

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own motion,)	
regarding administration and operation of the)	Case No. U-13129
Low-Income and Energy Efficiency Fund.)	
_____)	

At the June 28, 2011 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Orjiakor N. Isiogu, Chairman
Hon. Monica Martinez, Commissioner
Hon. Greg R. White, Commissioner

OPINION AND ORDER

The Customer Choice and Electricity Reliability Act, 2000 PA 141, authorized the creation of the Low-Income and Energy Efficiency Fund (LIEEF) administered by the Commission via grants to qualifying organizations. The purpose of the fund is to provide shut-off and other protection for low-income customers and to promote energy efficiency by all customer classes. The fund's original source of funding was the utilities' securitization savings that exceeded the amount needed to achieve a 5% electric rate reduction for residential and business customers. MCL 460.10d(7) provides for the use of a portion of the savings.

Beginning with the interim rate relief order for The Detroit Edison Company, which was issued on February 20, 2004 in Case No. U-13808, the Commission began including the LIEEF funding requirement into base rates for several of Michigan's electric and gas utilities as part of their cost of service. Further, in prior orders in this docket, the Commission has followed an

established framework for administering the LIEEF and procedures for considering specific proposals.

On March 24, 2011, the Commission invited non-profit organizations to submit proposals that will continue and expand a currently operating program developed by the applicant that designs and facilitates the installation and operation of energy efficiency upgrades and, where feasible, small scale, on-site renewable energy systems at communities designated as Cities of Promise, financially stressed communities that have been appointed an Emergency Financial Manager, and financial stressed communities that are appointed an Emergency Financial Manager during the term of the grant. By the May 12, 2011 deadline, the following organizations submitted proposals seeking a total of \$18,525,763: Clean Energy Coalition, Great Lakes Energy Service, Michigan State University, and Michigan Suburbs Alliance.

The Commission expresses its appreciation to the applicants for providing thoughtful proposals. In selecting recipients for the grants, the Commission used the criteria outlined in the Request for Proposal.

Based on its review of the applications, the Commission awards the following grant:

- Clean Energy Coalition – \$5,000,000 to continue its currently operating program that designs and facilitates the installation and operation of energy efficiency upgrades and small scale, on-site renewable energy systems for communities designated as Cities of Promise, and to expand the program to include financially stressed communities that have been or will be appointed an Emergency Financial Manager during the term of the grant.

If the grantee received less than requested in the proposal, the proportion of funds budgeted for administrative and indirect costs must remain the same or less than originally requested. The Commission directs the Commission Staff to complete the necessary grant agreement documents with the grantee. As always, the grants are contingent upon review and approval of the State Administrative Board.

THEREFORE, IT IS ORDERED that:

A. The following grant for a total of \$5 million is approved:

- Clean Energy Coalition – \$5,000,000 to continue its currently operating program that designs and facilitates the installation and operation of energy efficiency upgrades and small scale, on-site renewable energy systems for communities designated as Cities of Promise, and to expand the program to include financially stressed communities that have been or will be appointed an Emergency Financial Manager during the term of the grant.

B. The Commission Staff shall complete the necessary grant agreement documents with the grantee.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, under MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

Orjiakor N. Isiogu, Chairman

By its action of June 28, 2011.

Monica Martinez, Commissioner

Mary Jo Kunkle, Executive Secretary

Greg R. White, Commissioner