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DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH  
PUBLIC SERVICE COMMISSION

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EE Collaborative  
Low-income Workgroup  
October 15, 2009,  
9:00am – 12:00pm

**NOTES:**

Chair: Lori Towers-Hoover, MPSC

Co-Chair: Art Thayer, MECA

Rob Ozar Introduces and talks about the unemployment rates around the country and emphasizes the stress Michigan is under with the highest unemployment rate and low financial stability.

**Structure of the Workgroup:** Joint effort between the previous group of the Low-Income Task Force (U-15918) and this EO Collaborative Workgroup. We want to recognize the previous work done and elaborate on those previous efforts.

**Speaker (1): Sally Wallace, MPSC: Member of the Low-Income Task Force.**

- There is the Low-Income Task Force Report on the MPSC website:  
<http://efile.mpsc.state.mi.us/efile/docs/15918/0007.pdf> with a link off the EE Collaborative Low-Income web page.
- The final report looked at payment plans, payment amounts, reducing costs associated with shutoffs and restorations. Also looked at the possibility of low-income rates. Looked at ways to coordinate the available government assistance programs.
- They looked at how Michigan was using its funds, distributed funds through the home heating credit, which you get by filing with the Michigan Department of Treasury.
- There were four groups on the Low-Income Task Force.
- The major recommendation that came from the report was that all of the groups need to continue what they are doing. They need more information and more research done. There is a new census being done and this will help the group in the future with numbers they were looking for. They had a very short time frame and they used data that was available and possibly outdated.
  - Therefore this low-income collaborative group should look further into this and get updated information and move forward.
- There is a lot of controversy that goes along with the home heating credit since it takes half of the LIHEAP money. Perhaps this should be amended.
  - All of the programs are pretty much cut off at 110% of poverty. SER goes up higher.

DELEG is an equal opportunity employer/program.

Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities.

- She also worked in a low-income rates group.
  - Act 286 & 295 instructed low-income programs/rates.
  - The Low-income Task Force was looking for other creative low-income programs. These programs need to be tailored to certain service territories as well as giving authority to the gas side to help low-income.
  - The Low-income Task Force group recommended continuing work on pilot programs for low-income such as subsidized rates based on income level.
  - The Low-income Task Force group felt that legislation was needed to help out low-income.
  - The Low-income Task Force group was also a little bit reluctant to say all of their “silly” ideas because they knew it was all going to be put out in a report. But this group has that advantage where they can say any of their ideas and not worry about it being put out for the public to view in a report.
  - Question: Were split incentives addressed by the low-income task force?
    - No they weren’t. This group was looking at the affordability issue of just the money and how can we provide financial assistance not so much on energy efficiency. People still can’t afford their bills, nothing has changed with their home’s efficiency and the problem isn’t fixed.
  - Question: Were there specific recommendations on where to go to get more data?
    - They need someone/group who can focus the data found and analyze what was found, what it means, and if it was used accurately.

**Speaker (2): Sandra Philpott-Burke, MPSC**

- November 1st – March 31<sup>st</sup>: Shut-off Protection. The Winter Protection Plan. They have found that a lot of people got into a bad debt situation because the winter protection plan is a deferral of the winter payment to the spring/summer months.
- This year utilities allowed people to come back onto the system without paying the full amount. Senior citizens (65 and older) didn’t have to pay anything to get back on the system. In fact senior citizens didn’t have to pay anything all year round to get on the system.
  - DTE uses age 62 but the other companies use age 65 for senior citizens.
- Sandra’s group concentrated on how to get information to the public about the programs that are available. They wanted to set up a “one stop shop” for utility customers to learn about the programs.
- Sandra put together a directory of all the programs offered in the state – by county. There is information for each of the 83 counties in Michigan.
- Each year the Public Service Commission has 7 Consumer Forums around the state to let the public come in and talk to Commissioners and the staff with their questions and issues.
  - This year there was something a little different where various agencies set up areas at the Consumer Forums to educate customers on what is offered for them.
  - For example the customers in Detroit could go to the Forum and get information from Salvation Army, the utility companies, St. Vincent, Department of Human Services, and several others. There were tables around the room where you could go to each table and talk to someone and see what they offered and where you go to get assistance.

- This year they recommended a more education piece. There is such a great need for energy assistance. They want to give people the information and education on how to help themselves.
  - The best way they know how to provide this information is through the Benefit Access Initiative.

**Speaker (3) Nancy Lindman: The United Way**

- **Nancy’s slideshow presentation is available on the “Low-income Workgroup” website for download.**  
[http://www.michigan.gov/documents/mpsc/mi\\_benefit\\_access\\_initiative\\_297060\\_7.pdf](http://www.michigan.gov/documents/mpsc/mi_benefit_access_initiative_297060_7.pdf)
- They are hoping to put Kiosks in various public areas for people from the public to access this database if they do not have internet access at home.
- Food stamp services are already online.
- Question: has there been any pushback?
  - Not so much pushback or opposition, but there is a lot of work to be done in the background to sort everything out and get this rolled out.
- They are hoping to have this rolled out the second quarter of 2010 – they are working on the funding plan right now.
- Question: How can our Low-Income Workgroup help you? Can you think of some goals that we can incorporate into the Low-Income Workgroup?
  - Sandra Philpott-Burke stated that they are meeting with Commissioner Monica Martinez to discuss how the MPSC can help.
  - They (Lori, Nancy, Sandra) will discuss more of this involvement later on and present it to the group.
  - Lori will put all of this information on the website.
- Question: Do you plan to do full deployment? Or just a certain area?
  - Perhaps we would start with the area with the most need, but we are hoping to be very aggressive.
  - We need to do this statewide so people in the U.P. for example are not left out.
- Question: Is the platform going to be dynamic so changes can be made to it? We want customers to utilize utility programs to weatherize houses and lower bills and not just continue to fill an empty bucket and do nothing to deal with the actual problem.
- Question: There should be a person working at the kiosk because the computer literacy with low-income is very poor. Perhaps they wouldn’t even know where to begin or where to start.
  - They want to get volunteers along with workers to assist the public; this is all being worked out.

