

2015 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)¹ 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 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, 2014, in Case No. [U-17377](#), the MPSC adopted a funding factor of \$.97 per meter per month for all Michigan electric utilities that have opted to participate in the funding of the LIEAF, effective for the September 2014 billing month. Table 8 (page 10) provides a list of the energy service providers that chose to participate in the LIEAF for fiscal year 2015, and Table 9 (page 11) provides a list of the energy service providers that chose not to participate.

¹ The DHHS was created by Executive Order 2015-4 on February 9, 2015 transferring all the authority, powers, duties, functions, responsibilities, personnel, equipment, property, and budgetary resources from DHS to DHHS.

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 2015 budget approved by the Governor appropriated the \$50,000,000 to DHHS to operate the MEAP.

On July 8, 2014 DHHS and LARA entered into an Interagency Agreement charging the Michigan Agency for Energy² (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 1, 2014 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 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. Sixteen proposals were submitted by the June 29, 2014 deadline.

² Executive Order 2015-10 on March 18, 2015 created the Agency transferring all duties of the MPSC Customer Service Division to the MAE

On August 22, 2014 MAE approved MEAP grants totaling \$89,500,000 as follows:

- Barry County United Way – \$165,100 to provide energy assistance program services to low-income households in Barry County.
- Consumers Energy Company – \$13,177,000 to provide energy assistance program services to low-income households in its utility service territory throughout the State of Michigan.
- DHHS – Bureau of Community Action and Economic Opportunity – \$7,000,000 to provide energy assistance program services to low-income households statewide.
- 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. – \$57,900 to provide energy assistance program services to low-income households in the Lowell School District.
- Lighthouse Emergency Services – \$350,000 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.
- SEMCO ENERGY Gas Company – \$2,250,000 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 – \$3,000,000 to provide energy assistance program services to low-income households in 39 counties throughout the State of Michigan.
- Superior Watershed Partnership – \$1,250,000 to provide energy assistance program services to low-income households throughout the 15 counties in Michigan’s Upper Peninsula.
- The Heat and Warmth Fund – \$10,000,000 to provide energy assistance program services to low-income households in 68 counties throughout the State of Michigan.
- The Salvation Army – \$13,125,000 to provide energy assistance program services to low-income households statewide.
- TrueNorth Community Services – \$13,125,000 to provide energy assistance program services to low-income households in 63 counties throughout the State of Michigan.

On February 18, 2015 the Department of Health and Human Services (DHHS) announced that it would make available an additional \$22 million in federal funds to support the 2015 Michigan Energy Assistance Program (MEAP) Grants. Final approval by DHHS and the State Budget Office of the transfer of the additional federal funding to the MEAP was received

on March 10, 2015. That same day, the Energy Grants Section emailed a Notice of Additional 2015 MEAP Grant Funding, and Application for Additional 2015 MEAP Grant Funding to the current 2015 MEAP Grantees. The deadline for applications was March 16, 2015. The Interagency Agreement between DHHS and LARA was amended to include the additional \$22 million federal funds.

The Energy Grants Section received nine applications for additional 2015 MEAP Grant funds totaling more than \$35.5 million. After a review of the applications, DHHS and the Energy Grants Section agreed upon the awards of additional funding to eight grantees. Table A provides the base award, additional award and total amended award amounts.

Table A				
Additional MEAP Grant Funds				
Grant #	Name of Organization	Current Award	Additional Award	Total Amended Award
PSC-15-02	Consumers Energy Company	\$13,177,000	\$2,500,000	\$15,677,000
PSC-15-04	DTE Energy	\$17,000,000	\$3,000,000	\$20,000,000
PSC-15-05	Flat River Outreach Ministries	\$57,900	\$34,812	\$92,712
PSC-15-07	Michigan Community Action Agency Association	\$9,000,000	\$3,620,000	\$12,620,000
PSC-15-09	Society of St. Vincent de Paul of the Archdiocese of Detroit	\$3,000,000	\$1,000,000	\$4,000,000
PSC-15-10	Superior Watershed Partnership	\$1,250,000	\$1,245,188	\$2,495,188
PSC-15-12	The Salvation Army	\$13,125,000	\$3,725,000	\$16,850,000
PSC-15-13	TrueNorth Community Services	\$13,135,000	\$6,875,000	\$20,000,000
	Total	\$82,334,900	\$22,000,000	\$1,734,900

On September 11, 2014 the State Administrative Board approved the MEAP grant awards and the grant term began October 1, 2014 and ended September 30, 2016.

