

Michigan Energy Assistance Program Report to the Legislature — Fiscal Year 2024

History

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 their 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 26, 2023, Public Act 105 was signed by Governor Whitmer eliminating the sunset provision for the Michigan Energy Assistance Program.

On July 1, 2013, [Public Act 95](#) of 2013 was enacted creating the Low-Income Energy Assistance Fund (LIEAF) and charging the MDHHS 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 the 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 26, 2023, in Case No. [U-17377](#), the MPSC adopted a funding factor of 88 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 2023 billing month. Table 6 (page 10) provides a list of the electric utilities that chose to participate in the LIEAF for fiscal year 2024, and Table 7 (page 11) provides a list of the

electric utilities that chose not to participate. The funding factor is dependent on the total number of 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	FY2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Monthly Surcharge Approved	\$0.88	\$0.90	\$0.87	\$0.91	\$0.92	\$0.93	\$0.93	\$0.96
Number of Participating Utilities	29	28	28	28	28	27	26	22

As set forth in PA 95 of 2013, “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.”

2024 Program Overview

The 2024 budget appropriated \$50,000,000 in LIEAF to MDHHS to operate the MEAP as well as additional funding for the operation of federal Assurance 16 (A16 funds), a portion of the Low-Income Home Energy Assistance Program (LIHEAP). MDHHS and the Michigan Department of Licensing and Regulatory Affairs (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 (A16) funds. The A16 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 the 2020 program year, MEAP grantees were no longer providing initial crisis relief funded by the LIHEAP nor determining MEAP eligibility. Rather, these functions and program operations have been generally managed directly by MDHHS. Collaborating State agencies established a client-centered approach in 2020 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 experiencing an energy crisis generally 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. MDHHS then 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.

This program year, SER funds were exhausted as of June 15th due to the decrease in Low Income Home Energy Assistance Program (LIHEAP) funding the State of Michigan received for fiscal year 2024 and the increase in the number of households that received energy crisis assistance benefits. Once SER funds were exhausted, MDHHS also stopped verifying eligibility for MEAP. As a result, from mid-June through the end of September, MEAP grantees again began providing crisis assistance as well as determining MEAP eligibility, similar to what was in place prior to the 2020 program year. The increase in the amount of inquiries and applications impacted the grantees' processing time and ability to forecast how long their MEAP funding would last. Some administrative time-saving measures were put into place to allow for households to receive assistance sooner and for grantees to reserve as much of their funding as possible for direct payment assistance. For FY2025, MDHHS has put into place some additional safeguards to prevent the early exhaustion of funds moving forward.

2024 Proposal and Awards – Year One

On May 16, 2023, 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 three-year grant program that runs through September 30, 2026. 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 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 MDHHS, approved the following MEAP grants for Year One totaling \$54,500,000 as listed below. The [State Administrative Board](#) approved the MEAP grant awards for a grant term beginning October 1, 2023, and ending September 30, 2024. 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 million, statewide.
- Society of St. Vincent de Paul of the Archdiocese of Detroit: \$4.85 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: \$6.8 million, statewide.
- The Salvation Army: \$11.8 million, statewide.
- TrueNorth Community Services: \$11.2 million, statewide.
- United Way for Southeastern Michigan: \$6.46 million, statewide.
- United Way of Jackson County: \$5.3 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 at the time of award notification or during the course of the program year for distribution to other grantees that may be experiencing higher than anticipated requests for assistance. No instances of this occurred during this program year.

2024 Expenditures

Grant funds totaling \$53,967,573.08 (\$49,127,425.09 State LIEAF and \$4,840,147.99 Federal LIHEAP) were spent by grantees during the term of the grant. Six grantees are returning funds at program year end totaling \$517,426.92 (\$372,574.91 State LIEAF and \$159,852.01 Federal LIHEAP). Grant funds totaling \$40,370,465.15 (State LIEAF) were spent assisting low-income households with energy bills; \$9,287,900.66 (\$4,413,701.77 State LIEAF and \$4,874,198.89 Federal LIHEAP) was spent on total energy assistance program expenses including low-income self-sufficiency programs; and \$4,309,207.27 (State LIEAF) was spent on administrative costs, including indirect costs. These are initial

numbers and may be adjusted slightly once all final reports are approved.

2024 Coordination and Collaboration

Michigan customers needing assistance benefited from the joint efforts of many people and organizations working together to ensure that low-income and temporarily unemployed customers did not experience service interruptions.

During FY24, MEAP Grantees utilized the lessons learned during prior program years and broadened their collaborations with established community partners and established new partnerships with non-traditional partners to provide a more holistic approach to self-sufficiency and energy security services. The MEAP Grantees and other community partners have been instrumental in helping customers complete the State Emergency Relief (SER) application. Grantees served households by providing self-sufficiency services, assisting households with SER co-payments and other one-time assistance, and enrolling customers in Affordable Payment Plans (APP). From June to September this program year, MEAP grantees also determined household eligibility and provided crisis assistance payments.

MPSC and MDHHS staff continue to meet regularly to coordinate and problem-solve as workflow and program implementation issues may arise. Additionally, the State MEAP team connects monthly with grantees and utilities through the MEAP workgroup. The MEAP workgroup continued two subcommittees in FY24 that focus on APP Alignment and A16 & Tiered Approach assessing household needs. The subcommittees held separate meetings throughout FY24 which increased the collaboration between the grantees, utilities, and State MEAP Team toward discovering workable solutions to new or previously identified barriers to assistance. The subcommittee work aims to continue to discover solutions to previously identified program challenges. MEAP grantees and State program administrators will continue to employ the best practices learned over the last few years, in preparation for the projected FY25, including working with the grantees to minimize the negative impact of challenges of having decreased funding available from other sources and expected increases in energy costs.

