

Energy Affordability and Accessibility Collaborative

EAAC Meeting #1. Notes 04-08-2021, 10:00 a.m. to 12:00 p.m.

Welcome & Introductions:

Anne Armstrong - Opened meeting with an overview of the meeting agenda. Anne explained the MPSC Order, U-20757 of February 18, 2021, which created the new collaborative group. She noted that the meeting was being recorded and will be available to look at later. She notes that notes will be compiled from each of the meetings for participant reference and for the progress report due 12-17-2021. She indicated that the EAAC will need to work longer than a year. She asked participants to list their name and organization in the chat, and if on telephone, to their send name to Angela Adkins, as it will help to understand who is attending and for additional outreach possibilities. She added that participant input is valued and placing your name, org., and questions in the chat, to enable the presenter to address questions. A participant raised a concern the chat function was not available on mobile devices. Anne addressed broad categories of inquiry from U-20757 and noted these are not the only topics the group can address; however, they are topics the Commission requested for the group to address. Anne then stressed in Commission Order U-20757 Commissioners directed staff to coordinate this effort with low-income EWR workgroup, to develop a pathway to better coordinate and integrate issues of energy efficiency/waste reduction and energy assistance and customer protections.

Brad Banks - Brad addressed the proposed structure and concerns that the new collaborative group would preempt the EWR low-income workgroup. He assured participants that the weatherization and housing collaborative work would continue as well as the subtopic groups. He added that the EAAC's goal is to bring people/organizations together who work directly with affordability and accessibility, for example, like the MI Energy Assistance Program from the MPSC and LIHEAP from MDHHS.

Guiding Values and Principles

Presenter: Briana Parker, Policy Manager of Elevate. Presented on "Guiding Values/Principles". Briana explained definitions of guiding values/principles and that next month's meeting will take a more in-depth discussion in breakout sessions. She was able to get volunteers to assist her with setting up values and principles. A survey is forthcoming regarding values and principles.

Keynote: Different Approaches to Defining Affordability

Presenter: Mr. Roger Colton, Sheehan, Fisher and Colton. He presented six mechanisms regarding defining energy affordability. He shared his website address which contains numerous resources on affordability issues with energy and water. He asked participants to contact him with any questions.

#1: Percent of "Available Income" ("Disposable Income"). He mentioned essential living expenditures are essential living costs. Standards need to be developed, apply those standards to what is an essential living cost, family size/composition. Affordability is defined as the percentage of available income. What percentage should we apply is not that simple, and just looking at calculating available income will not answer the question.

#2: "Hours of Minimum Wage". He stated that calculated hours of minimum wage ignores a lot of the realities for low-income folks. For example, in the water industry, one utility uses the average median income. He added that very few people live at the median income, actually half live below the median, the other half live above the median, so while one calculates the affordability of median income, the number will be wrong almost 100% of the time. The same applies to the hours at minimum wage. Using a certain number of hours at minimum wage to define affordability is wrong for almost everyone

because it will not take into account the work status of people. For example, people who work at minimum wage do not start work full-time typically, and hourly employees work without paid leave. The fragility of income when looking at the level of income must also be considered. Hourly employees who miss work because they are a caretaker for a few days, miss out on the income that is never recouped.

#3: "Shutoff Prevention". Preservation and treatment of a life service can be a goal of reducing shutoffs for nonpayment. Shutoffs motivate stakeholders and activists to pursue energy affordability programs. He said, 'if one adopts shut off prevention or the lack of shutoff prevention as the definition of affordability, what they're seeking is the value that one is trying to adopt, the value of preserving an essential life service.' He added there are all sorts of reasons that shutoffs do not occur that have nothing to do with whether bills are affordable or not. He made a couple of points. Utilities generally collect unpaid bill balances based on what are called treatment amounts. A treatment amount might be a bill that has to be \$100 or 90 days old before the utility will begin its collection process. Policies adopted by utilities can limit shutoffs. A utility will not disconnect service to someone who has a medical emergency, or an ongoing medical issue, and the same person may have an affordable bill or an unaffordable bill. So, they are may not be disconnected because of regulatory or utility policy.

#4: "Payment Troubled Status" he said was a different take on shutoffs as it looks at whether the bill has been paid or not, stating the need to address the affordability issue remains for the avoidance of disconnects are very similar to shutoff prevention.

#5: "Essential Service" (Lifeline). He stated that affordability is going to be driven by the total payment, not by the payment for the first block of service.

#6: Percentage of Income is a definition of affordability or is based on the premise of the inability to pay, and using this approach is very data dependent. He added that crisis assistance does not make the bill affordable. He said that whenever a maximum payment is imposed then you have moved away from the percentage of income. You are accepting the fact that there will be some people who will pay more than an affordable percentage of income. His slide covered some of the exceptions and problems for some low-income households and the political problems with a percentage of income approach.