Grant funds totaling \$111,003,969.14 were spent by grantees during the term of the grant. Eight grantees will be returning funds totaling \$496,030.86. Grant funds totaling \$96,632,268.75 were spent assisting low-income households with energy bills; \$10,378,739.12 was spent on total energy assistance program expenses including low-income self-sufficiency programs; and \$3,992,961.27 was spent on administrative costs.

During the grant term grantees served 113,946 unduplicated, low-income households with energy bills totaling \$96,632,268.75.³ In compliance with 2012 PA 615 only 22 % (\$24,586,548.53) of the MEAP grant funds was spent outside the crisis season (November 1 through May 31).

Table 1 provides the number of unduplicated TANF⁴ and Non-TANF households served.

Table 1		
Unduplicated TANF / Non-TANF Households Served		
TANF Households	Non-TANF Households	Total Households
57,675	56,271	113,946

Table 2 provides unduplicated household demographics:

Table 2	
Households Demographics	
Household Type	Households Served
Contains at least one member age 60 or older	25,493
Contains at least one member age 2 or younger	15,666
Contains at least one member age 3, 4 or 5	17,489
Contains at least one member that is handicapped	38,697

³ These figures may change as the 2015 Grantees Final Reports are still being audited.

⁴ 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 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%	64,636	\$55,025,920.79
75 - 100%	25,712	\$20,843,071.48
101 - 125%	14,884	\$12,802,775.60
126 - 150%	8,585	\$7,452,225.43
Over 150%*	129	\$142,086.43
	113,946	\$96,266,029.73

*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%	7,263
75 - 100%	2,034
101 - 125%	1,255
126 - 150%	833
151 - 200%	1,996
Over 200%	893
Other	3,078
	17,352

*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	165,244	\$30,442,215.54
Propane/ LP Gas	13,203	\$9,505,854.83
Fuel Oil	1,764	\$1,244,506.89
Coal	0	\$0
Non-Heat Electricity	165,355	\$43,025,108.78
Wood	1,450	\$939,943
Other	2,384	\$1,933,634.10
Combo (Gas/ Electric)	10,015	\$9,541,005.76
	359,415	\$96,632,268.75

*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	218	\$228,844.59
Alger	395	\$490,665.61
Allegan	832	\$706,174.90
Alpena	755	\$688,605.85
Antrim	486	\$471,626.65
Arenac	395	\$373,899.39
Baraga	430	\$407,563.46
Barry	458	\$429,726.64
Bay	1,608	\$1,058,505.73
Benzie	480	\$415,384.82
Berrien	2,441	\$1,303,912.10
Branch	225	\$221,630.47
Calhoun	2,438	\$1,473,461.34
Cass	481	\$325,662.42
Charlevoix	322	\$272,197.27
Cheboygan	571	\$457,472.47
Chippewa	999	\$795,983.96
Clare	1,193	\$990,325.48
Clinton	302	\$285,296.01
Crawford	269	\$260,378.34
Delta	1,110	\$995,225.10
Dickinson	333	\$291,271.87
Eaton	461	\$374,911.92
Emmet	406	\$309,925.14
Genesee	7,018	\$6,797,517.87
Gladwin	823	\$668,392.27
Gogebic	583	\$490,822.45
Grand Traverse	692	\$499,923.60
Gratiot	673	\$539,794.03
Hillsdale	645	\$609,138.25

