

17-Feb-2026

# DTE Energy Co. (DTE)

Q4 2025 Earnings Call

## CORPORATE PARTICIPANTS

**Matt Krupinski**

*Director-Investor Relations, DTE Energy Co.*

**Joi M. Harris**

*President, Chief Executive Officer & Director, DTE Energy Co.*

**David Ruud**

*Chief Financial Officer & Executive Vice President, DTE Energy Co.*

---

## OTHER PARTICIPANTS

**Shahriar Pourreza**

*Analyst, Wells Fargo Securities LLC*

**Michael Lonegan**

*Analyst, Barclays Capital, Inc.*

**Ivana Ergovic**

*Analyst, Jefferies LLC*

**David Arcaro**

*Analyst, Morgan Stanley & Co. LLC*

**Michael P. Sullivan**

*Analyst, Wolfe Research LLC*

**Travis Miller**

*Analyst, Morningstar, Inc. (Research)*

**Anthony Crowdell**

*Analyst, Mizuho Securities USA LLC*

---

## MANAGEMENT DISCUSSION SECTION

**Operator:** Good morning and welcome everyone to the DTE Energy Fourth Quarter 2025 Earnings Conference Call. Today's conference is being recorded. All lines have been placed on mute to prevent any background noise. After the speakers' remarks, there will be a question-and-answer session. [Operator Instructions]

At this time, I'd like to turn the conference over to Matt Krupinski, Director of Investor Relations. Please go ahead.

---

**Matt Krupinski**

*Director-Investor Relations, DTE Energy Co.*

Thank you, and good morning, everyone. Before we get started, I'd like to remind you to read the Safe Harbor statement on page 2 of the presentation, including the reference to forward-looking statements. Our presentation also includes references to operating earnings, which is a non-GAAP financial measure. Please refer to the reconciliation of GAAP earnings to operating earnings provided in the appendix.

With us this morning are Joi Harris, President and CEO, and Dave Ruud, CFO. And now I'll turn it over to Joi to start our call this morning.

---

**Joi M. Harris**

*President, Chief Executive Officer & Director, DTE Energy Co.*

Good morning, everyone, and thank you for joining us. I'm happy to be with you today and I'm excited to talk about a very successful 2025 and our strong position for 2026 and beyond all driven by our team's commitment to delivering best-in-class results for all of our stakeholders.

In 2025, we remained sharply focused on improving reliability, executing on our growth plan and achieving solid financial results, while maintaining our commitment to affordability for our customers and I'm proud to say we've delivered exceptional results across all of these priorities.

We achieved significant improvements in reliability and have made substantial progress with data centers by executing our first large agreement for 1.4 gigawatts, which will provide significant affordability benefits for our customers. We're making great progress in advancing our next data center opportunity and are expecting to reach final terms of the agreement in the coming weeks, representing significant upside to our current five-year plan. We are very excited about this opportunity and look forward to providing more details as this project progresses.

We had another strong financial year, earning \$7.36 per share in 2025, which is above the high-end of our guidance range for the year. We are well-positioned to continue solid financial performance in 2026. Our 2026 guidance reflects operating EPS growth of 6% to 8% over our 2025 guidance midpoint. And we are confident in our ability to deliver at the higher-end of the range driven by RNG tax credits at DTE Vantage.

As we described on the third quarter earnings call, our updated plan includes significant increases in customer-focused utility investment and deliver 6% to 8% operating EPS growth through 2030. Again, we are confident we will reach the high-end of our guidance range each year, driven by RNG tax credits and the flexibility they provide. And as we have said, we expect additional data center opportunities to provide significant upside to our capital plan with an additional 3 gigawatts of data center load in advance discussions.

Let me move to slide 5 to highlight our improvements in reliability and the execution of our cleaner energy transition. I'm very proud that, over the past year, we continued to deliver meaningful improvements in system reliability for our customers, driven by disciplined strategic investments, impactful process improvements and more favorable weather conditions. As a result, we achieved our best all-weather SAIDI performance in nearly 20 years, with a nearly 90% reduction in average outage duration compared to 2023.

When storms did occur, our teams executed exceptionally well, restoring power to 99.9% of impacted customers within 48 hours. These results demonstrate that we are firmly on track to meet our long-term reliability goals, reducing the number of power outages by 30% and cutting outage duration in half by 2029. We are confident that we will achieve these reliability goals due to the continued execution of our focused four-point plan.

