

## **Fiscal Year 2016 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 23, 2015, in Case No. [U-17377](#), the MPSC adopted a funding factor of \$.98 per meter per month for all Michigan electric utilities that have opted to participate in the funding of the LIEAF, effective for the September 2015 billing month. Table 7 (page 11) provides a list of the energy service providers that chose to participate in the LIEAF for fiscal year 2016, and Table 8 (page 12) 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 2016 budget approved by the Governor appropriated the \$50,000,000 to DHHS to operate the MEAP.

DHHS and LARA entered into an 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 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 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 July 15, 2015 MAE issued a request for revised budgets and program changes from the 13 previously awarded MEAP Grantees for the second year of a two-year grant program.

On August 20, 2015 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, 2015 and ended September 30, 2016.

- Barry County United Way – \$195,054 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. – \$97,325 to provide energy assistance program services to low-income households in the Lowell School District.
- Lighthouse Emergency Services – \$300,000 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 – \$2,500,000 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 – \$4,430,621 to provide energy assistance program services to low-income households in 39 counties throughout the State of Michigan.
- Superior Watershed Partnership – \$1,500,000 to provide energy assistance program services to low-income households throughout the 15 counties in Michigan’s Upper Peninsula.
- The Heat and Warmth Fund – \$8,500,000 to provide energy assistance program services to low-income households in 68 counties throughout the State of Michigan.
- The Salvation Army – \$12,625,000 to provide energy assistance program services to low-income households statewide.
- TrueNorth Community Services – \$13,175,000 to provide energy assistance program services to low-income households in 63 counties throughout the State of Michigan.

On April 7, 2016 DHHS awarded an additional \$3 million in federal funds to True North Community Services to support their 2016 program.. Prior to the end of the grant year, three

grantees (Barry County United Way, the Bureau of Community Action and Economic Opportunity, and SEMCO) voluntarily reduced their original grant award amounts. Those funds were reallocated to Michigan Community Action Agency Association, True North Community Services, Superior Watershed Partnership and the Society of St. Vincent de Paul of the Archdiocese of Detroit.

Table A provides only the amended award amounts.

<b>Table A</b>				
<b>Amended MEAP Award Amounts</b>				
<b>Grant #</b>	<b>Name of Organization</b>	<b>Original Award</b>	<b>Amended Amounts</b>	<b>Total Amended Award</b>
PSC-16-01	Barry County United Way	\$195,054	(\$19,507)	\$175,547
PSC-16-03	DHHS- Bureau of Community Action and Economic Opportunity	\$7,000,000	(\$79,500)	\$6,920,500
PSC-16-07	Michigan Community Action Agency Association	\$9,000,000	\$106,500	\$9,106,500
Psc-16-08	SEMCO ENERGY	\$2,500,000	(\$275,000)	\$2,225,000
PSC-16-09	Society of St. Vincent de Paul of the Archdiocese of Detroit	\$4,430,621	\$143,507	\$4,574,128
PSC-16-10	Superior Watershed Partnership	\$1,500,000	\$124,000	\$1,624,000
PSC-15-13	TrueNorth Community Services	\$13,175,000	\$3,000,000	\$16,175,000
	<b>Total</b>		<b>\$3,000,000</b>	

Grant funds totaling \$92,296,260 were spent by grantees during the term of the grant. Seven grantees are returning funds totaling \$203,740. Grant funds totaling \$78,814,514.47 were spent assisting low-income households with energy bills; \$9,449,680.03 was spent on total energy assistance program expenses including low-income self-sufficiency programs; and \$4,032,065.27 was spent on administrative costs.

During the grant term grantees served unduplicated, low-income households with energy bills totaling \$78,111,577.80. <sup>1</sup> In compliance with 2012 PA 615 only 23% of the MEAP grant funds was spent outside the crisis season (November 1 through May 31).

Table 1 provides the number of unduplicated TANF<sup>2</sup> and Non-TANF households served.

<b>Table 1</b>		
<b>Unduplicated TANF / Non-TANF Households Served</b>		
<b>TANF Households</b>	<b>Non-TANF Households</b>	<b>Total Households</b>
51,787	49,316	101,103

Table 2 provides unduplicated household demographics:

<b>Table 2</b>	
<b>Households Demographics</b>	
<b>Household Type</b>	<b>Households Served</b>
Contains at least one member age 60 or older	20,124
Contains at least one member age 2 or younger	10,791
Contains at least one member age 3, 4 or 5	14,363
Contains at least one member that is handicapped	30,352

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<sup>1</sup> These figures may change as the 2016 Grantees Final Reports are still being audited.

