

Michigan Energy Assistance Program

Report to the Legislature—Fiscal Year 2020

On March 28, 2013 [Public Act 615](#) of 2012 took effect 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. Public Act 87 of 2019 extended the sunset of the Michigan Energy Assistance Program until September 30, 2023.

On July 1, 2013, [Public Act 95](#) 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 18, 2019, in Case No. [U-17377](#), the MPSC adopted a funding factor of 92 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 2019 billing month. Table 5 (page 11) provides a list of the electric utilities that chose to participate in the LIEAF for fiscal year 2020, and Table 6 (page 12) provides a list of the electric utilities 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.

Table A							
LIEAF Surcharge and Number of Participating Electric Utilities (Case No. U-17377, Public Act 95 of 2013)							
Fiscal Year	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Monthly Surcharge Approved	\$0.91	\$0.92	\$0.93	\$0.93	\$0.96	\$0.98	\$0.97
Number of Participating Utilities	28	28	27	26	22	23	22

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 2020 budget 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.

Beginning in 2019, MEAP grantees no longer provided initial crisis relief, funded by the LIHEAP, or determined MEAP eligibility. Rather, these functions and program operations are now managed directly by MDHHS. While grants awarded under the MEAP program have therefore been reduced, the services and assistance provided in previous years by the MEAP grantees continues to be provided and funded by MDHHS directly.

This 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 energy assistance model ensures that crisis assistance is administered consistently throughout the state and affords MEAP grantees time to focus on self-sufficiency needs of the household.

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 or 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 also eligible for MEAP direct payment assistance, including enrollment in an affordable payment plan.

On July 22, 2019, the MPSC invited proposals for MEAP grants from public or private entities or local units of government that will intervene in energy crisis situations and provide energy assistance program services. The Request for Proposals (RFP) offered a two-year grant program that runs through September 30, 2021. 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 RFP 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 for Year One totaling \$54,500,000 as listed below. The State Administrative Board approved the MEAP grant awards and the grant term began October 1, 2019 and ended September 30, 2020. The list also includes the territory served by the grantee.

- Barry County United Way: \$150,000, Barry County.
- Bureau of Community Action and Economic Opportunity: \$6.39 million, statewide.
- Society of St. Vincent de Paul of the Archdiocese of Detroit: \$4.1 million; 40 counties throughout Michigan.
- Superior Watershed Partnership: \$2.46 million, 15 Upper Peninsula counties and multiple Northern-Lower Peninsula counties.
- The Heat and Warmth Fund: \$7.2 million, statewide.
- The Salvation Army: \$11.4 million, statewide.
- TrueNorth Community Services: \$10.5 million, statewide.
- United Way for Southeastern Michigan: \$7.05 million, statewide.

- United Way of Jackson County: \$5.25 million, statewide.

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 (The Heat and Warmth Fund, United Way for Southeastern Michigan, and United Way of Jackson County) voluntarily reduced their original grant award amounts. State and Federal MEAP funds were then reallocated to TrueNorth Community Services (Federal & State Funds) and United Way of Jackson County (State Funds).

Table B shows the amended award amounts.

Table B				
Amended MEAP Award Amounts				
Grant #	Name of Organization	Original Award	Amended Amounts*	Total Amended Award
PSC-20-05	The Heat and Warmth Fund (THAW)	\$7,200,000	(\$50,000)	\$7,150,000
PSC-20-07	TrueNorth Community Services	\$10,500,000	\$1,556,633	\$12,056,633
PSC-20-08	United Way for Southeastern Michigan	\$7,050,000	(\$1,678,579)	\$5,371,421
PSC-20-09	United Way of Jackson County	\$5,250,000	\$171,946	\$5,421,946

Grant funds totaling \$52,291,354.19 (\$47,620,977.73 State LIEAF and \$4,670,376.46 Federal LIHEAP) were spent by grantees during the term of the grant. Seven grantees are returning funds totaling \$2,208,645.81 (\$1,879,022.27 State LIEAF and \$329,623.54 Federal LIHEAP). Grant funds totaling \$40,935,571.33 (State LIEAF) were spent assisting low-income households with energy bills; \$7,547,899.22 (\$2,877,522.76 State LIEAF and \$4,670,376.46 Federal LIHEAP) was spent on total energy assistance program expenses including low-income self-sufficiency programs; and \$3,807,883.64 (State LIEAF) was spent on administrative costs, including indirect costs. While there is always a small amount of funds left unexpended at the end of the Fiscal Year – typically approximating \$500,000 (or 1% of the total dollars available) – the amount of funds returned this year far exceeds previous years. A number of factors contributed to this higher than normal funds lapse.

Due to an increase in federal COVID-19 related funding, LIHEAP Direct Support Payments, extended unemployment benefits, and the one-time stimulus payments, combined with utilities voluntarily suspending shut-offs, resulted in fewer utility assistance crisis applications. To illustrate, the Statewide 2-1-1, which many families contact to seek assistance, experienced a decrease of 18% in requests for utility assistance in the last 12 months.