Houghton	890	\$782,953.80
Huron	154	\$91,806.36
Ingham	1,230	\$881,578.12
Ionia	484	\$429,985.51
Iosco	513	\$408,738.08
Iron	350	\$326,341.75
Isabella	795	\$583,013.31
Jackson	1,960	\$1,950,874.36
Kalamazoo	2,405	\$2,253,367.69
Kalkaska	676	\$606,742.91
Kent	4,120	\$3,043,929.21
Keweenaw	60	\$55,178.34
Lake	794	\$691,181.26
Lapeer	298	\$182,926.93
Leelanau	198	\$152,860.18
Lenawee	452	\$364,024.72
Livingston	406	\$326,918.27
Luce	170	\$140,068.42
Mackinac	423	\$364,222.19
Macomb	4,463	\$2,339,524.19
Manistee	622	\$511,371.49
Marquette	1,538	\$1,348,458.20
Mason	721	\$600,388.52
Mecosta	901	\$777,979.10
Menominee	535	\$521,956.07
Midland	1,260	\$1,041,716.40
Missaukee	446	\$387,237.70
Monroe	735	\$522,126.08
Montcalm	709	\$591,049.73
Montmorency	206	\$208,228.29
Muskegon	4,334	\$3,157,785.00
Newaygo	1,532	\$1,876,720.53
Oakland	5,635	\$3,376,398.73
Oceana	714	\$725,420.72
Ogemaw	403	\$373,715.42
Ontonagon	313	\$265,364.82
Osceola	613	\$544,206.29
Oscoda	277	\$227,299.91

Otsego	390	\$313,324.60
Ottawa	1,202	\$669,943.59
Presque Isle	159	\$156,083.97
Roscommon	476	\$410,792.66
Saginaw	5,013	\$4,320,663.82
Sanilac	409	\$262,796.96
Schoolcraft	369	\$291,094.95
Shiawassee	545	\$539,660.47
St. Clair	2,039	\$1,072,463.24
St. Joseph	317	\$256,373.71
Tuscola	371	\$300,242.55
Van Buren	545	\$437,890.30
Washtenaw	1,195	\$913,046.61
Wayne	29,560	\$29,586,757.82
Wexford	979	\$833,234.90
Total	113,946	\$96,632,268.75

Table 7 provides a list of the energy service providers that are contributing to the LIEAF, and the 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	
2015 Participating Electric Service Providers	
Electric Service Provider	Estimated Amount of Low-Income Energy Assistance Funds to be Collected
Alger-Delta Cooperative Electric Association	\$115,219.07
Alpena Power	\$192,133.44
Baraga, Village of	\$9,030.81
Bay City, City of	\$236,912.19
Clinton, Village of	\$16,149.90
Consumers Energy Company	\$20,970,950.58
DTE Electric Company	\$25,521,224.40
Gladstone, City of	\$34,246.71
Hillsdale Board of Public Utilities	\$70,006.38
Indiana Michigan Power Company	\$1,493,743.06
Lowell Light and Power	\$31,056.61
Marshall Electric Department	\$57,656.45
Midwest Energy Cooperative	\$379,857.02
Negaunee Department of Public Works	\$22,342.46
Newberry Water and Light Board	\$16,056.08
Niles Utility Department	\$82,426.68
Northern States Power Company-Wisconsin	\$105,332.10
Norway, City of	\$26,857.87
Petoskey, City of	\$57,879.29
Presque Isle Electric and Gas Cooperative	\$380,936.03
St. Louis, City of	\$22,682.58
Thumb Electric Cooperative	\$142,733.73
Union City Electric	\$14,566.58

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

Table 8
2015 Non-Participating Electric Service Providers
Bayfield Electric Cooperative
Charlevoix, City of
Chelsea Dept. of Electric and Water
Cherryland Electric Cooperative
Cloverland Electric Cooperative
Coldwater Board of Public Utilities
Croswell Municipal Light & Power Dept.
Crystal Falls, City of
Daggett Electric Department
Detroit Public Lighting Department
Dowagiac, City of
Eaton Rapids, City of
Escanaba, City of
Gladstone, City of
Grand Haven Board of Light and Power
Great Lakes Energy Cooperative
Harbor Springs, City of
Hart Hydro, City of
Holland Board of Public Works
HomeWorks Tri-County Electric Co-Op
L'Anse, Village of
Lansing Board of Water & Light
Marquette Board of Light and Power
Ontonagon Co. Rural Electrification Assn.
Paw Paw, City of
Portland, City of
Sebewaing, City of
South Haven, City of
Stephenson, City of
Sturgis, City of
Traverse City Light & Power
Upper Peninsula Power Company
Wakefield, City of
Wisconsin Public Service Corporation
Wisconsin-Electric Power Company d/b/a/ We Energies
Wyandotte Department of Municipal Service
Zeeland Board of Public Works