First, we are quickly transitioning to a smarter grid by significantly increasing the technology on our system with more than 2,200 smart devices across our distribution circuits, as we remain on track to effectively automate our entire system by 2029. Secondly, we are aggressively updating our existing infrastructure, replacing and upgrading poles, crossarms, transformers, and other pole-top and substation equipment.

The third focus is to rebuild significant portions of our grid; prioritizing the oldest sections that are most vulnerable has made a significant impact. Customers have experienced a 90% increase in reliability where we have executed this work. And finally, we remain heavily focused on our tree trim efforts. We have trimmed over 40,000 miles of trees since 2015, as this remains one of the most effective methods to improve reliability. We are undertaking these [ph] intensive (00:05:38) focused efforts to enhance our system so we can deliver for our customers and we are seeing the results that demonstrate these investments work.

We have also made tremendous progress advancing our transition to cleaner energy. Last year, we placed 330 megawatts of solar projects in service with an additional 745 megawatts currently under construction. Today, we have approximately 2,500 megawatts of renewable generation online, advancing our sustainability objectives and delivering lasting value for our customers.

We have a number of major projects that are on track to be completed this year, including our 220-megawatt battery storage project located at the site of our former Trenton Channel Power Plant. We will also be completing the Belle River Power Plant conversion in 2026, converting it from burning coal to a 1,300-megawatt natural gas peaking resource.

I am fully confident in our ability to successfully execute the significant renewable investments included in our five-year plan. We will build around 900 megawatts of renewables on average per year over the next five years and our team has built an extensive development pipeline to support this growth. We have solid land positions and deep experience moving these projects through the interconnection and permitting processes. And importantly, we have been able to safe harbor investment tax credit through 2029 to support more affordable investments for our customers.

Let me move to slide 6 to provide more details on our long-term plan. We increased our five-year capital investment plan by \$6.5 billion compared to the prior plan driven by investments for the first data center projects and the continued need to modernize our utility assets. These additional investments are strategically focused to support data center load growth, advance cleaner generation and to enhance distribution infrastructure that will drive continued improvement and reliability.

As I mentioned, we have additional data center opportunities beyond the initial 1.4 gigawatts. We are in advanced discussions with hyperscalers for over 3 gigawatts of new load, and we have a pipeline of 3 gigawatts to 4 gigawatts behind that. We also expect longer-term growth opportunities through the expansion of these initial hyperscalers projects. The generation investments needed to support these additional opportunities will be additive to our current five-year plan, providing significant incremental capital investment above the existing plan.

I'll move to slide 7 to detail our progress on data center development. As I mentioned, we executed and received MPS (sic) [MPSC] (00:08:29) approval for the contract supporting 1.4 gigawatts of new data center load, and construction has started. This is an important step in our growth strategy and a benefit to our customers. These contracts include provisions that will protect existing customers, including a 19-year power supply contract with minimum monthly charges and a 15-year energy storage contract. The load will ramp over two to three years allowing us to plan the necessary infrastructure accordingly.

While existing capacity supports the near-term ramp, we are developing new energy storage to meet the full requirement, which drives nearly \$2 billion of incremental storage investment, along with additional tolling agreements and the associated FCM. These projects are progressing well to meet the customers' ramp timeline.

In 2025, we advanced discussions with multiple hyperscalers, representing approximately 3 gigawatts of additional load, and those conversations are progressing well. We are expecting to reach final terms of an agreement with an additional customer in the coming weeks. This next data center agreement will require a combination of new generation and storage resources, providing significant capital upside to our plan.

This contract will be the first step towards executing the additional 3 gigawatts of demand in late stage negotiations, which we have said could drive our operating EPS growth to over 8% later in the plan. As we

advance the related contracts and move this next project through the regulatory approval process by midyear, we will provide more details on the capital upside and the impacts to our long-term plan.

Although we will be filing for the approval of a large load customer tariff, we expect the next data center contract to move through the standard MPSC review process for special contract. The agreement will provide significant benefits and protections for our customers, including meaningful affordability benefits. The agreement will also support significant investment in generation and storage. I'm looking forward to providing more updates on this project as the contracts and approvals move forward.

Beyond the 3 gigawatts that are in advanced discussions, we are engaged with multiple additional opportunities that could add another 3 gigawatts to 4 gigawatts of new load and we expect additional demand from our initial customers as they execute their plans to expand over time.