MPSC staff worked with grantees to track anticipated spending and took steps to proactively reach customers in order to spend down anticipated balances and ensure energy assistance reached customers. As the voluntary shut-off protections lifted and utilities began to resume disconnections, a statewide collaborative outreach effort through the late summer and early fall, including intensive outreach by grantees to customers, successfully reached families in need. An increased MEAP cap in the final months of fiscal year 2020, spent mostly for customers on affordable payment plans and to top off propane tanks at a cheaper propane price as a crisis prevention measure, will free up funds for fiscal year 2021 to assist customers who may be newly economically stressed due to the COVID-19 pandemic.

In this unique year, MEAP Grantees remained resilient and worked to distribute energy assistance and self-sufficiency services to households in need as they retooled to lessen the impacts that the COVID-19 pandemic had on their abilities to reach original targets set forth in their FY20 proposals.

Many grantees who served a majority of their clients in person, adjusted their processes to provide virtual and phone assistance. When this was not possible, the MPSC worked with the Governor to have MEAP workers deemed as essential workers so employees could report to their worksites in order to continue to help customers. Still other grantees experienced reductions in their work force as workers or their families contracted COVID-19 or were required to quarantine due to exposure.

Michigan customers in need of assistance benefited from the combined efforts of many people and organizations working together to ensure that its low-income and temporarily unemployed customers did not lose access to energy services.

The MPSC has noted the following opportunities for recalibration of service delivery and customer engagement that were identified during the first seven months of the pandemic. MDHHS is interested in engaging in conversations with our legislative partners, as appropriate.

First, the statute requires any funds remaining at the end of the fiscal year be returned by the Grantee and does not allow for any rollover of unspent assistance dollars, even in these unprecedented times of widespread and long-term economic distress. The successes in assisting customers with direct payments using federal CARES Act funds and other steps taken during the pandemic resulted in an unprecedented return of \$2.2 million dollars, despite aggressive outreach efforts of utilities, grantees, and agency partners. This requirement limits the flexibility needed to respond in crises such as the COVID-19 pandemic.

Secondly, the availability of affordable payment plans through MEAP, an option which allows customers to pay off unpaid account balances while developing consistent and timely payment patterns, necessarily requires year-round expenditures. Public Act 615 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. This makes consistent administration of affordable payment plans challenging.

Fiscal Year 2020 was an exceptional year, one that exposed programmatic inflexibilities that have the potential to delay or disrupt the provision of energy assistance to customers in crisis. MEAP staff worked relentlessly with the nine MEAP grantees to deliver energy assistance in a constantly changing environment while finding creative solutions to these challenges. As discussions continue related to addressing the fallout of the COVID-19 pandemic, statutory modifications that provide flexibility for addressing changing assistance delivery options, maximizing program success during unanticipated crises, and allowing for options to address unanticipated funding fluctuations, including the possible rollover of unexpended program dollars should be considered. MPSC and MDHHS staff will continue to meet regularly to coordinate and problem-solve. The MEAP workgroup will move forward with subcommittee work that aims to discover solutions to some previously identified challenges. We look forward to putting into practice our learnings from this challenging year.

Table 1 provides Households Served with Assurance 16 services.

Table 1	
Assurance 16 – Self-sufficiency Services	
Service Type	Households Served*
Needs Assessment (includes referrals)	26,421
Vendor Advocacy	22,575
Energy Education	26,104
Financial Counseling	19,720
Short-term Case Management	16,396
Long-term Case Management	5,395

**Households may have received more than one service. A total of 39,576 households received some type of Assurance16 service.*

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

Table 2			
Affordable Payment Plan Assistance			
Program	Households Served	New Enrollments FY20	Total MEAP Funds Spent
Consumers Energy – CARE	14,309	6,833	\$11,767,706.43
DTE Energy – LSP	12,371	12,528	\$9,155,588.37
SEMCO Energy - MAP	3,227	1,895	\$1,050,695.43
UPPCO – EASE UP	431	431	\$372,846.67
Great Lakes Energy	108	108	\$101,699.04

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

Table 3		
Households Served by Energy Type & Total MEAP Funds Spent		
Energy Type	Number of Payments	Total MEAP Funds Spent
Non-Heat Electricity	315,607	\$27,886,023.41
Natural Gas	224,323	\$10,269,649.48
Propane/ LP Gas	2,806	\$1,543,980.13
Wood	583	\$465,651.76
Fuel Oil	377	\$204,079.34
Coal	0	\$0.00
Other	894	\$336,694.94

***Tables 3 and 4 each omit \$271,954.26 of the total direct assistance funding, which is still being processed for reporting.*

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

Table 4		
Unduplicated Households Served by County		
County	Households Served	Total MEAP Funds Spent
Alcona	51	\$48,832.19
Alger	98	\$128,166.75
Allegan	281	\$295,482.83
Alpena	105	\$80,313.74
Antrim	71	\$82,313.01
Arenac	109	\$113,524.14
Baraga	82	\$74,528.19
Barry	141	\$132,712.60
Bay	363	\$287,931.53
Benzie	62	\$55,164.11
Berrien	458	\$285,768.28
Branch	75	\$67,238.40
Calhoun	1,512	\$904,018.81
Cass	221	\$117,312.72
Charlevoix	42	\$41,404.92
Cheboygan	134	\$137,024.45
Chippewa	72	\$56,199.16
Clare	287	\$303,774.88

