, with Black, brown, and low-income communities exposed to more air pollution and extreme heat exposure than wealthier, whiter suburbs.

- DTE's frequent power outages are not only expensive, they are dangerous to health; a combined heat wave and extended power outage in Detroit could be deadlier than Hurricane Katrina.

## DAMAGING DEMOCRACY

DTE harms people through nefarious anti-democracy efforts. DTE spends millions of dollars on political influence to advance its profit-obsessed interests through campaign contributions, secretive "dark money" groups, and an army of lobbyists.

- DTE employees, board members, and the corporate PAC have contributed **\$2,427,629** to candidates and committees in Michigan since 2018.
- Through Michigan Energy First, DTE executives created the front groups Alliance for Michigan Power in 2014 and Michigan Energy Promise in 2019 to create the illusion of grassroots support for DTE and their anti-renewable energy positions. In 2020 alone Michigan Energy First gave **\$5 million** to influence elected officials and public opinion
- DTE spent **\$894,869.33** on lobbying expenses from 2019 through 2021. The corporation spent these funds on dozens of registered lobbyists that have worked for DTE in Lansing since 2019.



## DOING THE WORK TOGETHER

Time and again, we've rallied together across different races, backgrounds, and beliefs to solve big problems and build a better future for everyone. Many different partners and coalitions were mentioned in this report. Learn more about their work and get involved!



### **Citizens Resistance at Fermi Two (CRAFT)**

CRAFT is an Indigenous-led, grassroots organization in Michigan dedicated to environmental justice and the well-being of the earth. The intergenerational, multi-racial, cross-cultural team is committed to halting nuclear destruction, promoting renewable energy, and embodying sound principles in the process.



### **Defend Black Voters**

A multi-racial coalition made up of Michigan United/Michigan People's Campaign, Detroit Action!, MOSES, and Mothering Justice have been calling out large corporations for donating to politicians that want to make it harder for Black Americans to vote.



### **Flint Rising Coalition**

A project of The Advocacy Fund, Flint Rising is a coalition of community organizations and allies working to ensure that directly impacted people are building the organizing infrastructure and leadership necessary for this long-haul fight for justice and creating the future that Flint families need and deserve.



### **Michigan Welfare Rights Organization**

MWRO is a state chapter of the National Welfare Rights Union that advocates for public assistance recipients and low-income people. The union publicizes stories in the media about water shutoffs, housing, and other issues related to low income in Michigan.



### **Soulardarity**

They are building a brighter future in Highland Park with education, organizing, and people-powered clean energy. We are working to install solar-powered street lights, save money on energy bills, and work together with our neighboring communities to build a just and equitable energy system for all.



### **We Want Green Too!**

A grassroots frontline community-led organization, WWGT is creating programs for Veterans to create and sustain a healthy and suitable lifestyle when returning home from war.

## ACKNOWLEDGEMENTS



**WE THE PEOPLE MICHIGAN** is working to build multi-racial working class alliances to create the future for all.

**Alex B. Hill** is the Research Director and led the report development, design, and writing. **Eli Day** (Communications Director) also contributed to the report writing.



**MICHIGAN ENVIRONMENTAL JUSTICE COALITION (MEJC)** works to achieve a clean, healthy, and safe environment for Michigan residents most affected by inadequate policies.

**Bridget Vial** is the Energy Democracy Organizer and contributed to the report vision, research, and writing.



**PUBLIC ACCOUNTABILITY INITIATIVE/LITTLESIS** researches power and corruption at the highest levels of business and government.

**Robert Galbraith** is the Senior Research Analyst who led the research data collection and **Aly Shaw** is the Research Analyst who led the writing. **Gin Armstrong** (Executive Director) also contributed to the report writing.