**Speaker (4): Sharon Theroux: MCAA Update/ ARRA Fund Impacts.**

- American Recovery & Reinvestment Act
- MCAAA: 30 Community Action agencies around the state. Do a variety of services for the public (Head Start, daycare, food bank, shelter, women’s shelters and weatherization assistance program).
- Weatherization experience that they have goes back to 1975.

- \$230 million for weatherization. The American Recovery & Reinvestment Act (ARRA) was passed in March and will extend through March 2012.
  - They can now spend \$6,500 per house, which used to be around \$3,000.
  - They are now looking at the last 90 days of income instead of 1 year. This is especially good for those laid off recently.
  - See [www.MCAAA.org](http://www.MCAAA.org) for additional information.
  - Things are moving forward at a good rate, the goal is to increase the weatherization audits to 3300 homes by the end of the ARRA funds. This more than doubles what the community action agencies have done in the past.
- Energy Optimization Plans: They are implementing the low-income programs for DTE and Consumers in regards to their PA 295 EO plans. They are also working with Art Thayer to potentially work with some electric cooperatives in Michigan.
- Question: Housing areas in some areas of the state would not be worth it to even weatherizing some of these houses, is there funding in the ARRA fund to move people to better homes?
  - The community action agencies work as well as they can with these cases, DHS works more with this. Some of the problems that the agencies run into are that roofs need to be replaced and the only funds that really cover this is LIHEAP. This budget fluctuates and some years it can be zero. So that is a challenge.
- Question: How do EO funds and weatherization funds work together?
  - There are some compact florescent lighting programs, insulation, furnace, water heater, programmable thermostat programs. They give them some funding for these measures and they can use other funds to pay for the remainder. This stretches the dollars so more homes can be done.
  - For 2009 DTE hopes to touch 2,400 homes and 1,900 for Consumers Energy in regards to their EO programs.
- The goal is for 33,000 home to be weatherized using ARRA funds.
  - Comment: Most low-income people are renters...are there any ideas in mind for this situation? To help the landlords to assist these tenants. 80% of low-income people in Detroit are renters.
    - This program and funding is available for renters. They need to get an agreement for the landlord and it should say that these measures will not increase their rent. There are some restrictions on equipment that cannot go into these homes at this time.
- Question: What about places that are more than 4 units?
  - They have done larger units but it is up to the community action agencies which complexes they do and which projects they take on. The utilities are looking to probably do some of these larger units to more easily meet their targets.
- Contractors: Look at the MCAAA website and see what area you are interested in, look at the requests for qualifications and contact the community action agency directly.
  - Is there a shortage of certified contractors? No. Not necessarily, some areas they are ready and others need some more training. They have to do DHS training and monitoring of that person. There are different stages of training so it depends.
- If there is federal money being used, the cap is still \$6,500. Usually that is enough money to cover the measures in the home. The problem comes in when the home needs other repairs such as roof repairs.

- So EO Programs could not be more flexible as to be used for a roof? No.
- We cannot go into a home for a second time if it was already done within the past 10 years.
- What if a home is found to have lead or asbestos?
  - If there are problems like this they cannot do the work, because of the safety issues. So yes, there are homes we have to walk away from for these issues.

**PRIORITIZE GOALS:**

- **Focus on weatherization and bill assistance.**
- **Data collection**
- **Rates for Low-income/Seniors**
- **Defining Issues and establishing subgroups (next meeting?)**
- **Overlying issues (pre-pay, decoupling)**
- **Benefits Access Information**
- **Rob Ozar suggests:** Data collection is foundational to this group. Rob suggests the possibility of getting a graduate student from a university who could help our workgroup who might want to do a thesis on PA 295 and work with this group to get the right data.
  - Perhaps the Commission could use some LIEF funds to pay for an expert to help us out?
- Michigan League for Human Services would perhaps be a good asset to this group, since they already do a lot of data work.
- DTE and Consumers Energy have hired professionals to evaluate their programs. Perhaps there would be a way to leverage their work to survey some of the low-income issues discussed.
  - Comment: if we get the utility involved, the public perception is such that when utilities are involved the data becomes biased.
- Art Thayer knows a woman who may be able to come speak about some grant money available for research and data collection. (Next meeting?)
- Legislative improvements? The group should come up with legislative goals that need to be recognized.
- Split incentives issues: There is a potential for new tools (MI Saves for example). So that landlord and tenants both have incentives to move toward this EE movement.
  - Rob Ozar has heard at Consumer Forums that renters have the issue that they have very high utility bills and the landlord will not do anything for them.

LOOK FOR UPDATES TO THE WEBSITE (documents will added)

NEXT MEETING: November 17<sup>th</sup> - Afternoon