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Opportunities to make energy more affordable are coming to Michigan through recent investments in the Inflation Reduction Act (IRA) and the Infrastructure Investment and Jobs Act (IIJA). These investments aim to reduce greenhouse gas emissions, increase energy efficiency, and improve critical infrastructure, including water and sewage systems. So far, over \$600 million has been invested in Michigan through the IIJA, including approximately \$183 million for weatherization projects, nearly \$149 million for power grid resilience improvements, and over \$22 million for energy efficiency and renewable energy projects. Additionally, about \$211 million in IRA funds for home energy rebate programs is expected to be rolled out across the state in early 2025.¹

If managed equitably, these funds can significantly benefit Michigan residents struggling with high energy costs. Low-income households spend three times more on their energy bills than higher-income households. In Detroit, an estimated 30% of residents have an energy cost burden higher than the national average (6% of household income for low-income households), and 16% of Detroit households experience severe energy cost burdens of over 10% of household income. Across Michigan, low-income and Black, Indigenous, and People of Color (BIPOC) communities are most impacted by blackouts and utility shut-offs. The more low-income residents spend on energy, the less they have for food, housing, education, healthcare, and other essentials.²

The investments coming into Michigan have the potential to not only lower energy costs for communities but also contribute to a healthier, more sustainable future.

Making Homes Energy Efficient for Homeowners

- Roughly half of the households in Detroit, Flint, and Saginaw own their homes.³ Two new **Home Energy Rebate Programs** are now being rolled out in Michigan, serving 50 households launched in two Michigan communities in October 2024. Full implementation is expected in early 2025. The Department of Environment, Great Lakes, and Energy (EGLE) estimates that the two rebate programs will serve up to 15,000 households statewide.
- The rebates will make **whole-home energy efficiency improvements** more affordable, offering up to \$20,000 for homeowners, resulting in estimated energy savings of between 15% and 20%.
- Low- and moderate-income homeowners can also receive up to \$14,000 in rebates for installing heat pumps, induction stoves, ventilation improvements, insulation, and other **home electrification upgrades**. These improvements can lower household energy costs, improve indoor air quality, increase comfort, and help stabilize the grid by reducing demand during extreme heat, making blackouts less likely.
- **Approximately \$211 million is being invested in Michigan** to support these programs.⁴ **Learn more about these programs [here](#).**

¹ White House, "Investing in America: President Biden's Bipartisan Infrastructure Law is Delivering in Michigan, As of March 2024"; Executive Office of the Governor "Governor Whitmer Announces Bold New Housing and Energy Initiatives to Lower Costs for Michigan," May 29, 2024. Michigan Department of Environment, Great Lakes, and Energy, "Michigan Home Energy Rebates programs advance to serve first Michigan households; statewide launch set for early 2025," October 29, 2024

² American Council for an Energy-Efficient Economy, "Energy Burdens in Detroit," September 2020; White House, "President Biden's Bipartisan Infrastructure Law is Delivering in Michigan," accessed October 31, 2024; American Council for an Energy-Efficient Economy, "Press Release - Report: Low-Income Households, Communities of Color Face High 'Energy Burden' Entering Recession," September 20, 2020; Tom Perkins, "Utility redlining: Detroit power outages disproportionately hit minority and low-income areas," The Guardian, October 6, 2022.

³ According to American Community Survey 2018-2022 5-Year Average Data, nearly 49% percent of housing units in Detroit are owner-occupied. In Flint and Saginaw, about 54% and 56% of residents own their homes respectively. The statewide homeownership average is 72.5%.

⁴ Michigan Department of Environment, Great Lakes, and Energy, "Michigan Home Energy Rebates programs advance to serve first Michigan households; statewide launch set for early 2025," October 29, 2024

- About 117,000 Michigan households have received **more than \$134 million in residential energy tax credits** to make their homes more energy efficient and to lower energy bills.⁵ Tax credits can support those homeowners owing taxes to reduce their federal taxes when they make energy efficiency purchases or upgrades to their homes.

