

# Michigan Energy Assistance Program

## Report to the Legislature—Fiscal Year 2019

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 (MDHHS) 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 30, 2019 Public Act 87 of 2019 was enacted extending the sunset of the Michigan Energy Assistance Program until September 30, 2023.

On July 1, 2013, [Public Act 95](#) of the Michigan Public Acts of 2013 was enacted creating the Low-Income Energy Assistance Fund (LIEAF) and charging the Michigan DHHS 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. The funding factor is the same across all customer classes and the monthly customer charge shall not exceed \$1.00. The Act also tasks MDHHS and MPSC with ensuring that all money collected for the fund from a geographic area is returned, to the extent possible, to that geographic area.

On July 24, 2018, in Case No. [U-17377](#), the MPSC adopted a funding factor of 93 cents per meter per month for all Michigan electric utilities that have opted to participate in the funding of the LIEAF, effective for the September 2018 billing month. Table 5 (page 9) provides a list of the energy service providers that chose to participate in the LIEAF for fiscal year 2019, and Table 6 (page 10)

provides a list of the energy service providers that chose not to participate. The funding factor is dependent on the total number electric meters of the utilities opting to participate in the LIEAF.

Table A provides a history of the monthly LIEAF surcharge and the number of participating electric utilities.

<b>Table A</b>						
<b>LIEAF Surcharge and Number of Participating Electric Utilities</b>						
<b>Fiscal Year</b>	<b>FY 2019</b>	<b>FY 2018</b>	<b>FY 2017</b>	<b>FY 2016</b>	<b>FY 2015</b>	<b>FY 2014</b>
Monthly Surcharge Approved	\$0.93	\$0.93	\$0.96	\$0.98	\$0.97	\$0.99
Number of Participating Utilities	15	14	13	14	13	13

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 2019 budget approved by the Governor appropriated \$50,000,000 in LIEAF to MDHHS to operate the MEAP as well as additional funding for the operation of Assurance 16, a portion of the Low-Income Home Energy Assistance Program (LIHEAP). MDHHS and LARA entered into an Interagency Agreement charging the MPSC with the administration of a low-income energy assistance grant process on behalf of MDHHS in the amount of \$55,000,000: \$50,000,000 collected through the Low-Income Energy Assistance Fund factor approved by the MPSC and \$5,000,000 from Federal LIHEAP Assurance 16 funds. The Assurance 16 funds were included to assist grantees in providing additional in-depth self-sufficiency services for eligible low-income households, a key goal of both the MEAP and LIHEAP programs.

The \$55,000,000 grant program in 2019 represents a decrease in grantee funding of \$35,000,000 over previous years due to the changing responsibilities of MEAP grantees. Beginning in 2019, MEAP grantees no longer provide initial crisis relief, funded by the LIHEAP, or determine MEAP eligibility. Rather, these functions and program operations are managed directly by MDHHS. While grants awarded under the MEAP program have been reduced, the services and assistance provided in previous years continues to be provided and funded by MDHHS directly.

The new client centered approach provides for a more holistic distribution of LIHEAP and LIEAF, allowing the State to leverage federal funding while reducing the administrative burden for the MEAP grantees. The new energy assistance model ensures that crisis assistance is administered consistently throughout the state and affords MEAP grantees more time to focus on self-sufficiency needs of the household.

Under this new model, households who present with an energy crisis initially apply for the State Emergency Relief (SER) program funded through the federal LIHEAP, either directly with MDHHS or with assistance from a MEAP grantee/MI Bridges Navigator, and MDHHS determines eligibility for LIHEAP crisis assistance. SER recipients are eligible to receive self-sufficiency services, including case management through MEAP grantees. Households who qualify for SER energy services are eligible for MEAP direct payment assistance, including enrollment in an affordable payment plan.

On June 29, 2018 the MPSC invited proposals from public or private entities or local units of government for MEAP grants that will intervene in energy crisis situations and provide energy assistance program services. The services delivered by the grantees are designed to help eligible low-income households meet home energy costs for their primary residence to prevent future crisis situations 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 Proposal 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 savings.

