

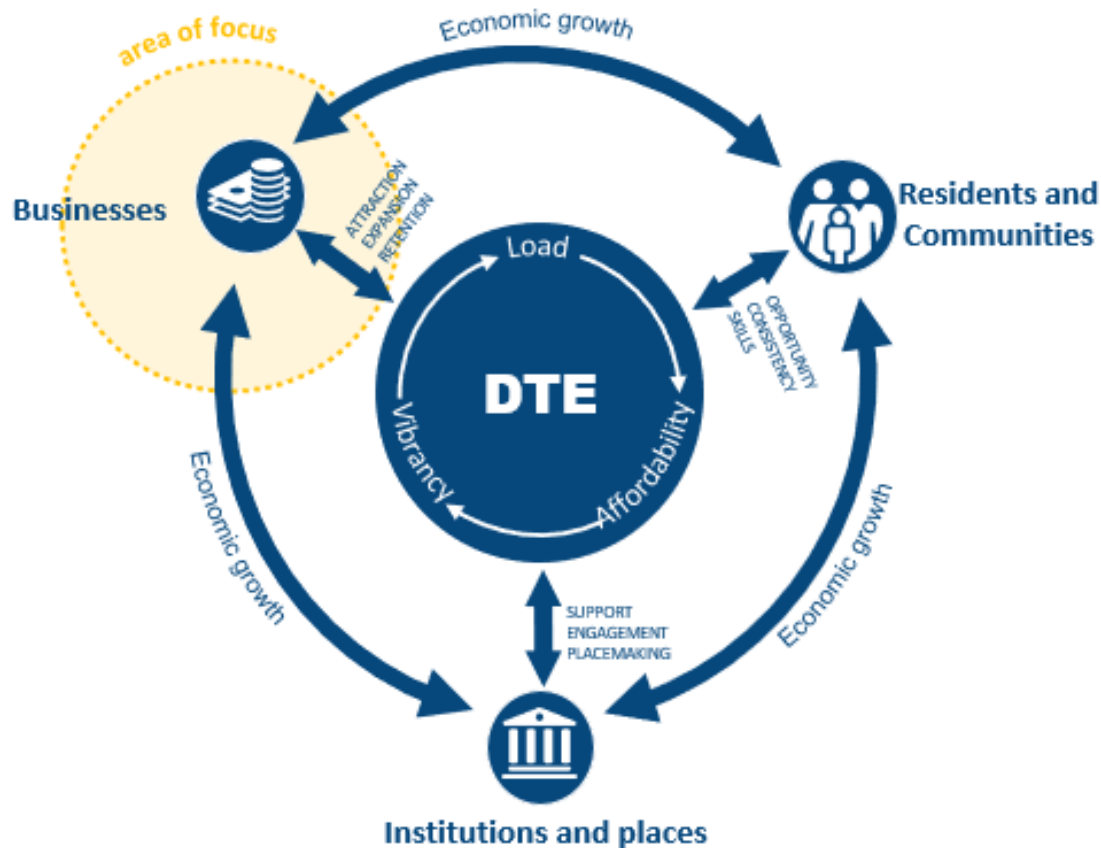


Michigan Economic Developers Association

Economic Development – Data Centers

AUGUST 19, 2025

Economic Development drives growth — the direct and indirect benefits of winning projects benefit DTE, our customers, and our community

