

Fiscal Year 2017 Michigan Energy Assistance Program Report to the Legislature

On March 28, 2013 [Public Act 615](#) of the Michigan Public Acts of 2012 was enacted creating the Michigan Energy Assistance Act that required the Michigan Department of Health and Human Services (DHHS) to establish and administer the Michigan Energy Assistance Program (MEAP). The purpose of the MEAP is to establish and administer programs statewide that provide energy assistance to eligible low-income households. Energy assistance programs must include services that enable participants to become or move toward becoming self-sufficient, including assisting participants in paying their energy bills on time, assisting participants in budgeting for and contributing to their ability to provide for energy expenses, and assisting participants in utilizing energy services to optimize on energy efficiency. The Act requires that not more than 30% of the funds received for the program shall be spent outside the crisis season, which begins on November 1 and ends May 31 each year. On September 7, 2016 Public Act 147 of 2016 was enacted extending the sunset of the Michigan Energy Assistance Program until September 30, 2019.

On July 1, 2013 [Public Act 95](#) of the Michigan Public Acts of 2013 was enacted creating the Low-Income Energy Assistance Fund (LIEAF) charging the Michigan Department of Health and Human Services with expending money from the fund as provided by the Michigan Energy Assistance Act. The Act allows the Michigan Public Service Commission (MPSC) to annually approve a low-income energy assistance funding factor, not to exceed \$50,000,000, to support the LIEAF.

On July 22, 2016, in Case No. [U-17377](#), the MPSC adopted a funding factor of \$.96 per meter per month for all Michigan electric utilities that have opted to participate in the funding of the LIEAF, effective for the September 2016 billing month. Table 7 (page 10) provides a list of the energy service providers that chose to participate in the LIEAF for fiscal year 2017, and Table 8 (page 11) provides a list of the energy service providers that chose not to participate. As set forth in 2013 PA 95 “an electric utility, municipally owned electric utility, or cooperative electric utility that elects to not collect a

low-income energy assistance funding factor shall not shut off service to any residential customer from November 1 to April 15 for nonpayment of a delinquent account.”

The 2017 budget approved by the Governor appropriated the \$50,000,000 to DHHS to operate the MEAP.

DHHS and LARA entered into a Memorandum of Understanding charging the Michigan Agency for Energy (MAE) with the administration of a low-income energy assistance grant process on behalf of DHHS in the amount of \$90,000,000. The MEAP was funded by \$50,000,000 collected through the low-income energy assistance funding factor approved by the MPSC; and \$40,000,000 in Low Income Home Energy Assistance Program (LIHEAP) funds provided by DHHS.

On July 19, 2016 the Michigan Agency for Energy (MAE) invited proposals from public or private entities or local units of government for Michigan Energy Assistance Program (MEAP) grants for a two- year grant that will intervene in energy crisis situations and provide energy assistance program services that will help eligible low-income households meet home energy costs for their primary residence through payment or partial payment of bills for one or more of the following: 1) electricity; 2) natural gas; 3) propane; 4) heating oil; or 5) any other deliverable fuel used to provide heat. The Request for Proposals required that proposed energy assistance programs include services that will enable participants to become or move toward becoming self-sufficient, including assisting participants in paying their energy bills on time, assisting participants in budgeting for and contributing to their ability to provide for energy expenses, and assisting participants in utilizing energy services to optimize on energy efficiency. The grants are funded by the state Low-Income Energy Assistance Fund and the federal Low-Income Home Energy Assistance Program.

On August 26, 2016 MAE approved MEAP grants totaling \$89,500,000 as listed below. The State Administrative Board approved the MEAP grant awards and the grant term began October 1, 2016 and ended September 30, 2017.

- Barry County United Way – \$201,000 to provide energy assistance program services to low-income households in Barry County.

- Consumers Energy Company – \$13,220,000 to provide energy assistance program services to low-income households in its utility service territory throughout the State of Michigan.
- DTE Energy – \$17,000,000 to provide energy assistance program services to low-income households in its utility service territory throughout the State of Michigan.
- Flat River Outreach Ministries, Inc. – \$78,700 to provide energy assistance program services to low-income households in the Lowell School District.
- Lighthouse Emergency Services – \$200,000 to provide energy assistance program services to low-income households in Oakland County.
- Michigan Community Action Agency Association – \$9,000,000 to provide energy assistance program services to low-income households statewide.
- North Kent Community Services-\$50,300 to provide energy assistance program services to low-income households in North Kent County.
- SEMCO ENERGY Gas Company – \$2,600,000 to provide energy assistance program services to low-income households in its utility service territory throughout the State of Michigan.
- Society of St. Vincent de Paul of the Archdiocese of Detroit – \$5,000,000 to provide energy assistance program services to low-income households in 39 counties throughout the State of Michigan.
- Superior Watershed Partnership – \$2,550,000 to provide energy assistance program services to low-income households throughout the 15 counties in Michigan’s Upper Peninsula.
- The Heat and Warmth Fund – \$8,825,000 to provide energy assistance program services to low-income households in 68 counties throughout the State of Michigan.
- The Salvation Army – \$13,700,000 to provide energy assistance program services to low-income households statewide.
- TrueNorth Community Services – \$15,075,000 to provide energy assistance program services to low-income households in 63 counties throughout the State of Michigan.