The MPSC, in conjunction with the Michigan DHHS, approved the following MEAP grants totaling \$54,500,000 as listed below. The State Administrative Board approved the MEAP grant awards and the grant term began October 1, 2018 and ended September 30, 2019.

- Barry County United Way: \$150,000, Barry County.
- Michigan Community Action: \$6 million, statewide.
- Society of St. Vincent de Paul of the Archdiocese of Detroit: \$4.1 million; 40 counties throughout Michigan.

- Superior Watershed Partnership: \$2.4 million, 15 Upper Peninsula counties.
- The Heat and Warmth Fund: \$8.2 million, statewide.
- The Salvation Army: \$11.4 million, statewide.
- TrueNorth Community Services: \$10.5 million, statewide.
- United Way of Jackson County: \$5 million, statewide.
- United Way for Southeastern Michigan: \$6.75 million, Macomb, Oakland, and Wayne counties.

Grantees may experience fluctuations in requests for assistance from year to year. In instances where requests for assistance are lower than a grantee originally anticipated, the grantee may reduce their award amount, voluntarily returning unneeded funds for distribution to other grantees that may be experiencing higher than anticipated requests for assistance. Prior to the end of the grant year, three grantees (Barry County United Way, Superior Watershed Partnership, and The Salvation Army) voluntarily reduced their original grant award amounts. The state MEAP funds were then reallocated to TrueNorth Community Services and United Way of Jackson County while the Federal LIHEAP funds were rolled over for use the in the next program year.

Table B provides only the amended award amounts.

<b>Table B</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-19-01	Barry County United Way	\$150,000	(\$25,000)	\$125,000
PSC-19-04	Superior Watershed Partnership	\$2,357,011	(\$416,414)	\$1,940,597
PSC-19-06	The Salvation Army	\$11,400,000	(\$327,734)	\$11,072,266
PSC-19-07	TrueNorth Community Services	\$10,500,000	\$278,608	\$10,778,608
PSC-19-09	United Way of Jackson County	\$5,000,000	\$47,831	\$5,047,831

\*The majority of returned funds through amendment and at the conclusion of the grant year were Federal LIHEAP funds. FY2019 was the first year that grantees utilized Assurance 16 LIHEAP funds. Tracking and reporting issues resulted in a larger portion of Federal funds remaining unspent.

Grant funds totaling \$53,528,461.21 (\$49,324,807.02 State LIEAF and \$4,203,654.19 Federal LIHEAP) were spent by grantees during the term of the grant. Seven grantees are returning funds totaling \$528,829.79 (\$155,633.98 State LIEAF and \$373,196.81 Federal LIHEAP). Grant funds totaling \$42,872,043.79 (State LIEAF) were spent assisting low-income households with energy bills;

\$6,895,033.40 (\$2,691,379.21 State LIEAF and \$4,203,654.19 Federal LIHEAP) was spent on total energy assistance program expenses including low-income self-sufficiency programs; and \$3,761,384.02 (State LIEAF) was spent on administrative costs, including indirect costs.

The MDHHS and the MPSC work monthly with MEAP grantees and utilities to develop continuous improvements and efficiencies to align State of Michigan energy assistance delivery with MEAP program goals and functionality, while working to measure the success of client participants in moving toward self-sufficiency. Through MEAP, the MPSC and the MDHHS strive to incorporate both customer accountability and provide incentives for positive actions by the customer for more responsible bill payment and energy usage.

Table 1 provides Households Served with Assurance 16 services.

<b>Table 1</b>	
<b>Assurance 16 – Self-sufficiency Services</b>	
<b>Service Type</b>	<b>Households Served*</b>
Needs Assessment (includes referrals)	25,061
Vendor Advocacy	17,229
Energy Education	24,036
Financial Counseling	17,580
Short-term Case Management	11,095
Long-term Case Management	2,215

*\*Households may have received more than one service. A total of 32,884 households received some type of Assurance 16 service.*

Table 2 provides the number of unduplicated households served and MEAP funds spent broken down by Affordable Payment Plan Enrollment.