To support this significant demand, we anticipate the need for new baseload generation and storage investments. We have taken steps to prepare for additional combined cycle gas turbine developments that are CPS capable, which could support up to 2.8 gigawatts of new load. Our extensive development expertise and strong land positions give us flexibility to pursue renewable and storage buildouts to support these customers. These incremental generation requirements will be incorporated into our 2026 Integrated Resource Plan filing, ensuring alignment with our long-term strategy and regulatory commitments.

Let's move to slide 8 to discuss our commitment to customer affordability. We have a proven track record of executing our investment plans to deliver customer value, while managing affordability. As the chart illustrates, our average annual bill increase over the past four years is well below both the national and Great Lakes region averages, and we remain fully committed to keeping affordability at the center of our strategy as we move forward.

We are delivering top tier affordability through continued superior cost management and operational excellence. We're advancing a number of initiatives designed to continue to provide value and affordability for our customers. Importantly, near-term data center growth will create substantial affordability headroom, driving \$300 million of annual benefits for our existing customers once fully ramped, which is a significant savings for our customers.

Our culture of continuous improvement ensures that O&M and capital investments remain efficient and disciplined. A key area where we expect to create substantial value for our customers is through the use of new technologies. Our advanced analytics models are uncovering opportunities that will drive significant operational efficiencies that lower costs and further improve how we serve our customers. These opportunities include automating back office works more effectively, manage preventative maintenance and storm response. Driving customer-focused efficiency through technology is a top priority for me and our entire team, and I look forward to delivering on this commitment.

In addition, the transition from coal to natural gas and renewables further reduces O&M costs, while our diverse energy mix delivers stable fuel costs for our customers. And finally, the Inflation Reduction Act supports our transition to cleaner energy, helping to make these investments more affordable for customers.

Today, a residential electric bill has become less than 2% of the median household income of our customers and our residential bills are 18% below the national average. Importantly, we continue to expand our customer assistance programs for our most vulnerable customers who we know need the most support.

In 2025, DTE helped vulnerable and income qualified customers access \$125 million in energy assistance through partnerships with non-profit agencies across Michigan. And DTE donated \$15 million to The Heat and Warmth Fund, The Salvation Army, and the United Way to provide critical support to those in need across the state. All of these efforts I've described demonstrate our ongoing commitment to delivering safe and reliable energy with a clear focus on affordability for all of our customers.

With the upcoming gubernatorial election in 2026, there has been some discussion on the impact of energy costs on overall affordability in Michigan. As you can see, DTE continues to deliver meaningful, measurable value for customers, while maintaining a strong focus on affordability. We will ensure that our customers and stakeholders understand the value we provide in our progress on delivering safe, affordable, reliable and cleaner energy.

So, to wrap up, we had an extremely successful year in 2025 and are well-positioned to deliver another great year in 2026. I'm genuinely excited about our long-term plan and the opportunities ahead to deliver for all stakeholders, including providing exceptional service to our customers and communities and driving continued strong financial performance for our investors.

With that, I'll hand it over to Dave. Dave, over to you.

---

## David Ruud

*Chief Financial Officer & Executive Vice President, DTE Energy Co.*

Thanks, Joi, and good morning, everyone. Let me start on slide 9 to review our 2025 financial results. Operating earnings for the year were \$1.5 billion, which translate to operating EPS of \$7.36 per share. This is above the high end of our 2025 guidance range. You can find a detailed breakdown of operating EPS by segment, including a reconciliation to GAAP reported earnings in the appendix.

I'll start the review at the top of the page with our utilities. DTE Electric operating earnings were approximately \$1.2 billion for the year, which is \$112 million higher than 2024. The main drivers of the earnings increase were implementation of base rates, weather favorability, lower storm expenses and higher earnings from our clean energy projects. This was partially offset by higher O&M and rate base costs.

Moving on to DTE Gas, operating earnings were \$295 million, \$32 million higher than 2024. The earnings increase was driven by colder winter weather and implementation of new base rates, partially offset by higher O&M and rate base costs. As we mentioned last quarter, O&M at DTE Gas was higher in 2025 than it was in 2024 as O&M returned to more normalized levels following one-time lean operational measures and other unsustainable reductions that were implemented over the past few years in response to the warmer weather we were experiencing.

Let's move to DTE Vantage on the third row. Vantage had another strong year in 2025 with \$162 million of operating earnings. The increase from 2024 was primarily due to RNG production tax credit and new project development in the custom energy solution space, partially offset by lower investment tax credits than in 2024 and lower steel-related earnings.

On next row, you can see Energy Trading finished the year with operating earnings of \$114 million. The strong performance in our contracted and hedged physical power and physical gas portfolios that we experienced in 2024 continued into 2025 as was expected. This resulting strong performance allowed us to leverage the favorability across the company to support future years.

