



Gretchen Whitmer, Governor
Dan Scripps, Chair
Katherine Peretick, Commissioner
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MPSC sets goal to lower the energy burden on low-income households and revamp energy assistance programs

The Michigan Public Service Commission today established a new energy affordability goal for low-income Michiganders, setting a target to reduce the energy burden of income-constrained residential customers to not more than 6% of household income and realigning energy assistance programs around that objective ([Case No. U-20757](#)).

MPSC Chair Dan Scripps called the goal of limiting a household's energy burden to not more than 6% of income — combining 4% of household income for electric customers and 2% for natural gas customers — the North Star of the MPSC's efforts to expand and coordinate energy assistance and make it easier to access. Today's action marks a significant change in approach to energy affordability in Michigan after MPSC Staff led five years of extensive study and input gathering from organizations and individuals on improving the ways Michiganders receive energy assistance.

"We are committed to driving down the number of Michigan households with unsustainable energy burdens," Scripps said. "As inflation has increased costs at the gas pump and the grocery store, it's even more important now to create a better-coordinated energy assistance system with a clear goal of reducing low-income household energy burdens to 6% or less. This will help provide energy security for Michiganders who need it most."

Reducing energy burden to 6% of income through affordable payment plans will help improve home energy security for low-income households, reducing the need to choose between paying for energy bills and other necessities like food and medicine. The payment plans will make it easier to align and layer assistance programs and uncomplicate access for qualified customers.

The Commission noted that changes to the assistance programs will take time to implement, and current energy assistance services will continue while the final programs are designed in the coming months.

But today's decision is an important first step. Many national organizations consider homes with utility costs greater than 6% of household income as "energy burdened" and more likely to struggle to pay bills on time and fall behind. MPSC

Staff found through pilot projects undertaken by DTE Energy and Consumers Energy Co. that reducing energy burdens closer to 6% of household income for low-income customers led to more on-time payment behavior for customers in the two utilities' percentage of income payment plan (PIPP) pilot programs and existing affordable payment plans.

Today's steps build on the Commission's extensive work on addressing customers' ability to pay utility bills. A key focus has been moving toward affordable payment programs that provide monthly supports for low-income households in a more consistent and targeted way to support home energy security.

MPSC Staff, with contributions from the MPSC's [Energy Affordability and Accessibility Collaborative](#) (EAAC), a major initiative within the broader affordability effort, released a comprehensive [Energy Affordability Report](#) in September 2025 with recommendations for improving energy assistance. The EAAC has worked to streamline Michigan's energy assistance system, exploring modernized affordable payment plans and current utility-offered assistance credits and evaluating the effectiveness of PIPPs at DTE Energy and Consumers Energy.

The report included recommendations to work toward replacing current utility assistance credits with affordable payment plans targeting a 6% energy burden and mirroring affordable payment plans supported with funding under the Michigan Energy Assistance Program (MEAP). The Commission adopted these recommendations, and directed MPSC Staff to work with utilities, assistance agencies and others to institute program changes and file an implementation plan by Jan. 31, 2027. The Commission said the implementation plans should explore simplifying the process, best practices for income validation, transitioning customers onto the new energy assistance program, and other matters.

The Commission's work on affordability comes as the state is expanding the amount of funding available for energy assistance. In 2024, the Michigan Legislature and Gov. Gretchen Whitmer raised the income eligibility threshold for Michigan households to be able to receive support through MEAP and the amount of money that can be raised for it. The new eligibility and funding levels, which took effect in 2025, ultimately could 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.

Today's order comes amid the MPSC's continued work on keeping customer utility costs in check. The Commission has supported major utility investment in grid modernization and more frequent tree-trimming while holding residential customer electricity bills [well below the national average](#) and below the average of neighboring states, while keeping customer cost increases to 5.3% below the rate of inflation from 2020 to 2025. Investments in grid upgrades and maintenance are supporting [significant improvements in reliability](#) in recent years for the state's two largest electric utilities after decades of poor performance, reducing the financial impact of outages on customers.

In addition, the MPSC has approved a number of improvements to the energy waste reduction, or EWR, programs offered by [DTE Energy](#) and [Consumers Energy](#), bringing additional resources to help those most in need of utility assistance. The improvements will expand assistance, targeting those with high energy burdens, and make it easier for customers to access assistance.

While the MPSC continues developing these programs, Michigan's existing energy assistance programs remain available for customers struggling with home energy bills. Information about financial assistance, payment plans, shutoff protections, tax credits and more is available at www.michigan.gov/mpsc/gethelp or in the MPSC's Energy Assistance and Shutoff Protection [tip sheet](#). Or contact Michigan 211 by calling 211 or going to www.mi211.org for free, confidential help connecting with health and human services agencies and resources in your community.

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