Prior to the end of the grant year, two grantees (Flat River Outreach Ministries and United Way of Southeastern Michigan) voluntarily reduced their original grant award amounts. Those funds were reallocated to Michigan Community Action Agency Association and True North Community Services.

Table A provides only the amended award amounts.

| Table A | | | | |
|-----------------------------------|----------------------------------|-----------------------|------------------------|----------------------------|
| Amended MEAP Award Amounts | | | | |
| Grant # | Name of Organization | Original Award | Amended Amounts | Total Amended Award |
| MAE-17-04 | Flat River Outreach Ministries | \$78,700 | (\$5,728) | \$73,422 |
| MAE-17-06 | Michigan Community Action | \$9,000,000 | \$85,000 | \$9,85,000 |
| MAE-17-13 | TrueNorth Community Services | \$15,075,000 | \$101,273 | \$15,176,273 |
| MAE-17-14 | United Way-Southeastern Michigan | \$2,000,000 | (\$180,995) | \$1,1819,005 |

Grant funds totaling \$88,855,253 were spent by grantees during the term of the grant. Eight grantees are returning funds totaling \$644,747. Grant funds totaling \$73,991,712.38 were spent assisting low-income households with energy bills; \$11,416,025.76 was spent on total energy assistance program expenses including low-income self-sufficiency programs; and \$3,447,514.86 was spent on administrative costs.

During the grant term grantees served unduplicated, low-income households with energy bills totaling \$73,991,712.38.¹ In compliance with 2012 PA 615 only 28% of the MEAP grant funds was spent outside the crisis season (November 1 through May 31).

Table 1 provides the number of unduplicated TANF² and Non-TANF households served.

| Table 1 | | |
|-------------------------------------------------------|----------------------------|-------------------------|
| Unduplicated TANF / Non-TANF Households Served | | |
| TANF Households | Non-TANF Households | Total Households |
| 57,504 | 44,709 | 102,213 |

¹ These figures may slightly change as the 2017 Grantees Final Reports are still being audited.

² TANF eligible clients are low-income households with: (a) a related child under age 18; (b) an un-emancipated child, age 18 or under, who is a full-time high school student living with an adult caretaker; or (c) a pregnant woman living in the home.

Table 2 provides unduplicated household demographics:

| Table 2 | |
|--------------------------------------------------|--------------------------|
| Household Demographics | |
| Household Type | Households Served |
| Contains at least one member age 60 or older | 21,262 |
| Contains at least one member age 2 or younger | 12,950 |
| Contains at least one member age 3, 4 or 5 | 16,742 |
| Contains at least one member that is handicapped | 40,947 |

Table 3 provides the number of unduplicated households served and MEAP funds spent broken down by poverty level:

| Table 3 | | |
|-----------------------------------------------------------------------------------|--------------------------|-------------------------------|
| Unduplicated Households Served, Income Levels & Total MEAP Funds Spent | | |
| Poverty Level | Households Served | Total MEAP Funds Spent |
| Under 75% | 58,508 | \$43,344,603.84 |
| 75 - 100% | 22,075 | \$15,431,494.00 |
| 101 - 125% | 13,899 | \$9,757,696.81 |
| 126 - 150% | 7,703 | \$5,440,330.08 |
| Over 150%* | 28 | \$17,587.65 |
| Totals | 102,213 | \$73,991,712.38 |

*MEAP grantees were allowed to make exceptions for households that were slightly over 150% FPL if extenuating circumstances existed such as a medical hardship or senior citizen. Households in this category were under 200%.

Table 4 provides the number of households denied assistance broken down by poverty level:

| Table 4 | |
|----------------------------------------------------------|--------------------------|
| Households Denied Assistance & Income Levels* | |
| Poverty Level | Households Denied |
| Under 75% | 21,168 |
| 75 - 100% | 3,693 |
| 101 - 125% | 2,259 |
| 126 - 150% | 1,382 |
| 151 - 200% | 2,278 |
| Over 200% | 823 |
| Other | 657 |
| Total | 32,260 |

*Households could be denied due to lack of required eligibility documentation, FPL over 150%, MEAP agency funds were expended at time of application, etc.