Finally, Corporate and Other another was unfavorable by \$73 million year-over-year, due primarily to higher interest expense and one-time tax items. Overall, DTE earned \$7.36 per share in 2025, delivering above the high-end of our 2025 original guidance range.

Let's move on to slide 10 to discuss our 2026 outlook. As Joi mentioned, we are well-positioned to deliver another strong year in 2026. Our 2026 operating EPS guidance range is \$7.59 to \$7.73 per share, which provides 6% to 8% growth over our 2025 guidance midpoint, and we are confident that we will deliver at the high-end of the guidance range. Utility growth will be driven by customer-focused investments, including distribution and cleaner generation investments at DTE Electric and main renewal and other infrastructure improvements at DTE Gas.

DTE Vantage will see growth from the development of new custom energy solutions projects and continued contributions from RNG production tax credits. At Energy Trading, we continue to see strength in our structured physical power and physical gas portfolios, giving us confidence in achieving our targets for 2026. At Corporate and Other, the change is driven by higher interest expense as we continue to fund our valuable investments across the company.

Let's turn to slide 11 to discuss our balance sheet and equity issuance plan. We continue to focus on maintaining solid balance sheet metrics. To support the significant increase to our capital investment plan that we need to execute for our customers, we are targeting annual equity issuances of \$500 million to \$600 million in 2026 through 2028 with similar levels through 2030. This level of equity supports the increased capital in our plan, including the storage investments related to our data center agreement while maintaining our strong credit metrics.

We will continue to maximize the use of internal mechanisms to issue equity, but will also incorporate manageable external issuances. We have established an equity ATM program to effectively manage a portion of our total equity needs.

Our five-year plan fully incorporates these equity needs and continues to deliver 6% to 8% operating EPS growth with a bias to the upper-end each year through 2030. Our long-term plan also includes debt refinancing and new debt issuances. We expect to strategically utilize hybrid securities to support our financing plan and we will continue to manage future debt issuances through interest rate hedging and other opportunities. Importantly, we remain focused on maintaining our strong investment grade credit rating and solid balance sheet metrics as we target an FFO to debt ratio of approximately 15%.

Let me wrap up on slide 12 and then we'll open the line for questions. DTE continues to consistently deliver for all our stakeholders. We delivered solid results in 2025, achieving operating earnings of \$7.36 per share, which is above the high-end of our guidance range. Our 2026 guidance reflects operating EPS growth of 6% to 8% over our 2025 guidance midpoint, and RNG tax credit gives us confidence that we will deliver at the higher-end of that range. Our five-year plan provides high quality, long-term 6% to 8% operating EPS growth through increased customer-focused utility investments with utility operating earnings making up 93% of our overall earnings by 2030.

Our capital investment plan increased by \$6.5 billion over our previous plan to \$36.5 billion over the five-year period. This increase is driven by the recent data center transaction and the continued need to modernize our utility assets and provide cleaner generation. We are confident we will reach the high-end of our guidance range in each year, driven by RNG tax credits and the flexibility they provide.

Additional data center opportunities will provide upside to this five-year capital investment and operating EPS growth plan. Overall, we are well-positioned to deliver the premium total shareholder returns that our investors have come to expect, with a strong balance sheet that supports our capital investment plan.

With that, we thank you for joining us today and we can open the line for questions.

## QUESTION AND ANSWER SECTION

**Operator:** Thank you. We will now begin the question-and-answer session. [Operator Instructions] We'll go first to Shar Pourreza at Wells Fargo.

**Shahriar Pourreza**

*Analyst, Wells Fargo Securities LLC*

Hey, guys. Good morning.

Q

**Joi M. Harris**

*President, Chief Executive Officer & Director, DTE Energy Co.*

Good morning.

A

**David Ruud**

*Chief Financial Officer & Executive Vice President, DTE Energy Co.*

Hi, Shar.

A

**Shahriar Pourreza**

*Analyst, Wells Fargo Securities LLC*

Good morning, guys. So just to build a little bit on the prepared, so obviously the data center announcement is on schedule, it sounds like it'll come with material CapEx and accretive to earnings and, obviously, Joi, you mentioned its significant upside in your prepared. Can you just maybe elaborate as we're thinking about the 6% to 8% that's been out there, could this sort of new customer actually step function change the trajectory or lengthen and strengthen the top-end? Or do you need to see more deals materialize before revising the longer-term projections? Thanks.