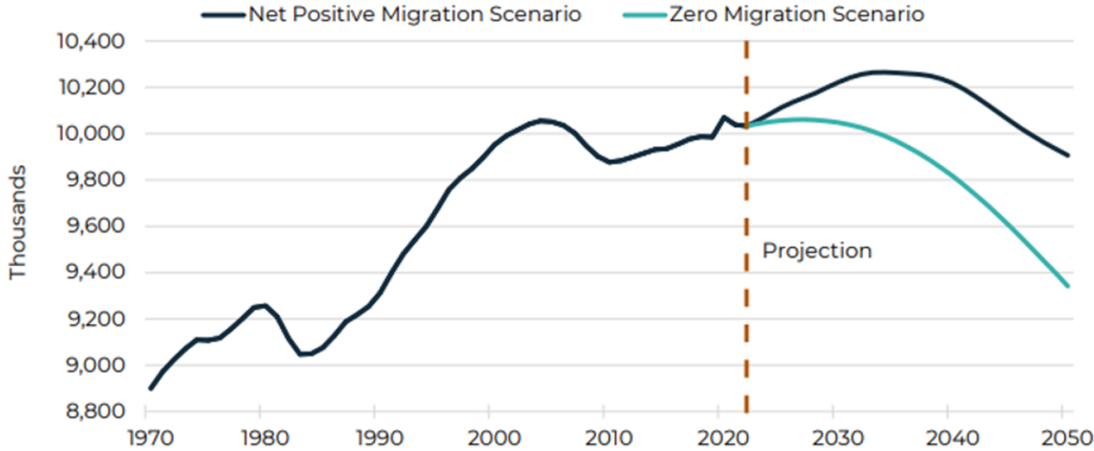


Growth is the answer to EVERYTHING – grow with us!

Michigan is expected to lose population; commercial & industrial customer count is declining in Southeast Michigan

Even with positive migration, Michigan is projected to continue experiencing slow growth and then population decline beginning in the 2030s.

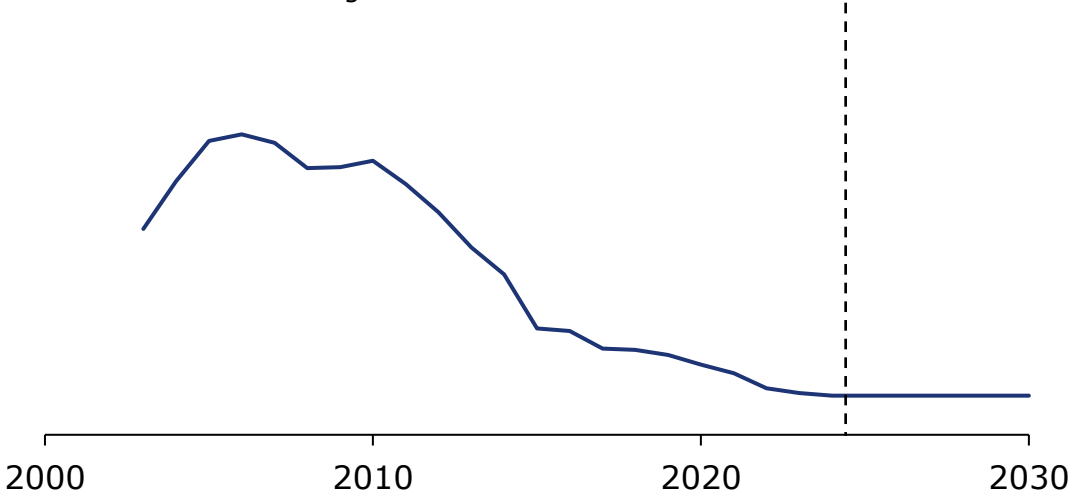
Figure 1: Michigan Total Population, Historical and Projected



Source: WONDER Database, Centers for Disease Control; 2024 Vintage Population Projections, Michigan Center for Data and Analytics; Population Estimates Program, U.S. Census Bureau

Customer Count in Service Area

— Large C&I



- A significant driver for decreasing large commercial and industrial customers and load has been lack of diversification in the metro-Detroit economy
- The automotive industry has suffered with increasing competition globally

Our state and region are facing a series of potential challenges that threaten our current positive trajectory



- ✓ Rapidly evolving landscape in industries critical to our organization and region (automotive, EV, and clean energy) driven by:
 - ✓ Tariffs
 - ✓ Politicization
 - ✓ Weakening economy
- ✓ Uncertain political environment
- ✓ More restrictive regulatory and environmental climate than national trends
- ✓ Labor environment
 - ✓ Loss of right to work
 - ✓ UAW strike
 - ✓ Manufacturing jobs lost to automation

Data centers are important to the future of the economy...

AI is here to stay...



Data centers are the heart of tomorrow's economy, Industry 4.0



Chat GPT is two years old and already has spurred significant growth of AI



Technological advancements over the last 10 years will pale in comparison to the next 10 years



Businesses that want to remain competitive will adapt to the changing landscape and leverage AI



Economic development will occur in and around data center locations

... and can be positive contributors to the future of Michigan businesses and communities



Data centers have a direct economic impact by providing investments in local economies, creating jobs and expanding the tax base

- A 500MW data center in Ohio employed 2,000 construction workers since 2019, ~300 permanent employees making ~\$100k, and ~400 support staff
- Data centers tend to source labor locally, creating employment opportunities for nearby residents
- For every direct job, additional indirect jobs are generated in related industries (i.e. supply chain, services, maintenance, etc.)