<sup>2</sup> 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:

<b>Table 3</b>		
<b>Unduplicated Households Served, Income Levels &amp; Total MEAP Funds Spent</b>		
<b>Poverty Level</b>	<b>Households Served</b>	<b>Total MEAP Funds Spent</b>
Under 75%	55,517	\$43,615,413.67
75 - 100%	23,708	\$17,671,914.37
101 - 125%	13,357	\$10,285,565.31
126 - 150%	8,488	\$6,512,913.36
Over 150%*	33	\$25,771.09
Totals	101,103	\$78,111,577.80

\*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:

<b>Table 4</b>	
<b>Households Denied Assistance &amp; Income Levels*</b>	
<b>Poverty Level</b>	<b>Households Denied</b>
Under 75%	11,132
75 - 100%	2,979
101 - 125%	1,560
126 - 150%	980
151 - 200%	2,097
Over 200%	737
Other	1,693
Total	21,178

\*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:

<b>Table 5</b>		
<b>Households Served by Energy Type &amp; Total MEAP Funds Spent</b>		
<b>Energy Type</b>	<b>Total Energy Assistance Payments*</b>	<b>Total MEAP Funds Spent</b>
Natural Gas	168,955	\$22,993,796.00
Propane/ LP Gas	10,971	\$6,005,803.16
Fuel Oil	1,553	\$807,102.02
Coal	7	\$4,297
Non-Heat Electricity	162,865	\$37,727,373.54
Wood	3,328	\$2,736,721
Other	9,119	\$7,836,485.13
Combo (Gas/ Electric)	0	\$0.00
Totals	356,798	\$78,111,577.80

\*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:

<b>Table 6</b>		
<b>Unduplicated Households Served by County</b>		
<b>County</b>	<b>Households Served</b>	<b>Total MEAP Funds Spent</b>
Alcona	195	\$206,125.45
Alger	310	\$329,613.22
Allegan	738	\$662,685.56
Alpena	631	\$524,277.30
Antrim	328	\$285,226.27
Arenac	306	\$300,976.61
Baraga	371	\$291,431.48
Barry	364	\$330,473.38
Bay	1,295	\$763,432.86
Benzie	359	\$316,626.76
Berrien	1,969	\$1,066,436.20
Branch	235	\$187,852.68
Calhoun	2851	\$1,594,790.04
Cass	429	\$241,808.02
Charlevoix	235	\$197,345.83
Cheboygan	323	\$235,901.92
Chippewa	843	\$603,886.43
Clare	1,000	\$774,844.68
Clinton	331	\$251,262.50
Crawford	204	\$203,689.16
Delta	940	\$784,965.56
Dickinson	246	\$232,014.83
Eaton	459	\$371,760.97
Emmet	329	\$250,173.00
Genesee	5,596	\$4,915,934.61
Gladwin	734	\$528,760.89
Gogebic	369	\$287,078.07
Grand Traverse	595	\$352,953.96
Gratiot	664	\$468,760.98
Hillsdale	511	\$385,114.54
Houghton	740	\$693,304.61
Huron	153	\$84,750.29
Ingham	1,273	\$763,545.30



Ionia	442	\$362,833.45
Iosco	447	\$421,251.49
Iron	233	\$195,739.77
Isabella	663	\$444,283.61
Jackson	1922	\$1,560,055.55
Kalamazoo	2,373	\$1,926,618.73
Kalkaska	501	\$416,728.45
Kent	3,934	\$2,412,774.61
Keweenaw	54	\$59,012.85
Lake	609	\$475,832.27
Lapeer	242	\$149,319.11
Leelanau	122	\$86,022.64
Lenawee	427	\$274,810.62
Livingston	343	\$256,530.27
Luce	114	\$84,227.12
Mackinac	258	\$206,004.60
Macomb	4,078	\$2,177,520.83
Manistee	492	\$377,645.38
Marquette	1256	\$962,305.89
Mason	593	\$416,071.79
Mecosta	793	\$591,669.86
Menominee	416	\$379,409.92
Midland	1,068	\$787,202.80
Missaukee	415	\$363,785.83
Monroe	568	\$343,037.15
Montcalm	739	\$533,223.52
Montmorency	161	\$139,021.35
Muskegon	3,190	\$2,475,937.79
Newaygo	1,234	\$1,336,110.87
Oakland	4,849	\$2,483,716.24
Oceana	626	\$559,856.38
Ogemaw	352	\$361,128.73
Ontonagon	238	\$216,258.18
Osceola	445	\$323,889.30
Oscoda	233	\$213,964.31
Otsego	282	\$205,876.31
Ottawa	1,075	\$516,931.44
Presque Isle	157	\$159,587.97

Roscommon	395	\$346,166.67
Saginaw	4,441	\$4,037,796.86
Sanilac	405	\$195,124.36
Schoolcraft	235	\$207,351.56
Shiawassee	444	\$416,766.72
St. Clair	1,962	\$989,615.29
St. Joseph	339	\$157,628.44
Tuscola	198	\$211,360.43
Van Buren	559	\$415,684.10
Washtenaw	1,431	\$715,335.53
Wayne	32,818	\$24,979,240.69
Wexford	702	\$695,506.21
<b>Totals</b>	<b>105,799</b>	<b>\$78,111,577.80</b>

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.

<b>Table 7</b>	
<b>2016 Participating Electric Service Providers</b>	
<b>Electric Service Provider</b>	<b>Estimated Amount of Low-Income Energy Assistance Funds to be Collected</b>
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.

<b>Table 8</b>
<b>2016 Non-Participating Electric Service Providers</b>
Bayfield Electric Cooperative
Charlevoix, City of
Chelsea Department of Electric and Water
Cherryland Electric Cooperative
Cloverland Electric Cooperative
Coldwater Board of Public Utilities
Croswell Municipal Light & Power Department
Crystal Falls, City of
Daggett Electric Department
Detroit Public Lighting Department
Dowagiac, City of
Eaton Rapids City of
Escanaba, 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 Cooperative
L'Anse, Village of
Lansing Board of Water & Light
Marquette Board of Light and Power
Ontonagon Co. Rural Electrification Association
Paw Paw, Village 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