

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 August 30, 2010 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) provided 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 the State'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 29, 2010, the Commission invited organizations to submit proposals to provide energy efficiency to Michigan's low-income residents. By the April 29, 2010 deadline, the following organizations submitted proposals seeking a total of \$55,986,344: Cooperative Energy Conservation LLC; Department of Human Services; Downriver Community Conference; Green Market Solutions, Inc.; Michigan Community Action Agency Association; Michigan Saves, Inc.; Millennia Housing Development Ltd; Newaygo County Community Services; Northeast Community Housing Services; Northwest Michigan Community Action Agency; United Way for Southeastern Michigan; Urban Options, Inc.; WARM Training Center; and Wind, Water and Energy Conservation, LLC.

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

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

- Department of Human Services - \$10,000,000 in total for statewide distribution to low-income households for energy efficiency upgrades, with up to 20% of the grant available for energy education.
- Michigan Community Action Agency Association - \$1,000,000 in total for statewide distribution to provide weatherization upgrades for low-income households, with up to 20% to be spent on client weatherization education.
- Michigan Saves, Inc. - \$5,000,000 to install energy efficiency upgrades for low-income households as part of the Michigan Retrofit Ramp up Initiative program.
- Newaygo County Community Services - \$500,000 for weatherization of low-income homes in the northwest-Michigan area.
- Urban Options, Inc. - \$1,000,000 for weatherization of low-income client's homes, with a focus on heating systems, energy kits, and energy education.

- WARM Training Center, Inc. - \$500,000 for energy education for customers who receive energy assistance.

If the grantees received less than requested in their proposal, the proportion of funds for direct assistance to indirect costs and overhead will remain the same as in its original request. The Commission directs the Commission Staff to complete the necessary grant agreement documents with the grantees. The Commission expects that, following approval by the appropriate agencies, the grant recipients will make these additional funds available to low-income customers as soon as possible. As always, the grant is contingent upon review and approval of the State Administrative Board.

THEREFORE, IT IS ORDERED that:

A. The following grants for a total of \$18 million are approved contingent upon enactment of necessary appropriations for the fiscal year beginning October 1, 2010 and ending September 30, 2011:

- Department of Human Services - \$10,000,000 in total for statewide distribution to low-income households for energy efficiency upgrades, with up to 20% of the grant available for energy education.
- Michigan Community Action Agency Association - \$1,000,000 in total for statewide distribution to provide weatherization upgrades for low-income households, with up to 20% to be spent on client weatherization education.
- Michigan Saves, Inc. - \$5,000,000 to install energy efficiency upgrades for low-income households as part of the Michigan Retrofit Ramp up Initiative program.
- Newaygo County Community Services - \$500,000 for weatherization of low-income homes in the northwest-Michigan area.
- Urban Options, Inc. - \$1,000,000 for weatherization of low-income client's homes, with a focus on heating systems, energy kits, and energy education.
- WARM Training Center, Inc. - \$500,000 for energy education for customers who receive energy assistance.

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

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, pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

Orjiakor N. Isiogu, Chairman

Monica Martinez, Commissioner

Greg R. White, Commissioner

By its action of August 30, 2010.

Mary Jo Kunkle, Executive Secretary