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MPSC raises funding factor to increase available energy assistance for more Michigan households

The MPSC today launched its annual assessment of the funding factor that supports Michigan's low-income energy assistance program. Now in its second year of a major expansion, the program is providing more assistance and making more households eligible for energy assistance and self-sufficiency services ([Case No. U-17377](#)).

In 2024, the Michigan Legislature and Gov. Gretchen Whitmer raised the income eligibility threshold for Michigan households to be able to receive support through the Michigan Energy Assistance Program (MEAP) and the amount of money that can be raised for it. The new eligibility and funding levels, which took effect in 2025, could ultimately provide assistance to as many as 150,000 households when fully implemented in the coming years, up from an average of 50,000 households in recent years. In 2025, 56,018 households received assistance with program benefits, before the new benefit eligibility thresholds were implemented starting Oct. 1, 2025.

MEAP is funded by Michigan's Low-Income Energy Assistance Fund (LIEAF) through a per-meter charge assessed on retail electric billing meters. Before 2024, the maximum that could be assessed per customer was \$1 per month, with a cap on total funding raised through the assessment set at \$50 million. The 2024 legislation approved raising the per-meter assessment to \$2 over time and eliminated the total cap on how much annual funding the meter charge can raise.

The MPSC today proposed setting the funding factor for 2026-27 at \$1.50 per meter — limited to one meter per residential site — and seeks comments from interested organizations and individuals. Under the revamped system, the meter fee can be raised by 25 cents each year up to the \$2 maximum, after which the funding factor may be adjusted for inflation. If ultimately adopted, the proposal would increase available funds for the program to approximately \$90 million for the next fiscal year, a 20% increase over the \$75 million for the current year, assuming similar rates of program participation.

The assessment applies to all electric utilities in the state, although utilities with fewer than 45,000 residential electric customers may opt out of the program, provided they have an energy assistance program that matches MEAP eligibility requirements for heat and electricity assistance. Customers of opt-out utilities are not eligible for MEAP support.

Eligible household income guidelines were expanded under the new law. Previously, a family of four was eligible if it made up to 150% of the federal poverty level, which is currently \$48,225. Now, that same family is eligible if it makes 60% of the median state income, or \$70,225.

The Commission directed each electric utility, whether it will participate in MEAP or opt out, to file information showing the number of retail billing meters it serves in Michigan that are subject to the LIEAF funding factor, the total number of retail billing meters in the utility's service territory, the total billing meters by county, and the total billing meters by customer class.

Interested persons and organizations may submit written and electronic comments regarding the proposed funding factor. The comments should be paginated, reference Case No. U-17377, and must be received no later than 5 p.m. March 18, 2026. Comments may be mailed to Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, MI 48909, or emailed to LARA-MPSC-Edockets@michigan.gov.

MPSC APPROVES CONSUMERS ENERGY SOLAR CONTRACT, GIVES CONDITIONAL APPROVAL TO UTILITY'S ENERGY STORAGE CONTRACT

The MPSC approved a Consumers Energy power purchase agreement (PPA) for a solar project in Michigan's Thumb and gave conditional approval to a separate Consumers PPA tied to an energy storage project ([Case No. U-21090](#)). The Commission approved a PPA between Consumers and Watertown Solar LLC for the 150-megawatt (MW) Watertown Solar Project in Sanilac County, expected to be operational in mid-2027. The 25-year PPA has a levelized cost of energy (LCOE) of \$80.17 per megawatt-hour (MWh). Consumers' 2022 integrated resource plan calls for the utility to procure about 8,000 MW of solar generation by 2040. The Commission also conditionally approved a 20-year PPA between Consumers and Voyager II Energy Storage LLC, a 150-MW energy storage facility in Washtenaw County's Saline Township, expected to be operational by 2028. The Commission's approval is on the condition that the agreement's financial compensation mechanism apply only to the fixed energy payment, a change that reduces the levelized cost of capacity of \$194,875 per zonal resource credit (ZRC) and an LCOE of \$126.46 per MWh. The Commission directed Consumers to make a filing accepting this condition within 10 days.