<b>Table 2</b>		
<b>Affordable Payment Plan Assistance</b>		
<b>Program</b>	<b>Households Served</b>	<b>Total MEAP Funds Spent</b>
Consumers Energy – CARE	16,881	\$10,698,409.19
DTE Energy – LSP	22,390	\$16,235,631.65
SEMCO Energy - MAP	5,115	\$2,009,600.31

Table 3 provides the total energy assistance payments and MEAP funds spent by energy type.

<b>Table 3</b>		
<b>Households Served by Energy Type &amp; Total MEAP Funds Spent</b>		
<b>Energy Type</b>	<b>Number of Payments</b>	<b>Total MEAP Funds Spent</b>
Non-Heat Electricity	272,295	\$24,010,531.51
Natural Gas	241,938	\$16,029,167.64
Propane/ LP Gas	3,078	\$1,882,349.18
Wood	419	\$302,333.63
Fuel Oil	437	\$267,918.27
Coal	1	\$850.00
Other	837	\$378,893.56

Table 4 provides the number of unduplicated households receiving an energy assistance payment and the MEAP funds spent by county.

<b>Table 4</b>		
<b>Unduplicated Households Served by County</b>		
<b>County</b>	<b>Households Served</b>	<b>Total MEAP Funds Spent</b>
Alcona	64	\$62,272.52
Alger	90	\$89,652.51
Allegan	293	\$216,965.09
Alpena	124	\$104,042.86
Antrim	70	\$61,977.73
Arenac	118	\$90,349.37
Baraga	93	\$83,005.56
Barry	162	\$141,845.89
Bay	472	\$279,366.03
Benzie	72	\$53,452.33
Berrien	717	\$440,807.07
Branch	95	\$72,940.96
Calhoun	2,362	\$1,172,498.52
Cass	282	\$139,293.03
Charlevoix	40	\$34,030.63
Cheboygan	141	\$105,443.21
Chippewa	109	\$77,342.93
Clare	349	\$281,025.26
Clinton	182	\$130,965.48
Crawford	59	\$44,615.01

Delta	221	\$210,550.66
Dickinson	41	\$29,116.31
Eaton	234	\$164,429.33
Emmet	59	\$51,940.53
Genesee	4,097	\$3,219,125.71
Gladwin	203	\$168,991.47
Gogebic	150	\$125,264.15
Grand Traverse	143	\$80,491.81
Gratiot	186	\$149,722.70
Hillsdale	174	\$144,729.66
Houghton	289	\$207,909.15
Huron	86	\$55,972.51
Ingham	706	\$366,290.48
Ionia	165	\$148,377.10
Iosco	170	\$122,277.37
Iron	98	\$92,039.54
Isabella	205	\$140,841.53
Jackson	952	\$680,168.72
Kalamazoo	1,114	\$851,656.74
Kalkaska	76	\$65,953.27
Kent	2,234	\$1,305,413.17
Keweenaw	19	\$19,654.56
Lake	207	\$179,889.57
Lapeer	164	\$107,310.34
Leelanau	19	\$15,232.52
Lenawee	171	\$128,536.99
Livingston	201	\$141,139.22
Luce	47	\$34,103.94
Mackinac	26	\$23,235.44
Macomb	2,618	\$1,392,103.52
Manistee	120	\$94,018.42
Marquette	510	\$386,250.92
Mason	142	\$98,068.19
Mecosta	208	\$178,248.43
Menominee	64	\$59,746.12
Midland	445	\$306,988.90
Missaukee	98	\$83,248.97
Monroe	285	\$200,331.44
Montcalm	285	\$237,155.25