Q

**Joi M. Harris**

*President, Chief Executive Officer & Director, DTE Energy Co.*

Yeah. As we included in the deck, Shar, and we said all along that 3 gigawatts of incremental data center load would take our compound annual growth rate above 8% between 2027 and 2030. This additional data center, which is a part of that 3 gigawatts, we believe, will take us to at least 8% in that timeframe, and so the capital would begin coming into the plan in the 2027 timeframe and continue from there.

A

So we feel really great about our 6% to 8% and the potential that we have to reach the high-end each year with our current plan and this new data center would have the opportunity to take the compounded annual growth rate between 2027 and 2030 to 8% and then anything above that approaching that 3 gigawatts gets us 8% plus.

**Shahriar Pourreza**

*Analyst, Wells Fargo Securities LLC*

Q

Okay. That's helpful clarity there. And then just do you think you'll see that third deal announced by Q3 EEI timeframe?

**Joi M. Harris**

*President, Chief Executive Officer & Director, DTE Energy Co.*

A

Yeah. We're working on the second deal, so we got to get that one...

**Shahriar Pourreza**

*Analyst, Wells Fargo Securities LLC*

Q

Yeah, yeah.

**Joi M. Harris**

*President, Chief Executive Officer & Director, DTE Energy Co.*

A

...nailed down, and we're continuing discussions with the hyperscalers. And we are working hard to see if we can get yet another deal behind that one. But the way this will work out with the second deal and any deals that we achieved in that timeframe, we would update our plans and then potentially give you all some indication in Q2.

We're going to use the standard process for approval of the contracts associated with this deal, so that'll play out over the course of the summer and we've got to let that process play out. But we figure by Q2, at the latest Q3, we'd be able to communicate how much capital we'd be putting in our plan and will of course have detailed conversations at EEI.

**Shahriar Pourreza**

*Analyst, Wells Fargo Securities LLC*

Q

Got it. Perfect. And then just lastly, obviously, there's been some data center push backs in Michigan and some of the surrounding states. Obviously, we saw one data center pull out despite having sort of a signed ESA. I guess any specific lessons learned, Joi, around the Oracle process? And just remind us if you need final MPSC approval to count this load in the IRP or just final terms. Thanks.

**Joi M. Harris**

*President, Chief Executive Officer & Director, DTE Energy Co.*

A

Yeah. So, we recognize the concerns that have been raised by some of the large data center projects and we've been really clear that, for our customers, reliability always comes first and we're always working on affordability. That said, in all of our discussions with the data centers, we've made it clear that these contracts have to be structured in a way that the revenues fully support their load and cover all the associated cost. So at no time will our customers be burdened with the costs of bringing on new data centers. And if you recall, obviously, this Oracle deal gives our existing customers \$300 million annually of affordability benefits once they reach the full ramp.

We're encouraging the data center developers to become more engaged at the local level and that's where we think that the concerns can be best addressed. So we're seeing projects that are making its way through zoning and also site plans, which tells us the right conversations are happening. But, again, we remain committed to transparency, collaborations, and really protecting the interests of our communities and our customers along the way.

As for do we need to see this get approved in the IRP or do we need to see this get approved by the commission? Yes, we'd have to get the approval from the commission before we would add this into our plan. Data center load is but one of many inputs that we intend to incorporate into our Q3 IRP filing.

---

**Shahriar Pourreza**

*Analyst, Wells Fargo Securities LLC*

Q

Got it. Perfect. Thanks so much, Joi, for the concise response. Congrats.

---

**Operator:** We'll move next to Michael Lonegan at Barclays.

---

**Michael Lonegan**

*Analyst, Barclays Capital, Inc.*

Q

Morning. Thanks for taking my questions. So, to piggyback on that push-back question on data centers, obviously, Michigan's seeing a significant number of moratoriums in local communities. Just wondering if any of the potential projects in your pipeline are located at any of these areas with a moratorium, if you see any risk to advancing these projects or delays.

---

**Joi M. Harris**

*President, Chief Executive Officer & Director, DTE Energy Co.*

A

The contract that we are working on right now, we don't see any potential delays. Let me just say, the moratorium, some of the moratoriums that you're hearing about, the communities are not suitable for large load data centers to begin with. So there really is no impact to the pipeline.

The folks that we've been talking to have land positions, some have made it through the zoning process already and are working on site plans. And like I said before, they're engaging the local communities and we believe that's the game changer and really [ph] sifting (00:29:08) the sentiment so that the communities understand the benefits that they will realize once these data centers land in their backyard.

