

RESIDENTIAL ENERGY COST ANALYSIS FOR GREATER MICHIGAN REGION



Based on data from the U.S. Energy Information Administration (EIA), prices in the broader East North Central region follow mostly along with Michigan's averages, offering a good indication of expected household energy cost trends across the Region.

In 2025, the average EIA-reported residential prices in Michigan were:

Natural Gas

\$10.92 per Mcf

Electricity

20.01 Cents per kWh

On an energy-equivalent basis, this means electricity costs about **5.6 times more** than natural gas (with a regional average of about 4.6x in 2025). Based on the current EIA Short-Term Energy Outlook, this ratio is expected to grow:



2025
4.6x

2026
4.6x

2027
5.2

EIA Regional Projections

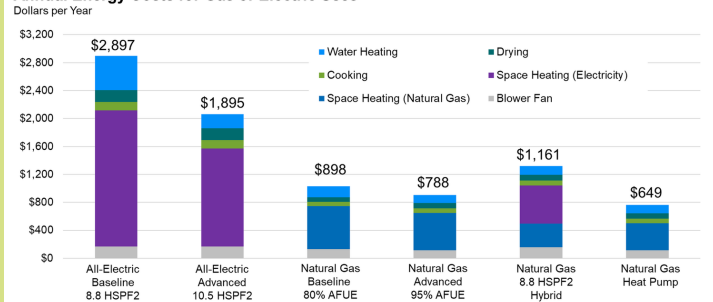
Seasonal patterns make natural gas even more attractive for space heating. While the average electricity to gas price ratio is projected to be around 5.0x in 2026, it may drop to about 2.4x in summer and rise to about 5.9x in the winter.

Michigan Cost Analysis for New Single-Family Homes

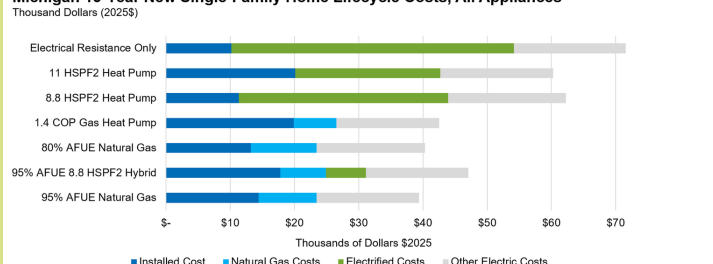
Using the methodology outlined in the AGA Building for Efficiency report, estimated heating costs were calculated for typical new single-family homes in the Greater Michigan area. **Households using natural gas could see annual cost savings between \$1,159 and \$1,868 compared with using an all-electric, air-source heat pump.**

Regarding emissions, the 95% AFUE gas home, with some share of RNG can have 25% lower emissions than the Energy Star ASHP home over the life of the equipment and match the performance of the Cold Climate model.

Annual Energy Costs for Gas or Electric Uses



Michigan 15-Year New Single-Family Home Lifecycle Costs, All Appliances



Source: AGA Modeling