Data centers create a clustering effect, strengthening innovation ecosystems, research collaboration, and workforce development

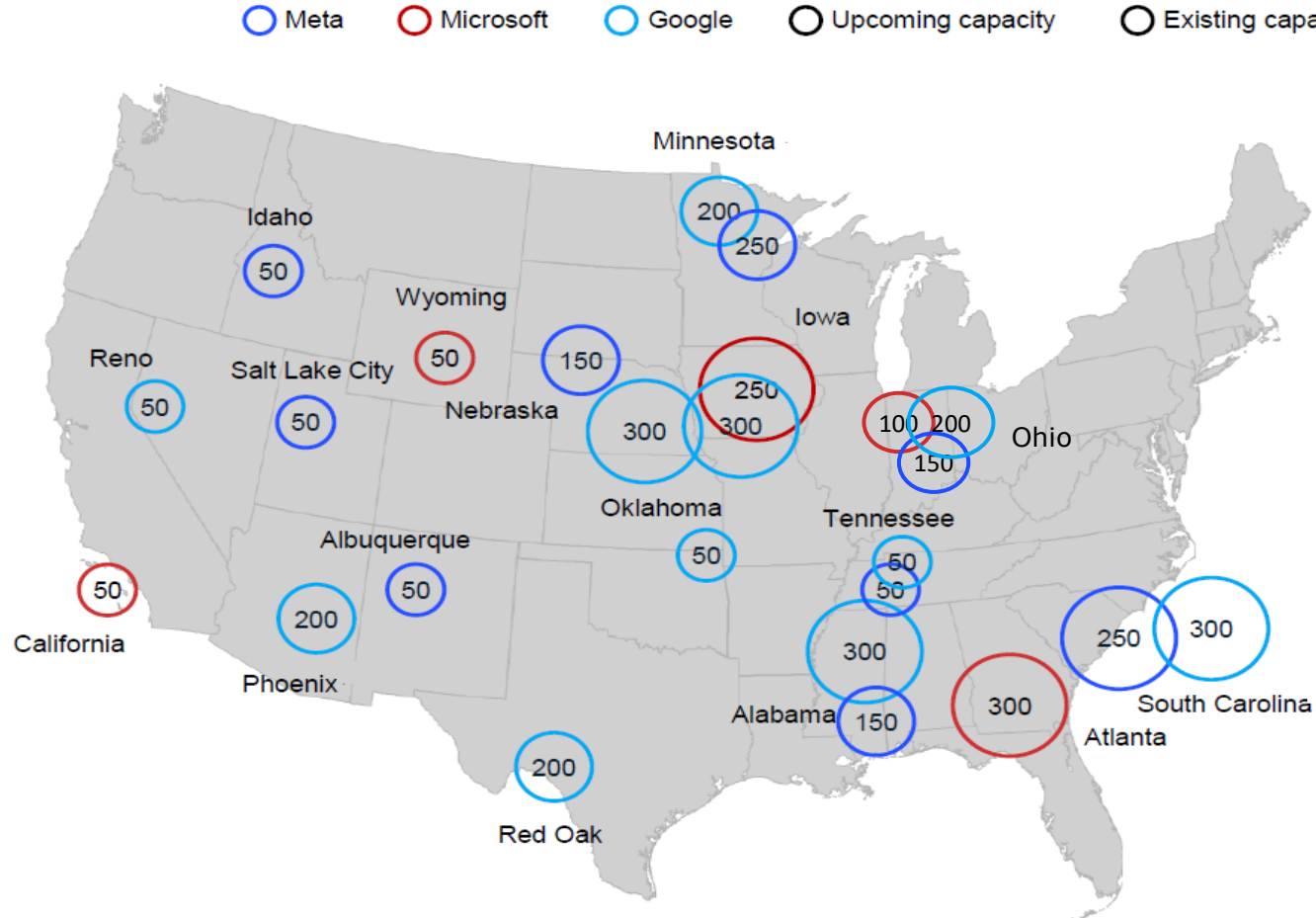
- Tech startups, research institutions, and innovation driven companies rely on high-performance computing, boosting regional competitiveness
- Proximity to data centers enhances fiber connectivity and reduces latency, resulting in faster response times and improved data security, that is critical to industries handling highly sensitive information
- Data centers frequently collaborate with universities (UM has a particular interest in attracting DCs) and research institutions on cutting edge projects, elevating the region's profile and local skill development