COMMISSION DENIES PETITION FOR REHEARING ON APPROVAL OF CONSUMERS ENERGY DATA CENTER TARIFF

The MPSC denied a petition for rehearing filed by the Michigan Department of Attorney General regarding the Commission's approval last fall of a new Consumers Energy Co. rate category for data centers and other very large electric customers, which included safeguards that protect residential and other ratepayers from bearing any costs associated with serving these large customers ([Case No. U-21859](#)). The Commission found that the Attorney General's petition didn't demonstrate claims of error, newly

discovered evidence, or unintended consequences from the Commission's Nov. 6 order.

MPSC APPROVES CONSUMERS ENERGY 2026-2029 ENERGY WASTE REDUCTION PLAN

The MPSC approved a settlement agreement in Consumers Energy Co.'s 2026-2029 Energy Waste Reduction (EWR) Plan proceeding ([Case No. U-21680](#)). The plan covers both the utility's electric and gas EWR programs and builds on Michigan's best-in-the-country performance on EWR programs. Among other elements, Consumers' EWR plan includes additional commitments on the company's Income-Qualified Multifamily Program, including working with Michigan Saves on discounted bridge loans to improve affordability, greater coordination with the Michigan State Housing Development Authority in connecting Low-Income Housing Tax Credit applications with EWR rebates and strategies to expand outreach to eligible customers. In addition, Consumers also committed to increase its overall annual investment in the Michigan Saves loan fund by \$2 million, maintain the Super-Efficient All-Electric New Homes Program for 2026 with a budget of \$750,000, transition the All-Electric New Homes pilot to a commercialized program and increase the budget for the New Homes Construction program by \$300,000 per year. Consumers Energy also agreed to continue its geotargeted Flint Initiative with a budget of \$4.5 million through 2029. Finally, the company committed to collaborate on the development of a draft multi-year efficient electrification plan, which will be completed by Dec. 31, 2026. The plan is designed to facilitate integrated delivery of both electrification and EWR building envelope efficiency measures. Parties to the case include Consumers, Attorney General Dana Nessel, MPSC Staff, Urban Core Collective, Natural Resources Defense Council, Sierra Club and the Ecology Center.

COMMISSION OKS REDUCED NATURAL GAS TRANSPORTATION RATES FOR HAYES OTSEGO PIPELINE LLC

The Commission approved an ex parte application by Hayes Otsego Pipeline LLC (HOP) to reduce natural gas transportation rates charged to three shippers that use the common carrier pipeline in northern Michigan's Otsego County ([Case No. U-21989](#)). HOP negotiated amendments to existing transportation agreements to reduce the firm transportation rate by 4 cents per thousand cubic feet in contracts with Muzyl Oil Corp., Muskegon Operating Company LLC, and VCP Michigan LLC.

MPSC APPROVES ACCOUNTING TREATMENT FOR MICHIGAN GAS UTILITIES CORP. FOR EXPENSES RELATED TO GAS PIPELINE STRIKE

The MPSC approved an application filed by Michigan Gas Utilities Corp. (MGU) for ex parte approval of accounting authority allowing the utility to defer more than \$2 million in costs from a strike on the Trans Canada High Pressure Gas Main last spring ([Case No. U-22021](#)). MGU contends a subcontractor for the Michigan Department of Natural Resources struck the high pressure main, which runs natural gas downstream to MGU pipelines, near Fennville on April 9, 2025, disrupting service to about 5,400 customers. MGU spent \$2.05 million on its response, with about 200 employees working 16-hour days for five days to get service restored and ensure public safety. The company is pursuing litigation to recover damages and will seek rate recovery in a future MPSC proceeding. Today's approval authorizes only the accounting treatment and does not

address the evidentiary burden MGU must meet before it can recover costs in a future proceeding.

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To look up cases from today's meeting, access the [MPSC's E-Dockets filing system](#). Watch recordings of the MPSC's meetings on the [MPSC's YouTube channel](#).

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