Table 5 provides the total energy assistance payments and MEAP funds spent by energy type:

| Table 5 | | |
|----------------------------------------------------------------------|------------------------------------------|-------------------------------|
| Households Served by Energy Type & Total MEAP Funds Spent | | |
| Energy Type | Total Energy Assistance Payments* | Total MEAP Funds Spent |
| Natural Gas | 248,852 | \$23,403,237.11 |
| Propane/ LP Gas | 5,142 | \$3,108,070.24 |
| Fuel Oil | 664 | \$389,361.99 |
| Coal | 8 | \$4,895 |
| Non-Heat Electricity | 318,377 | \$44,045,270.27 |
| Wood | 1,548 | \$1,176,090.23 |
| Other | 3,703 | \$1,864,787.60 |
| Totals | 578,294 | \$73,991,712.38 |

*The column reflects the total number of energy assistance payments made on behalf of low-income households and does not represent the number of unduplicated households served.

Table 6 provides the unduplicated number of households served and MEAP funds spent by county:

| Table 6 | | |
|-------------------------------------------------|--------------------------|-------------------------------|
| Unduplicated Households Served by County | | |
| County | Households Served | Total MEAP Funds Spent |
| Alcona | 152 | \$139,412.14 |
| Alger | 304 | \$389,231.00 |
| Allegan | 697 | \$566,895.09 |
| Alpena | 536 | \$443,380.99 |
| Antrim | 244 | \$216,207.33 |
| Arenac | 294 | \$265,472.76 |
| Baraga | 368 | \$309,835.76 |
| Barry | 389 | \$313,439.96 |
| Bay | 1,152 | \$672,753.56 |
| Benzie | 262 | \$246,638.49 |
| Berrien | 2,030 | \$1,094,444.80 |
| Branch | 197 | \$152,961.32 |
| Calhoun | 3,435 | \$1,779,211.19 |
| Cass | 402 | \$236,735.06 |
| Charlevoix | 153 | \$130,227.69 |
| Cheboygan | 329 | \$277,219.56 |
| Chippewa | 664 | \$445,925.18 |
| Clare | 648 | \$521,912.70 |
| Clinton | 200 | \$150,431.67 |
| Crawford | 191 | \$155,505.70 |
| Delta | 779 | \$679,983.76 |
| Dickinson | 160 | \$126,111.24 |
| Eaton | 362 | \$261,969.20 |
| Emmet | 189 | \$149,196.08 |
| Genesee | 5,416 | \$4,553,967.73 |
| Gladwin | 424 | \$322,403.67 |
| Gogebic | 355 | \$284,944.88 |
| Grand Traverse | 477 | \$296,700.47 |
| Gratiot | 501 | \$386,467.61 |
| Hillsdale | 279 | \$214,294.70 |
| Houghton | 719 | \$799,996.98 |
| Huron | 122 | \$80,866.09 |
| Ingham | 1,216 | \$750,075.62 |

| | | |
|--------------|-------|----------------|
| Ionia | 363 | \$298,302.63 |
| Iosco | 404 | \$327,444.41 |
| Iron | 216 | \$248,206.79 |
| Isabella | 597 | \$413,418.08 |
| Jackson | 1,957 | \$1,561,719.58 |
| Kalamazoo | 2,575 | \$1,997,217.15 |
| Kalkaska | 323 | \$282,846.19 |
| Kent | 4,537 | \$2,528,200.03 |
| Keweenaw | 41 | \$43,214.01 |
| Lake | 392 | \$339,715.67 |
| Lapeer | 283 | \$207,264.77 |
| Leelanau | 104 | \$72,233.26 |
| Lenawee | 313 | \$227,040.64 |
| Livingston | 347 | \$252,585.74 |
| Luce | 99 | \$79,406.99 |
| Mackinac | 203 | \$148,745.94 |
| Macomb | 4,124 | \$2,086,517.04 |
| Manistee | 477 | \$372,615.35 |
| Marquette | 1,396 | \$1,270,439.80 |
| Mason | 342 | \$245,077.76 |
| Mecosta | 529 | \$439,159.31 |
| Menominee | 431 | \$395,322.27 |
| Midland | 820 | \$588,762.59 |
| Missaukee | 247 | \$213,499.61 |
| Monroe | 514 | \$323,936.39 |
| Montcalm | 491 | \$410,395.61 |
| Montmorency | 114 | \$115,393.25 |
| Muskegon | 3,753 | \$2,219,034.80 |
| Newaygo | 1,143 | \$1,037,430.75 |
| Oakland | 4,397 | \$2,718,673.20 |
| Oceana | 469 | \$462,889.95 |
| Ogemaw | 340 | \$275,452.12 |
| Ontonagon | 175 | \$159,631.14 |
| Osceola | 329 | \$270,733.93 |
| Oscoda | 192 | \$179,820.90 |
| Otsego | 258 | \$210,015.42 |
| Ottawa | 1,160 | \$542,191.79 |
| Presque Isle | 132 | \$132,844.13 |