Clinton	131	\$111,217.25
Crawford	49	\$46,165.35
Delta	165	\$212,542.93
Dickinson	29	\$19,579.52
Eaton	216	\$183,299.23
Emmet	53	\$47,025.15
Genesee	3,538	\$3,595,674.23
Gladwin	175	\$176,796.92
Gogebic	102	\$99,430.15
Grand Traverse	102	\$91,092.63
Gratiot	168	\$134,467.30
Hillsdale	190	\$218,202.05
Houghton	280	\$273,657.22
Huron	80	\$69,471.44
Ingham	523	\$349,861.14
Ionia	146	\$131,109.08
Iosco	157	\$163,033.97
Iron	103	\$102,145.72
Isabella	169	\$146,003.62
Jackson	796	\$824,159.56
Kalamazoo	999	\$981,981.70
Kalkaska	88	\$90,211.53
Kent	1,726	\$1,306,792.71
Keweenaw	18	\$19,183.96
Lake	207	\$211,548.76
Lapeer	131	\$110,784.84
Leelanau	15	\$14,672.96
Lenawee	193	\$162,543.09
Livingston	155	\$150,523.68
Luce	52	\$44,330.59
Mackinac	28	\$21,056.32
Macomb	1,776	\$1,361,038.73
Manistee	127	\$118,348.61
Marquette	403	\$365,626.53
Mason	146	\$140,379.37
Mecosta	197	\$180,284.91
Menominee	53	\$63,235.60
Midland	401	\$392,750.81
Missaukee	91	\$95,246.97

Monroe	256	\$201,099.65
Montcalm	264	\$250,508.84
Montmorency	29	\$19,686.20
Muskegon	1,270	\$991,355.80
Newaygo	462	\$478,411.68
Oakland	1,800	\$1,464,017.20
Oceana	165	\$176,550.69
Ogemaw	168	\$199,947.75
Ontonagon	65	\$70,915.37
Osceola	120	\$107,183.15
Oscoda	66	\$63,147.91
Otsego	149	\$122,943.10
Ottawa	351	\$176,867.61
Presque Isle	30	\$25,078.62
Roscommon	154	\$162,161.27
Saginaw	2,084	\$1,997,182.23
Sanilac	213	\$133,788.88
Schoolcraft	60	\$40,209.52
Shiawassee	203	\$217,384.13
St. Clair	1,280	\$566,084.54
St. Joseph	168	\$91,638.87
Tuscola	110	\$95,764.52
Van Buren	159	\$149,418.04
Washtenaw	586	\$525,488.51
Wayne	16,375	\$16,093,225.73
Wexford	241	\$248,832.11

Table 5 provides the list of Participating Electric Service Providers for FY2020.

Table 5		
FY2020 Participating Electric Service Providers	Estimated LIEAF Remittance	Number of Years Participating
Alger Delta Cooperative Electric Association	\$110,107.03	8
Alpena Power Company	\$181,408.03	7
City of Bay City	\$223,651.46	8
City of Crystal Falls	\$17,905.38	3
City of Dowagiac	\$28,571.24	1
City of Gladstone	\$31,997.58	5
City of Hart	\$15,241.68	4
City of Norway	\$23,321.20	8
City of Petoskey	\$59,739.86	8
City of St. Louis	\$21,862.25	8
Consumers Energy	\$20,181,275.39	8
Croswell Light & Power Department	\$14,114.30	1
DTE Energy	\$24,268,775.23	8
Great Lakes Energy Cooperative	\$1,312,033.30	4
Hillsdale Board of Public Utilities	\$66,647.80	8
HomeWorks Tri-County Electric Cooperative	\$286,906.08	4
Indiana Michigan Power Company (AEP)	\$1,426,152.47	8
Marshall Electric Department	\$50,930.86	8
Midwest Energy Cooperative	\$364,617.64	8
Negaunee Department of Public Works	\$21,718.56	8
Newberry Water & Light Board	\$15,805.37	8
Niles Utilities Department	\$77,523.66	8
Northern States Power Company -Wisconsin (Xcel)	\$98,877.49	8
Presque Isle Electric & Gas Co-op	\$364,065.01	8
Thumb Electric Cooperative	\$130,057.16	8
Union City Electric Department	\$16,700.64	8
Upper Peninsula Power Company	\$581,604.32	4
Village of Baraga	\$8,389.00	8

Table 6 provides the list of Non-Participating Electric Service Providers for FY2020.

Table 6	
FY2020 Non-Participating Electric Service Providers	Number of Years Participating
Bayfield Electric Cooperative	0
Chelsea Department of Electric & Water	0
Cherryland Electric Cooperative	1
City of Charlevoix	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
Daggett Electric Department	0
Grand Haven Board of Light & Power	0
Holland Board of Public Works	0
Lansing Board of Water & Light	0
Lowell Light & Power	6
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