Montmorency	32	\$24,751.20
Muskegon	1,436	\$888,669.36
Newaygo	503	\$423,126.63
Oakland	2,422	\$1,381,598.36
Oceana	155	\$129,182.02
Ogemaw	174	\$135,314.06
Ontonagon	86	\$93,408.37
Osceola	131	\$98,089.99
Oscoda	74	\$54,589.87
Otsego	131	\$88,718.60
Ottawa	494	\$224,579.14
Presque Isle	39	\$37,525.01
Roscommon	185	\$145,729.47
Saginaw	2,421	\$1,857,993.89
Sanilac	269	\$138,768.49
Schoolcraft	95	\$72,957.55
Shiawassee	246	\$195,911.25
St. Clair	1,690	\$820,799.57
St. Joseph	236	\$120,221.18
Tuscola	115	\$85,976.54
Van Buren	210	\$176,212.82
Washtenaw	802	\$578,582.93
Wayne	21,747	\$19,153,388.33
Wexford	246	\$197,532.52



Table 5 provides the list of Participating Electric Service Providers for FY2019.

<b>Table 5</b>		
<b>FY2019 Participating Electric Service Providers</b>	<b>Estimated LIEAF Remittance</b>	<b>Number of Years Participating</b>
Alger Delta Cooperative Electric Association	\$110,043.91	6
Alpena Power Company	\$182,513.20	5
City of Bay City	\$223,612.87	6
City of Crystal Falls	\$17,858.78	1
City of Gladstone	\$32,181.39	3
City of Hart	\$13,644.29	2
City of Norway	\$23,240.88	6
City of Petoskey	\$60,048.21	6
City of St. Louis	\$22,028.80	6
Consumers Energy	\$20,291,202.69	6
DTE Energy	\$24,131,641.69	6
Great Lakes Energy Cooperative	\$1,321,127.39	2
Hillsdale Board of Public Utilities	\$65,508.15	6
HomeWorks Tri-County Electric Cooperative	\$281,103.47	2
Indiana Michigan Power Company (AEP)	\$1,446,650.39	6
Lowell Light & Power	\$30,568.99	6
Marshall Electric Department	\$50,685.14	6
Midwest Energy Cooperative	\$395,272.92	6
Negaunee Department of Public Works	\$21,428.32	6
Newberry Water & Light Board	\$15,857.18	6
Niles Utilities Department	\$75,516.19	6
Northern States Power Company -Wisconsin (Xcel)	\$99,613.31	6
Presque Isle Electric & Gas Co-op	\$364,570.49	6
Thumb Electric Cooperative	\$130,182.30	6
Union City Electric Department	\$15,579.18	6
Upper Peninsula Power Company	\$570,313.45	2
Village of Baraga	\$8,006.43	6

Table 6 provides the list of Non-Participating Electric Service Providers for FY2019.

<b>Table 6</b>	
<b>FY2019 Non-Participating Electric Service Providers</b>	<b>Number of Years Participating</b>
Bayfield Electric Cooperative	0
Chelsea Department of Electric & Water	0
Cherryland Electric Cooperative	1
City of Charlevoix	0
City of Dowagiac	0
City of Eaton Rapids	0
City of Escanaba	0
City of Harbor Springs	0
City of Portland	0
City of Sebewaing	0
City of South Haven	0
City of Stephenson	0
City of Sturgis	0
City of Wakefield	0
Cloverland Electric Cooperative	0
Coldwater Board of Public Utilities	0
Croswell Municipal Light & Power Department	0
Daggett Electric Department	0
Grand Haven Board of Light & Power	0
Holland Board of Public Works	0
Lansing Board of Water & Light	0
Marquette Board of Light & Power	0
Ontonagon County Rural Electrification Association	0
Traverse City Light & Power	0
Upper Michigan Energy Resources Corporation (UMERC)	0
Village of Clinton	4
Village of L'Anse	0
Village of Paw Paw	0
Wisconsin Electric Power Company (We Energies)	0
Wyandotte Department of Municipal Services	0
Zeeland Board of Public Works	0