---

**Michael Lonegan**

*Analyst, Barclays Capital, Inc.*

Q

Great. Thanks. And then secondly for me, so obviously affordability is a concern across the country, but particularly a lot of rhetoric from the midterm election candidates in Michigan talking about rate freezes and the like. In this context, how are you feeling about heading into the final decision in your electric rate case? What gives you confidence you will land a constructive outcome there?

---

**Joi M. Harris**

*President, Chief Executive Officer & Director, DTE Energy Co.*

A

So I'll tell you that we always put affordability as the governor for our growth plans and our investments and affordability remains top of mind for us, which is why, as we make these investment, we're trying to keep the bills as low as possible and deliver the reliability improvements and then continue our work to transition to cleaner generation. We've seen a support of our investments in the staff testimony in particular, they supported the expansion of the IRM to roughly \$1 billion over the next couple of years and, in fact, they even recommended that we pull forward \$200 million worth of pole-top maintenance into 2026.

So we feel really good about the prospects for a constructive outcome. There the staff position was generally what we expected and we are awaiting – anxiously awaiting the 19th, so we can have a full view of their support. But, at this point, we know that affordability is top of mind and we're going to work hard to make sure that our customers, particularly those in need, get the support and these investments continue to deliver value.

**Michael Lonagan**

*Analyst, Barclays Capital, Inc.*

Q

Great. Thanks for taking my questions.

**Operator:** We'll move next to Julien Dumoulin-Smith at Jefferies.

**Ivana Ergovic**

*Analyst, Jefferies LLC*

Q

Oh, hi. Hi. It's Ivana Ergovic for Julien. I just had a question, given the utility CapEx increases and financing needs, how – and especially if you are expecting additional couple of gigawatts of load, how does that change the thought process on asset rotations and monetization for Vantage?

**Joi M. Harris**

*President, Chief Executive Officer & Director, DTE Energy Co.*

A

Yes. So Vantage has served us well for over 20 years and they continue to have a very strong development pipeline. In fact, we've got a data center opportunity that we're looking to close out in the near term here that really represents a really nice vertical in light of the tightness that exists in the market all across the country.

That said, we are always looking to deliver value for our shareholders and we have really big investments that we have to make in our utilities and you've seen that we've made this strategic shift where we're doubling down in our utilities and holding Vantage essentially flat. But they've got a really solid growth pipeline that we want to continue to explore, particularly around data centers, and as always, we'll continue to examine opportunities to deliver value for our shareholders.

**Ivana Ergovic**

*Analyst, Jefferies LLC*

Q

Thank you.

**Operator:** Next we'll go to David Arcaro at Morgan Stanley.

**David Arcaro**

*Analyst, Morgan Stanley & Co. LLC*

Q

Oh, hey. Thank you. Good morning. Maybe just to follow-up on that Vantage opportunity you just mentioned, Joi, I was just curious if you could give any other details around how big of a potential data center project Vantage is going after here? What's kind of the profile of the different opportunities that you're seeing? Is this on-site power, behind-the-meter type power project?

**Joi M. Harris**

*President, Chief Executive Officer & Director, DTE Energy Co.*

A

Yeah. Yeah. David, it is behind-the-meter primary power. Think of it as several hundred megawatts of load and we see these types of opportunities across the country. In fact, when we started this work, I thought it was going to be the unicorn and, clearly, it is not. So there is a pipeline that the team is exploring.

We are looking to close out the discussions with the counterparty. Still too early, but we're down to some final, final terms that we're ironing out. Really excited about it. And the team has come up with, I think, a very creative solution that could be applied to other similarly situated co-locators across the country, so it could be a differentiator for us.

---

**David Arcaro**

*Analyst, Morgan Stanley & Co. LLC*

Q

Okay. Excellent. Thanks for that. And is that an opportunity that you'd be able to kind of quantify in terms of the CapEx investment here also similar to the other regulated data center opportunity for a CapEx addition mid-year?

---

**Joi M. Harris**

*President, Chief Executive Officer & Director, DTE Energy Co.*

A

Yeah. That would be the ideal time to give you an update on the capital for that particular investment. Yes.

---

**David Arcaro**

*Analyst, Morgan Stanley & Co. LLC*

Q

Okay. Great. Got it. Then I was just wondering if you could comment on, we've seen some very widely varying ALJ recommendations when it comes to ROEs in Michigan. I was wondering if you could give your latest perspective on how do you interpret the latest recommendation the 8.2% ROE that we saw recently. Just feedback or what you're expecting from the commission in terms of overall direction of travel with regard to regulation and ROE for the state?

