

Michigan Energy Assistance Program

Report to the Legislature—Fiscal Year 2021

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 23, 2020, in Case No. [U-17377](#), the MPSC adopted a funding factor of 91 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 2020 billing month. Table 5 (page 11) provides a list of the electric utilities that chose to participate in the LIEAF for fiscal year 2021, 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 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Monthly Surcharge Approved	\$0.087	\$0.91	\$0.92	\$0.93	\$0.93	\$0.96	\$0.98	\$0.97
Number of Participating Utilities	28	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 2021 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 LIEAF 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. Beginning in 2020, the client-centered approach was established to provide 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 and the energy security 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.

On June 4, 2020, the MPSC issued a request for revisions to the Year Two Work Plans and Budgets to all current MEAP grantees. The MPSC, in conjunction with the Michigan DHHS, approved the following MEAP grants for Year Two totaling \$54,500,000 as listed below. The State Administrative Board approved the MEAP grant awards and the grant term began October 1, 2020 and ended September 30, 2021. 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: \$4.356 million; multiple counties throughout Michigan.
- Superior Watershed Partnership: \$2.46 million, 15 Upper Peninsula counties and multiple Northern-Lower Peninsula counties.
- The Heat and Warmth Fund: \$7.069 million, statewide.
- The Salvation Army: \$11.4 million, statewide.
- TrueNorth Community Services: \$10.850 million, statewide.
- United Way for Southeastern Michigan: \$6.575 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, two grantees (The Salvation Army 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.

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-21-06	The Salvation Army	\$11,400,000	(\$1,360,867)	\$10,039,133
PSC-21-07	TrueNorth Community Services	\$10,850,000	\$2,037,168	\$12,887,168
PSC-21-09	United Way of Jackson County	\$5,250,000	(\$676,301)	\$4,573,699

Grant funds totaling \$53,803,948.31 (\$49,048,573.21 State LIEAF and \$4,755,375.10 Federal LIHEAP) were spent by grantees during the term of the grant. Eight grantees are returning funds totaling \$696,051.69 (\$453,404.05 State LIEAF and \$242,647.64 Federal LIHEAP). Grant funds totaling \$41,383,797.62 (State LIEAF) were spent assisting low-income households with energy bills; \$8,453,985.10 (\$3,698,610 State LIEAF and \$4,755,375.10 Federal LIHEAP) was spent on total energy assistance program expenses including low-income self-sufficiency programs; and \$3,963,404.12 (State LIEAF) was spent on administrative costs, including indirect costs.

During year two of the two-year grant cycle, there was another influx in federal funding. 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.

Based on lessons learned from FY20, 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. The statewide collaborative outreach effort that began in the prior year continued and included intensive outreach by grantees to customers, successfully reaching families in need. An increased MEAP cap for fiscal year 2021 enabled grantees to assist customers who may be newly economically stressed due to the continuation of the COVID-19 pandemic. Grantees experienced an increase in clients seeking one-time energy assistance payments. Therefore, the utilities' Affordable Payment Plan (APP) projections for new enrollments were down.

MEAP grantees who served most of their clients in person continued to adjust their processes to provide virtual and phone assistance. 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. Some grantees continued to work on ways to reduce inefficiencies that resulted from not always being able to work in the office.

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

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)	23,706
Vendor Advocacy	20,906
Energy Education	25,207
Financial Counseling	17,760
Short-term Case Management	14,614
Long-term Case Management	4,185

**Households may have received more than one service. A total of 35,667 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 FY21	Total MEAP Funds Spent
Consumers Energy – CARE	12,414	7,196	\$9,186,703.19
DTE Energy – LSP	17,008	6,989	\$12,946,968.49
SEMCO Energy - MAP	3,619	1,244	\$1,169,387.68
UPPCO – EASE	494	371	\$415,076.87
Great Lakes Energy	157	49	\$161,398.60

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 Households	Total MEAP Funds Spent
Non-Heat Electricity	38,763	\$27,950,420.20
Natural Gas	31,589	\$11,220,675.54
Propane/ LP Gas	1,551	\$1,286,172.20
Wood	299	\$357,257.09
Fuel Oil	148	\$124,187.85
Coal	1	\$100.00
Other	536	\$445,101.77

**Tables 3 and 4 may omit additional payments which are 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	49	\$45,266.97
Alger	99	\$106,464.60
Allegan	270	\$269,865.99
Alpena	96	\$87,964.55
Antrim	76	\$69,159.87
Arenac	108	\$103,620.93