Long term infrastructure investment in generation, the power grid, and fiber optics can positively impact existing customers

- Opportunity for significant affordability benefits
- Data centers often invest in community programs through Corporate Social Responsibility (CSR) contributions benefiting local communities
- Many data centers prioritize sustainability and will support incremental renewable energy resources

We are fighting to become a leader in the data center market, as significant players are moving to second tier markets where power grids are less constrained



Competitive markets offer:

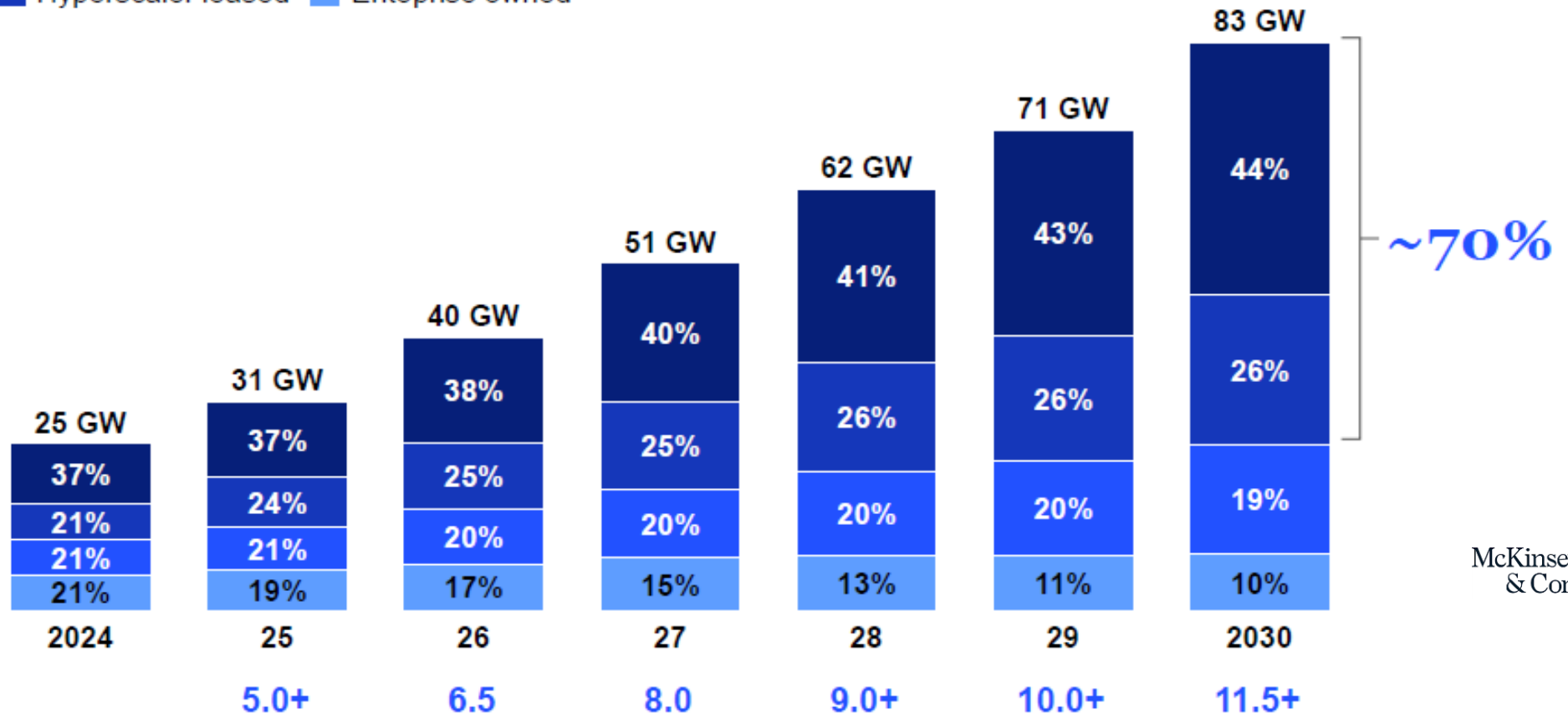
- Opportunities for hyperscalers to expand in known jurisdictions where they already capital deployed
- State, economic development agencies, and utilities are coordinating aggressive attraction campaigns
- Permitting is fast, easy, and clear
- Public service commission is engaged and supportive
- Strong reputation for business development