| | | |
|---------------|----------------|------------------------|
| Roscommon | 434 | \$329,174.04 |
| Saginaw | 4,535 | \$3,447,668.07 |
| Sanilac | 366 | \$202,492.23 |
| Schoolcraft | 236 | \$163,614.31 |
| Shiawassee | 368 | \$310,015.34 |
| St. Clair | 2,318 | \$1,002,337.46 |
| St. Joseph | 306 | \$191,612.46 |
| Tuscola | 216 | \$159,566.47 |
| Van Buren | 354 | \$270,804.71 |
| Washtenaw | 1,285 | \$800,707.91 |
| Wayne | 32,955 | \$25,564,754.37 |
| Wexford | 604 | \$436,745.46 |
| Totals | 102,210 | \$73,991,711.80 |

Table 7 provides a list of the energy service providers that are contributing to the LIEAF, and the estimated dollar amount contributed by each provider. The numbers do not reflect additional MEAP funds spent within each provider’s geographic service territory in the form of propane payments, wood payments, etc.

| Table 7 | |
|------------------------------------------------------|-------------------------------------------------------------------------------|
| 2017 Participating Electric Service Providers | |
| Electric Service Provider | Estimated Amount of Low-Income Energy Assistance Funds to be Collected |
| Alger Delta Cooperative Electric Association | \$112,621.51 |
| Alpena Power Company | \$188,157.25 |
| City of Bay City | \$235,812.75 |
| City of Norway | \$27,077.77 |
| City of Petoskey | \$56,746.38 |
| City of St. Louis | \$22,136.82 |
| Consumers Energy | \$20,615,422.33 |
| DTE Energy | \$24,704,543.80 |
| Hillsdale Board of Public Utilities | \$68,405.19 |
| Indiana Michigan Power Company (AEP) | \$1,461,970.26 |
| Lowell Light & Power | \$30,425.23 |
| Marshall Electric Department | \$51,920.07 |
| Midwest Energy Cooperative | \$320,255.95 |
| Negaunee Department of Public Works | \$22,377.56 |
| Newberry Water and Light Board | \$12,988.62 |
| Niles Utilities Department | \$76,051.62 |
| Norther States Power Company -Wisconsin (Xcel) | \$102,441.55 |
| Presque Isle Electric & Gas Co-op | \$373,265.10 |
| Thumb Electric Cooperative | \$133,852.68 |
| Union City Electric Department | \$17,000.99 |
| Village of Baraga | \$8,815.75 |
| Village of Clinton | \$15,785.81 |

Table 8 provides a list of the energy service providers that chose not to contribute to the LIEAF.

| Table 8 |
|----------------------------------------------------------|
| 2017 Non-Participating Electric Service Providers |
| Bayfield Elec. Cooperative |
| Chelsea Department. of Electric & Water |
| Cherryland Elec Coop |
| City of Charlevoix |
| City of Crystal Falls |
| City of Dowagiac |
| City of Eaton Rapids |
| City of Escanaba |
| City of Gladstone |
| City of Harbor Springs |
| City of Hart |
| City of Portland |
| City of Sebewaing |
| City of South Haven |
| City of Stephenson |
| City of Sturgis |
| City of Wakefield |
| Cloverland Electric Cooperative |
| Coldwater Board of Public Utilities |
| Croswell Municipal Light & Power Department. |
| Daggett Electric Department |
| Grand Haven Board of Light & Power |
| Great Lakes Energy Cooperative |
| Holland Board of Public Works |
| Homeworks Tri-County Electric. Cooperative |
| Lansing Board of Water & Light |
| Marquette Board of Light & Power |
| Ontonagon County. Rural Electrification Association. |
| Traverse City Light & Power |
| Upper Peninsula Power Company |
| Village of L'anse |
| Village of Paw Paw |
| Wisconsin Electric Power Company (We Energies) |
| Wisconsin Public Service Corporation |
| Wyandotte Department. of Municipal Services |
| Zeeland Board of Public Works |