

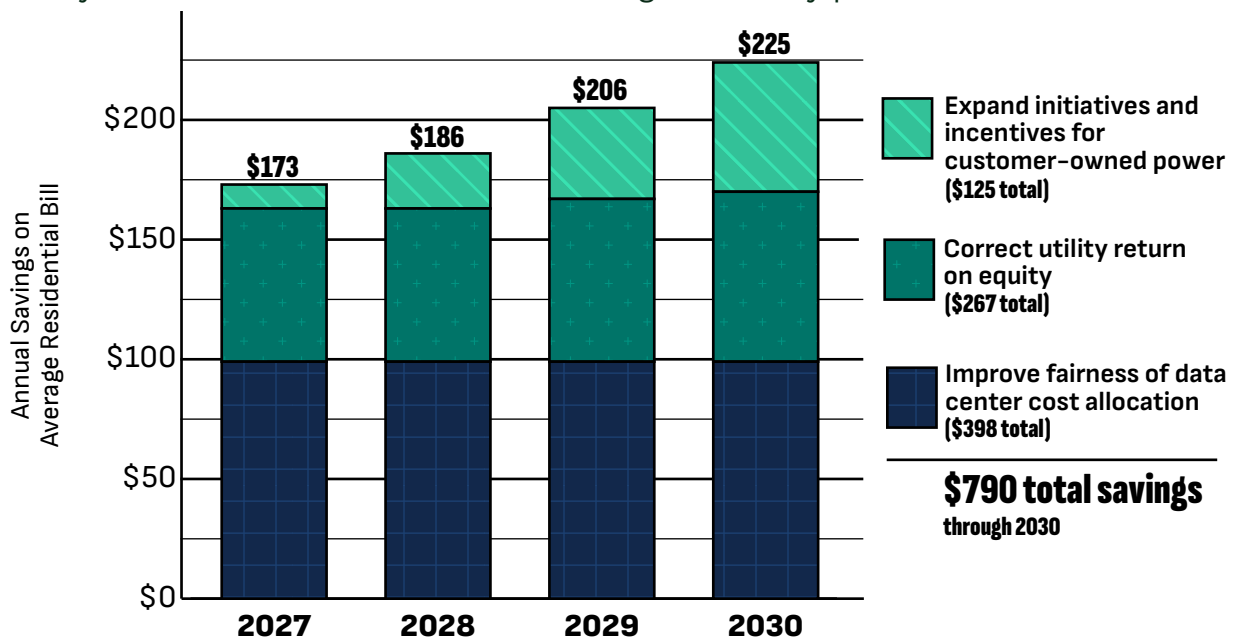
# THREE KEY INTERVENTIONS TO DELIVER ELECTRICITY COST SAVINGS IN MICHIGAN

As electricity costs rise in Michigan and across the country, new analysis from Synapse Energy Economics shows that smart policy choices can save the average Michigan household nearly \$800 on electricity over the next four years. While Michigan’s 2023 energy policies—focused on cutting energy waste and expanding clean energy— are already helping slow cost increases, advancing additional near-term solutions will be key to preventing further increases and delivering tangible bill relief.

Synapse’s analysis identifies three key near-term interventions that can deliver significant relief from electricity cost increases for Michiganders.

## THREE POLICIES TO DELIVER \$790 IN SAVINGS FOR DTE CUSTOMERS BY 2030

State leaders can save the average household roughly \$200 per year, adding up to nearly \$800 total from 2027 to 2030 through three key policies:



Data: "Making Energy More Affordable in Michigan."  
Synapse Energy Economics Inc., April 2026

Read the full, detailed report at: [evrgn.co/MIreport](https://evrgn.co/MIreport)



# HOW MICHIGAN CAN UNLOCK SAVINGS:

## **1 - REQUIRE DATA CENTERS— THE BIGGEST ENERGY USERS ON THE GRID— TO PAY THEIR FAIR SHARE:**

Data centers are driving rapid growth in electricity demand, yet without rate structures to reflect this new reality, these costs are effectively passed on to everyday customers. The Synapse analysis estimates that if regulators require data centers to pay for the full cost of the electricity they use, Michigan households could save at least \$99 per year by 2030, or about \$398 total between 2027 and 2030, from just one gigawatt of new data center load, and far more capacity has already been proposed.

This estimate draws on analysis conducted by Consumers Energy, Michigan's other major electricity utility, demonstrating that this approach is both feasible and already under consideration in the state. Requiring data centers to power their operations with clean energy—the cheapest and fastest-to-deploy source today—would deliver even greater savings, improve public health, and help Michigan meet its clean energy goals.

The Michigan Public Service Commission (MPSC) and the legislature have the authority to establish clear, uniform rules to ensure data center costs are assigned appropriately to the customers that cause them. Without those guardrails, costs will continue to shift onto everyday customers—making bills significantly higher as electricity demand balloons. Requiring data centers to pay their fair share for the power and infrastructure they use would protect ratepayers in a consistent, fair way.

## **2- RIGHT-SIZE UTILITY PROFIT MARGINS:**

Private (or “investor-owned”) utilities in Michigan earn an authorized return on equity (ROE) on capital investments, such as grid infrastructure, in exchange for taking on the financial risk of funding them. Setting an appropriate utility ROE is a core responsibility of state regulators. At a time when energy affordability is a growing concern, it makes sense to revisit these returns and adjust them while still enabling utilities to invest in needed grid upgrades and infrastructure.

Synapse's research shows the average DTE customer pays about \$362 per year toward utility returns on all grid investments. The analysis finds that reducing the ROE by 1.7 percentage points, from 9.9% to 8.2%, could save households \$71 per year by 2030, and \$267 total between 2027 and 2030. That's a meaningful

reduction in bills, without sacrificing system reliability or necessary investment. Both the state legislature and the MPSC have the authority to make this change.

### **3 - UNLEASH THE MARKET, DEPLOY MORE CUSTOMER-OWNED CLEAN POWER**

#### **SOLUTIONS:**

Customer-owned clean energy like rooftop solar, battery storage, energy efficiency, and demand response are among the cheapest and fastest ways to add energy to the grid— while reducing the need for new expensive large-scale utility infrastructure.

Incentivizing households and businesses to use these resources strategically, through programs like virtual power plants, helps reduce reliance on expensive power plants during times of peak electricity demand. Without action, Michiganders will miss out on these savings.

Synapse analysis estimates that increasing use of these resources could save DTE customers— whether they directly participate in these programs or not— about \$54 per year by 2030, and \$125 total between 2027 and 2030. Households that do participate would save even more. By enabling more customers to generate and manage their own clean energy, Michigan can increase energy supply, improve system efficiency, and put downward pressure on bills.

The MPSC, the legislature, and utilities themselves all have roles to play in expanding use of these resources. Michigan leaders should establish programs and policies to accelerate deployment of customer-owned clean energy, efficiency measures, and demand response.

#### **MANAGING COSTS IN A RAPIDLY CHANGING ENERGY LANDSCAPE:**

Together, these three policies—alongside continued progress on Michigan’s clean energy and efficiency goals—offer a clear path to managing costs in a rapidly changing energy landscape. With electricity demand and prices rising, driven by data centers and broader inflation, Michigan’s policy choices today will determine whether ratepayers continue to face steep cost increases or see meaningful relief. Prioritizing lower-cost customer-owned clean energy, right-sizing utility profit margins, and ensuring data centers pay their fair share will be critical to protecting households from unnecessary cost increases while maintaining a reliable grid.