Making Solar Energy Investments Accessible

- Low-income households will soon have access to assistance to make the installation of rooftop solar more affordable. Michigan is receiving **\$156 million in federal funding for the Michigan Healthy Solar for All program**, which can help residents reduce energy bills by up to 20% while reducing greenhouse gas emissions. This program is expected to launch in the fall of 2025.⁶

Increasing Access to Financial Assistance for Michiganders

- Even with rebates and other efforts to make energy-efficiency upgrades more affordable, low-income residents with limited savings or credit will struggle to afford these investments. However, resources such as [Michigan Saves](#), Michigan's non-profit state "green bank," can help. Michigan Saves provides innovative financing and lower-interest loans to low-income and under-resourced communities for energy efficiency and clean energy.

Michigan Saves is a partner in a Justice Climate Fund proposal that was recently selected as an awardee of an investment totaling approximately \$1 billion to support community-based, green lending.⁷ Applications for financing can be accessed [here](#).

- Michigan has received **\$12.7 million in IIJA funding to fund loans and grants to businesses and homeowners for energy audits, retrofits, and upgrades**. This opportunity was expected to get underway in late 2024 but has yet to be fully implemented.⁸
- **The Low-Income Home Energy Assistance Program (LIHEAP) is receiving an additional \$5.8 million** in IIJA funds for Federal Fiscal Year 2025 for heating, crisis, and weatherization assistance to low- and moderate-income households throughout Michigan. Additional investments are needed to advance energy equity, as only about 31% of federal income-eligible households received LIHEAP Assistance in 2022.⁹
- Michigan received an additional **\$183 million from the IIJA in 2022 to support the Weatherization Assistance Program**, offering no-cost weatherization services to eligible low- and moderate-income homeowners. Home weatherization can reduce heating costs by up to 25 percent, saving approximately \$450 annually.¹⁰ To take full benefit of these funds, homeowners may need home repair resources to address aging housing stock. About 90% of Detroit's housing stock and 93% of homes in both Flint and Saginaw were built before the 1980s. A directory of home repair resources in Michigan can be found [here](#).

5 Tracy Samilton, "IRS: Michigan households claimed \$134 million in clean energy tax credits last year," Michigan Public / NPR, August 22, 2024.

6 Michigan Department of Environment, Great Lakes, and Energy, "MI Solar for All," accessed October 30, 2024; Michigan Department of Environment, Great Lakes, and Energy, "FAQ: MI Solar for All," accessed October 30, 2024.

7 Michigan Saves, "Michigan Saves a subgrantee on groundbreaking application to EPA's Greenhouse Gas Reduction Fund," December 6, 2023; Justice Climate Fund, "Press Release: Justice Climate Fund Selected by U.S. Environmental Protection Agency for Clean Communities Investment Accelerator Program," April 4, 2024.

8 Department of Environment, Great Lakes, and Energy, "BIL and IRA Funding," accessed November 1, 2024.

9 U.S. Department of Health and Human Services, Administration for Children and Families, "LIHEAP Clearinghouse: Michigan," accessed November 1, 2024; U.S. Department of Health and Human Services, Administration for Children and Families, "LIHEAP Performance Management: Custom Reports," accessed November 1, 2024; Administration of Children and Families, U.S. Department of Health and Human Services, "LIHEAP DCL 2025-01 First Funding Release of FFY 2025," accessed October 31, 2024.

10 American Community Survey 2018-2022 5-Year Average Data; Michigan Health and Human Services, "Michigan expanding weatherization program to help residents of multifamily affordable housing lower their utility bills," July 7, 2023; Michigan Health and Human Services, "Energy and Weatherization," accessed November 1, 2024.

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Improving Energy Reliability and Management

- Michigan expects to receive **\$38 million over the next five years to prevent power outages and stabilize the electrical grid.** These funds are expected to start flowing to utilities around the state in 2025.¹¹
- The Community Energy Management Program is providing **a total of \$5.85 million, including \$3 million in IJA funding, to support communities transition to clean energy.** Grants of up to \$100,000 will support local governments, Tribal governments, and public-service organizations in activities including energy management, energy efficiency, renewable energy, fleet electrification, EV charging infrastructure, sustainable financing solutions, and/or clean energy workforce development.¹²

¹¹ Michigan Department of Environment, Great Lakes, and Energy, [“Grid Resiliency.”](#) accessed November 1, 2024.

¹² Michigan Department of Environment, Great Lakes, and Energy, [“Community Energy Management Program.”](#) accessed November 1, 2024