---

**Joi M. Harris**

*President, Chief Executive Officer & Director, DTE Energy Co.*

A

Yeah. If you recall, the chair of the commission has already stated that ROEs are where he would like to see them given the macroeconomics and that they felt appropriate. So we're anticipating that, in our case, we will see our ROE remain flat. And if you recall, the ALJ in our case, even recommended a 9.9% ROE.

So I think we feel really good about our position and I believe that, given the current borrowing costs, we – the recommendation for 8.2% ROE is simply not a reasonable benchmark under these conditions. But, like I said, we've gotten all the positive indicators that we could possibly hope for, in our case, and we'll know for sure on Thursday.

---

**David Arcaro**

*Analyst, Morgan Stanley & Co. LLC*

Q

Okay. Great. Thank you for the color.

---

**Operator:** We'll go next to Michael Sullivan at Wolfe Research.

---

**Michael P. Sullivan**

*Analyst, Wolfe Research LLC*

Q

Hey. Good morning.

**Joi M. Harris**

*President, Chief Executive Officer & Director, DTE Energy Co.*

Good morning.

A

**Michael P. Sullivan**

*Analyst, Wolfe Research LLC*

Hey, Joi. Wanted to ask on just the resource planning for some of these incremental load opportunities that you have, particularly with regards to new gas. Can you just – it sounds like you got a couple gigawatts in the hopper on top of what's planned to replace Monroe. But, yeah, can you just square like the timing of when you think you can get new gas to serve some of these load opportunities?

Q

**Joi M. Harris**

*President, Chief Executive Officer & Director, DTE Energy Co.*

Yes. So, just given some of the lead times, we've taken steps to get in the MISO queue and put down payments on turbines so that we are well-positioned towards the tail-end of our plan to bring on the replacement of Monroe and address any other new load that may come into our plan.

A

That said, the IRP will be the ultimate determinant of the resource mix that is required to serve new load and that process will begin in Q3 when we file our next case. But I will tell you from the last run of our IRP, we know that we have to have a large dispatchable 24x7 resource once Monroe retires, which is why we've set ourselves up for CCGT that's CCS capable. And we'll begin the work of vetting that with interveners, stakeholders as we file our IRP.

**Michael P. Sullivan**

*Analyst, Wolfe Research LLC*

Okay. Great. Thanks. Maybe this one for Dave. Just given some of the weather to start the year and volatility in power prices across the country, are we potentially looking at another year of trading outperformance or any color you can give there?

Q

**David Ruud**

*Chief Financial Officer & Executive Vice President, DTE Energy Co.*

As you saw, trading had a great year in 2025 as we saw some of those good margins continuing in gas and power. And we do see some of that that, because some of those contracts are one to three years, some of that continues into 2026. We're still – we guide to the \$50 million to \$60 million for trading, but there are some tailwinds, as you mentioned, based on some of the contracts that we've had in place that are fully structured and hedged through the year.

A

**Michael P. Sullivan**

*Analyst, Wolfe Research LLC*

Okay. And if I could just sneak one more and sticking with you, Dave, just remind us how much incremental equity as a percent of increased CapEx general rule of thumb.

Q

**David Ruud**

*Chief Financial Officer & Executive Vice President, DTE Energy Co.*

A

Yeah. Any incremental equity we bring in is approximately 40% of the CapEx that we would have. That always will vary in some of the years based on the timing of the cash flows and tax credits. But, over time, it does work out to about 40% of equity for the additional capital that come in.

**Michael P. Sullivan**

*Analyst, Wolfe Research LLC*

Q

Okay. Great. Thank you very much.

**Operator:** And next, we'll move to Travis Miller at Morningstar.

**Travis Miller**

*Analyst, Morningstar, Inc. (Research)*

Q

Good morning. Thank you.

**Joi M. Harris**

*President, Chief Executive Officer & Director, DTE Energy Co.*

A

Good morning.

**Travis Miller**

*Analyst, Morningstar, Inc. (Research)*

Q

The answer to that question just brought up another quick question for me and then I had my original question. But on that 40% of equity, is that in line – if we tie that to the data center contracts, is that in line with the way the data center financing portion of the contract is or is that extra leverage relative to the data center contract if that makes sense?

**David Ruud**

*Chief Financial Officer & Executive Vice President, DTE Energy Co.*

A

Well, I think for the capital, we would bring in, 40% of that would we would see as equity. I don't follow the data center contract part of that, but I think as we brought the capital in, it would be – 40% would be equity over time.