Between 2023 and 2025, the DTE Economic Development team handled over 40 data center inquiries, identifying combined demand of over 7GW

Hyperscalers are anticipated to drive the majority of data center load growth, reaching to up to 12% of total US energy demand by 2030

US DC IT demand by ownership¹, (GW)

■ Hyperscaler owned ■ Enterprise leased
■ Hyperscaler leased ■ Enterprise owned

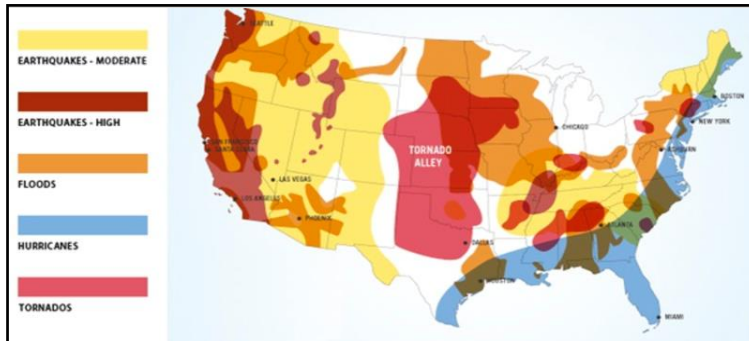


McKinsey & Company

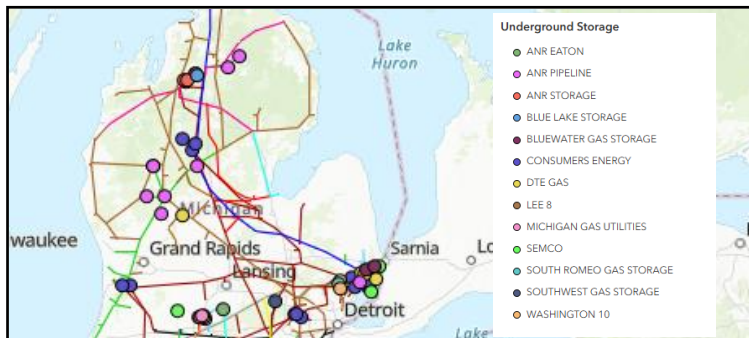
DTE's service territory offers many features that make it an attractive location for data center developers



Proximity to nearly half of the United States and Canada's **populations** – 180 million people – live within a one-day drive of the Detroit region



Limited exposure to natural disasters that could disrupt operations – Michigan is ranked as one of the least risky states on FEMA's National Risk Index for Natural Hazards



Significant gas infrastructure in place to support growing needs - Michigan has 51 storage fields with a working capacity of 685 Bcf (billion cubic feet) – ranking number 1 in the country for number of storage fields and amount of working gas space

DTE is working with customers to advance locations across the state for potential data center development

Ideal Sites Offer:

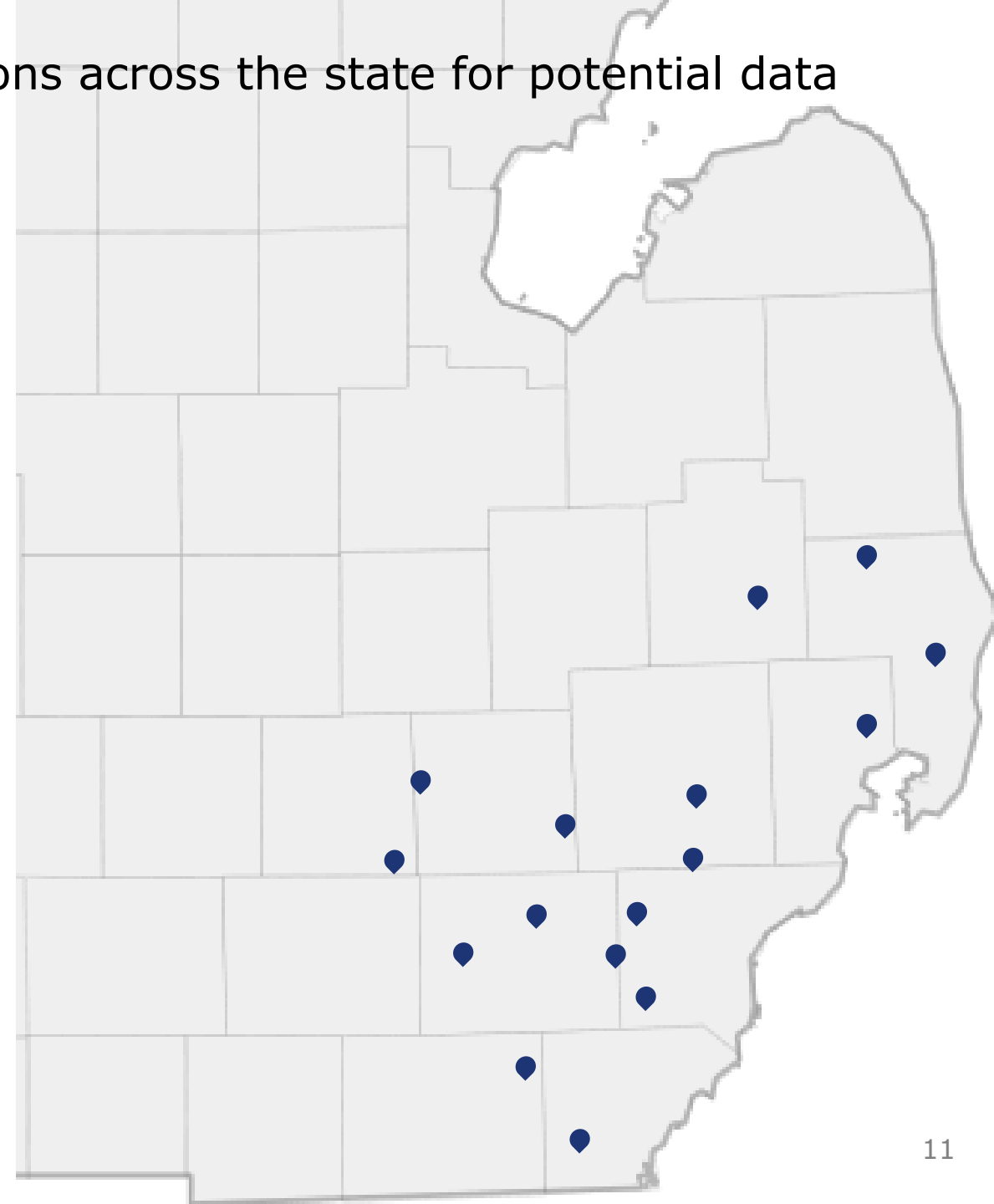
- ✓ Large (300+ acre) sites with few barriers to development
- ✓ Available capacity
- ✓ Proximity to transmission
- ✓ Feasible zoning
- ✓ Welcoming communities

Economic Impacts Include:

- ✓ Recent large data center capital investments announced have ranged from \$600 million (Google, Arizona) to \$10 billion (AWS, Ohio)¹
- ✓ Data center development add a significant number of jobs in their communities²:
 - 1,000-1,500 construction jobs for a period of 2+ years
 - 100-200 permanent jobs, which tend to be highly-skilled and well compensated positions
 - Additional multiplier effects of ~1,500-3,000 jobs in the economy during the construction phase and up to ~800 jobs once the data center is operational

1. [Google breaks ground on massive \\$600 million Mesa data center; AWS plans \\$10 billion infrastructure investment in Ohio, advancing the future of AI](#)

2. DTE estimates based on reporting from Data Center Dynamics, individual customer reporting, and US Chamber of Commerce



Your partnership and contributions are critical to drawing data centers to the state



Make the impossible possible

- **The biggest companies in the world are moving to Michigan**
- Speed-to-market is critical — this requires being solutions-oriented and thinking outside the box
- DTE and our partners are actively engaging to get this across the finish line
- You play a pivotal role — your engagement is essential to powering Michigan's next wave of industrial growth