Ultimate Conclusions: He mentioned it needs to be decided which fundamental challenges can be lived with the most. A challenge is often prospective dependent, such as a payment troubled status as a definition of affordability. From a utility's perspective a person may not be in payment trouble, but then from a different stakeholder's perspective that person could be in payment trouble as the customer is forced to choose between health care and utilities. The last few points he made were on data collection being an operational issue with the percentage of income approach. And lastly, he said with metrics you can calculate a number of minimum wage hours it takes to afford a bill, and even though you make that calculation and get that number, you do not have an answer to your question of what is affordable.

Fifteen minutes were allotted for questions. Roger said he supported cost recovery through a rider. A rider gets reconciled on an annual basis. In a Pennsylvania case he spoke about the Low-Income Usage Reduction Program (LIRP). A request was made for his Philadelphia testimony. He provided a comment on the Federal statute that enables LIHEAP which is limited to only LIHEAP recipients to pay a part or the difference of a utility bill. An expanded utility program that would include those not eligible for LIHEAP would not be able to use LIHEAP funds to pay for the difference. He recommended rate payer dollars

should reduce a bill to an affordable percentage of income and then LIHEAP dollars can be used to reduce the bill even further.

Overview of Survey Results:

Fawzon Tiwana and Brad Banks presented a high level overview of the results from the survey on issue priorities and how to best coordinate efforts between the EAAC and the LI-EWR workgroup. More detail is available in the meeting slide deck. Brad then discussed the themes from the survey's open-ended questions. Below are some of this primary issues discussed.

- >211 utilization. Brad mentioned they have been busy with COVID-19 response.
- >Proactive engaging customers with affordability issues. EAAC will need help reaching out.
- >Development of percentage of income payment plans.
- >Integrating low-income programs and services.
- >Quantifying on energy benefits.
- >Affordability equity guidelines for all cases.
- >Coordination of data, 211.
- >Database clearing house, 211.
- >Agency collaboration.
- >Eligibility metric.
- >low-income filing requirements
- >low-income loans, credit eligibility.
- >Definitions.
- >Many expressed concerns focus on too many areas at once and concerns about loss of focus for the EWR low-income group as well.

Anne Armstrong provided more discussion of the group's priorities and expectations.

Discussion of Stakeholder Priorities:

Brad and Briana facilitated a discussion on stakeholder priorities, their vision, and the outcomes from this collaborative. Slides covered top issues from the survey, noting there is still time for people to provide their input. They stressed that to develop/establish priorities and structure of the work group will require input from all the stakeholders in this collaboration, and the need to obtain responses from people who use the programs for energy assistance and low-income energy waste reduction. Participants were asked to place priorities in the chat box.

Anne added the importance of reaching out to individuals, community groups, and organizations who are not at this table, or may not be at the table right now. She asked participants to please email their email addresses and forward this information from this meeting to others.

Anne addressed a question from Eric Pardini on how do you anticipate this collaborative will address issues/needs that may require statutory change(s)?

Anne replied that some recommended policies or changes may require statutory changes outside of Commission authority. The Commission does not have jurisdiction over LIHEAP or MEAP outside of managing the program. The EAAC is a forum to collect data, to analyze best practices, to get input from the various communities mentioned throughout this presentation, and then to submit consensus recommendations for change. Example, the Commission is working with the University of Michigan's Center for Poverty Solutions, to review available data to analyze the impact of changing eligibility

criteria from 150% to 200% of federal poverty level for the State Emergency Relief and the Michigan Energy Assistance Program, as well as the utility based credits that are offered by certain utilities. What would be the expanded number of customers eligible and what kind of funds would be necessary?

The Commission is unable to change current program eligibility criteria due to statutes. This is a forum to gather information, obtain input, and to make a consensus/recommendations on what it would look like or a best practice, or what other states are doing. The MPSC also works closely with state governmental departments such as MDHHS and the Department of Treasury. They are invited to be participants in this group and will be presenting.

Discussion of Outreach and Communication on Federal Assistance Dollars

Anne/Brad announced a great need for participating groups to help in outreach for households who may need energy assistance or other utility assistance. It is believed that many customers in need or who are actually low-income and may be eligible for these programs, do not know of them. Through the COVID-19 federal dollars, an estimated \$250 million are being made available to the state over the next two years for energy assistance, and some can also be used for water, sewer, and trash for renters, but not for weatherization or energy efficiency. Please email Brad/Anne on organizations the EAAC could visit, and attend their meetings, to get the information out, or methods that might be used to get the spread the word. The Commissioners and others would like to ensure customers who are eligible, who are in need, can get the help.

Please help us also identify other groups or individuals that need to be at the table for these discussions; how to contact them, their email addresses.

There are additional LIHEAP funds coming to MDHHS from the American Rescue Act, but no guidelines yet. DHHS is awaiting the final award letter. Staff will provide updated information as it becomes available.

Next Steps:

The date of the EAAC May meeting will be determined and provided to participants as soon as possible. Staff plan on having the Commission's Communications Manager present on Commission authority and process. There will also be breakout rooms to discuss guiding principles and values, and to discuss group issue priorities. If there is time, the group will begin discussions of the definitions of affordability and self-sufficiency and affordability standards for possible recommendation to the Commission.

Brad/Anne lastly noted they are available, as well as others on team to speak to groups and to bring the collaborative's work outside of regular meeting times.

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