**Travis Miller**

*Analyst, Morningstar, Inc. (Research)*

Q

Okay. I was just tying back the implied return on capital within the data center contract, but that makes sense. Okay. Original question was, how does the data center growth impact your rate case cadence, do you think over the next four or five years with the ramps coming on? Any change to that since it sounds like a lot of the CapEx is covered in the data center contracts themselves?

**Joi M. Harris**

*President, Chief Executive Officer & Director, DTE Energy Co.*

A

Yeah. This will have to play out over time. Listen, the biggest way for us to stay out of rate cases is to grow the IRM. That's the biggest lever that we have before us and we're continuing to work that with the commission staff and they seem supportive of at least our first go-round of expanding the IRM. And of course, as we bring on data center load, that gives us more opportunities as well to potentially look at putting distance in rate cases.

**Travis Miller**

*Analyst, Morningstar, Inc. (Research)*

Okay. Great. That's all I had. Thanks so much.

Q

**David Ruud**

*Chief Financial Officer & Executive Vice President, DTE Energy Co.*

Thank you.

A

**Operator:** Next, we'll move to Anthony Crowdell at Mizuho.

**Anthony Crowdell**

*Analyst, Mizuho Securities USA LLC*

Hey. Good morning, team. Congrats on the quarter. Quickly, just where did you end the year on FFO to debt?

Q

**David Ruud**

*Chief Financial Officer & Executive Vice President, DTE Energy Co.*

Yeah, we ended the year at 15% – almost 15.5%, 15.4% FFO to debt.

A

**Anthony Crowdell**

*Analyst, Mizuho Securities USA LLC*

And then just, Joi, or Dave, I know Dave gets upset when I'm asking the question. Just big gubernatorial race going on there, I think there's 10 candidates, just any conversations, any color you could have on DTE's position with the large slate of candidates?

Q

**Joi M. Harris**

*President, Chief Executive Officer & Director, DTE Energy Co.*

Yes. Well, let me start by saying DTE is always committed to a bipartisan approach from policymaking, which means we've had strong relationships on both sides of the aisle and really durable policies. Obviously, affordability is a top question on the campaign trail and we take it very seriously for obvious reasons.

A

What we're seeing in the latest round of data is that Americans clearly are concerned about costs of groceries, healthcare, housing and utilities, in that order. And as you've heard in my opening remarks, we're ramping up our outreach to the candidates. We're delivering solid, focused messages around our achievements, particularly as it relates to reliability and the fact that DTE Electric bill growth since 2021 have been top decile at only 3% when the national average is at more like 24%. These investments are working and that also drives down the emerging costs related to storms and we had the best year we've had in 20 years for reliability.

Lastly, we talk to them about the things that we're doing to protect the most vulnerable around us and that's advocating for energy assistance. But the biggest lever we have to address affordability is economic development that comes with load growth done right. And case in point, the Oracle deal is going to yield \$300 million worth of affordability benefits once they reach the full ramp. That's the kind of conversation that we're having, these are the solutions that we want to address among other things, and I think the candidates are receiving the message well and we're going to continue those conversations as the elections unfold.

**Anthony Crowdell**

*Analyst, Mizuho Securities USA LLC*



Great. And then hopefully just one last one, I don't know if you could comment on it. I believe the Michigan Attorney General was looking to have the Public Service Commission look into some of the data center special contracts. Do you know if there's a timing or a deadline on when the commission will get back to the Attorney General?

**Joi M. Harris**

*President, Chief Executive Officer & Director, DTE Energy Co.*



Yeah. There's a 21-day period, I believe, that the commission has to file their response to the Attorney General's request.

**Anthony Crowdell**

*Analyst, Mizuho Securities USA LLC*



Great. Thanks for taking my questions.

**Operator:** And that concludes our Q&A session. I will now turn the conference call back over to Joi Harris for closing remarks.

**Joi M. Harris**

*President, Chief Executive Officer & Director, DTE Energy Co.*

Well, thank you, everyone, joining us today. I'll close by saying that DTE had a great year in 2025 and is well-positioned to achieve our goals in 2026. I'm super excited about our long-term plan and the opportunities ahead, and I look forward to seeing many of you on the road throughout the year.

Have a great morning. Stay healthy and safe.

**Operator:** And this concludes today's conference call. Thank you for your participation. You may now disconnect.

Disclaimer

The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC. FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2026 CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.