Baraga	71	\$59,582.24
Barry	179	\$105,059.49
Bay	470	\$277,163.05
Benzie	56	\$43,440.95
Berrien	479	\$297,740.89
Branch	78	\$63,971.17
Calhoun	1,560	\$867,838.82
Cass	184	\$94,826.98
Charlevoix	57	\$46,392.32
Cheboygan	118	\$101,859.43
Chippewa	71	\$54,430.29
Clare	253	\$252,766.95
Clinton	164	\$126,731.99
Crawford	59	\$47,050.91
Delta	204	\$232,300.89
Dickinson	46	\$36,947.24
Eaton	234	\$177,547.25
Emmet	65	\$51,695.18
Genesee	3,743	\$3,186,507.23
Gladwin	181	\$170,129.74
Gogebic	114	\$112,607.25
Grand Traverse	102	\$61,639.46
Gratiot	179	\$148,410.86
Hillsdale	209	\$184,545.66
Houghton	289	\$265,574.04
Huron	75	\$54,122.06
Ingham	756	\$404,089.73
Ionia	187	\$123,005.73
Iosco	154	\$115,936.07
Iron	143	\$141,807.99
Isabella	193	\$132,117.15
Jackson	1,234	\$875,133.43
Kalamazoo	1,249	\$982,093.88
Kalkaska	90	\$76,516.55
Kent	2,365	\$1,408,575.99
Keweenaw	14	\$14,710.22
Lake	204	\$157,767.36
Lapeer	117	\$94,534.48
Leelanau	13	\$10,480.06

Lenawee	210	\$183,175.38
Livingston	151	\$82,657.36
Luce	52	\$35,884.70
Mackinac	18	\$11,173.00
Macomb	2,096	\$1,391,660.61
Manistee	140	\$123,583.85
Marquette	477	\$405,077.19
Mason	266	\$163,401.39
Mecosta	189	\$182,583.30
Menominee	57	\$91,239.25
Midland	431	\$319,238.54
Missaukee	105	\$105,945.85
Monroe	307	\$187,368.24
Montcalm	350	\$255,111.72
Montmorency	21	\$19,521.17
Muskegon	1,452	\$1,090,909.27
Newaygo	558	\$418,007.30
Oakland	1,913	\$1,180,102.68
Oceana	269	\$169,026.89
Ogemaw	179	\$164,451.69
Ontonagon	74	\$74,370.21
Osceola	127	\$111,979.10
Oscoda	62	\$49,351.65
Otsego	134	\$97,417.62
Ottawa	426	\$189,508.56
Presque Isle	22	\$22,631.13
Roscommon	175	\$147,353.73
Saginaw	2,286	\$1,883,513.85
Sanilac	232	\$163,111.48
Schoolcraft	71	\$49,933.61
Shiawassee	224	\$196,406.51
St. Clair	1,238	\$602,862.00
St. Joseph	177	\$118,871.57
Tuscola	131	\$126,806.69
Van Buren	158	\$167,837.62
Washtenaw	720	\$507,068.96
Wayne	20,845	\$17,682,556.05
Wexford	251	\$272,103.98

Table 5 provides the list of Participating Electric Service Providers for FY2021.

Table 5		
FY2021 Participating Electric Service Providers	Estimated LIEAF Remittance	Number of Years Participating
Alger Delta Cooperative Electric Association	\$107,599.49	9
Alpena Power Company	\$179,564.75	8
City of Bay City	\$220,326.92	9
City of Crystal Falls	\$17,506.83	4
City of Dowagiac	\$28,361.50	2
City of Gladstone	\$31,497.05	6
City of Hart	\$15,013.63	5
City of Norway	\$22,689.20	9
City of Petoskey	\$53,576.56	9
City of St. Louis	\$21,480.70	9
Consumers Energy	\$20,062,716.64	9
Croswell Light & Power Department	\$13,903.12	2
DTE Energy	\$23,950,375.75	9
Great Lakes Energy Cooperative	\$1,297,018.65	5
Hillsdale Board of Public Utilities	\$65,552.62	9
HomeWorks Tri-County Electric Cooperative	\$297,670.52	5
Indiana Michigan Power Company (AEP)	\$1,413,959.48	9
Marshall Electric Department	\$49,657.12	9
Midwest Energy Cooperative	\$358,421.83	9
Negaunee Department of Public Works	\$20,936.34	9
Newberry Water & Light Board	\$15,057.18	9
Niles Utilities Department	\$77,136.74	9
Northern States Power Company -Wisconsin (Xcel)	\$97,387.18	9
Presque Isle Electric & Gas Co-op	\$360,893.25	9
Thumb Electric Cooperative	\$128,263.65	9
Union City Electric Department	\$16,494.31	9
Upper Peninsula Power Company	\$565,041.60	5
Village of Baraga	\$8,263.48	9

Table 6 provides the list of Non-Participating Electric Service Providers for FY2021.

Table 6	
FY2021 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