The APP Alignment subcommittee assisted in the implementation of a soft launch of the aligned modified APP budget. The group worked collaboratively to refine the program and ensure that program design became aligned across the utilities, including alignment of consumption guidelines, eligibility

guidelines, treatment of arrearages, and reconciliation cadence, as well as communication plans. The group has also begun discussions around re-enrollment guidelines and the tracking of outcomes.

The Assurance 16 subcommittee worked in the prior grant year to agree on a few standard questions for each grantee to implement during the application process to ensure customers were flagged if their household had a high usage risk. Each grantee was able to then report with their monthly client list both the Income Cohort (Fixed Income, No Income, and Other) as well as the propensity for the household to have higher usage. During the course of the program year, the Assurance 16 subcommittee also put together a summary report of progress. The MEAP State Team took information provided by the subcommittee into account and consulted with the subcommittee leadership to move forward to refine and train on a standardized needs assessment for implementation in FY2025.

2024 Program Data

Table 1 provides an overview of households served by various types of MEAP assistance in FY24, revealing an average of \$724 in payment assistance per household.

Table 1		
MEAP Assistance by Type (FY24)		
Assistance Type	Households Served*	Direct Payments Issued
Self-Sufficiency Services	40,644	N/A
Affordable Payment Plan	38,849	\$22,035,734.44
One-time/Other Payment Assistance	16,650	\$18,343,411.45
Any type*	55,732	\$40,379,175.89

**Households may have received more than one type of assistance.*

Table 2 provides Households Served with Assurance 16 services.

Table 2	
Assurance 16 – Self-sufficiency Services (FY24)	
Service Type	Households Served*
Needs Assessment (includes referrals)	24,699
Vendor Advocacy	23,851
Energy Education	27,262
Financial Counseling	15,286
Short-term Case Management	20,404
Long-term Case Management	4,362

**Households may have received more than one service.
A total of 40,644 households received some type of Assurance 16 service.*

Table 3 provides the number of unduplicated households served and MEAP funds spent broken down by Affordable Payment Plan Enrollment.

Table 3**			
Affordable Payment Plan Assistance (FY24)			
Program	Households Served	New Enrollments FY24	Total MEAP Funds Spent
Consumers Energy – CARE	10,275	4,262	\$8,706,010.19
DTE Energy – LSP	15,720	8,226	\$11,635,674.15
SEMCO Energy - MAP	3,751	2,002	\$1,037,172.32
UPPCO – EASE	385	198	\$367,889.78
Great Lakes Energy	267	73	\$288,986.57

***Table 3 may omit additional payments which are still being processed for reporting.*

Table 4 provides the total energy assistance payments (any type) and MEAP funds spent by energy type.

Table 4***		
Households Served by Energy Type & Total MEAP Funds Spent (FY24)		
Energy Type	Number of Households	Total MEAP Funds Spent
Non-Heat Electricity	37,125	\$26,444,198.05
Natural Gas	31,036	\$11,599,213.46
Propane/ LP Gas	1,285	\$1,198,990.50
Wood	341	\$488,554.32
Fuel Oil	139	\$145,712.81
Other	538	\$502,506.75

***Table 4 may omit additional payments which are still being processed for reporting.

Table 5 provides the number of unduplicated households receiving an energy assistance payment and the MEAP funds spent by county.

Table 5		
Unduplicated Households Served by County (FY24)		
County	Households Served	Total MEAP Funds Spent
Alcona	26	\$22,987.10
Alger	82	\$73,375.23
Allegan	256	\$252,292.20
Alpena	64	\$55,023.57
Antrim	60	\$72,668.87
Arenac	85	\$101,548.77
Baraga	79	\$58,595.73
Barry	161	\$146,006.57
Bay	307	\$191,408.60
Benzie	43	\$47,982.48
Berrien	341	\$179,256.57
Branch	47	\$40,616.31
Calhoun	1,588	\$761,132.58
Cass	169	\$76,249.89
Charlevoix	55	\$39,479.41
Cheboygan	118	\$97,414.50
Chippewa	110	\$58,852.45
Clare	240	\$255,408.62
Clinton	109	\$80,099.85

Crawford	55	\$60,539.79
Delta	260	\$215,046.53
Dickinson	63	\$43,953.26
Eaton	196	\$143,250.55
Emmet	62	\$55,155.12
Genesee	4,110	\$2,929,971.25
Gladwin	145	\$151,405.24
Gogebic	149	\$131,364.45
Grand Traverse	92	\$73,047.04
Gratiot	163	\$161,201.01
Hillsdale	188	\$203,242.71
Houghton	311	\$264,599.94
Huron	79	\$65,462.01
Ingham	568	\$345,788.36
Ionia	149	\$126,731.02
Iosco	111	\$118,639.53
Iron	153	\$147,037.57
Isabella	197	\$173,142.21
Jackson	935	\$678,580.84
Kalamazoo	1,040	\$700,967.51
Kalkaska	77	\$93,283.89
Kent	1,962	\$1,190,797.43
Keweenaw	22	\$20,291.07
Lake	157	\$193,040.18
Lapeer	132	\$116,046.10
Leelanau	12	\$15,626.20
Lenawee	222	\$178,525.56
Livingston	111	\$79,988.07
Luce	65	\$34,571.29
Mackinac	27	\$14,222.29
Macomb	2,925	\$1,663,420.04
Manistee	106	\$116,885.12
Marquette	578	\$344,097.47
Mason	162	\$157,422.33
Mecosta	192	\$204,183.18
Menominee	106	\$114,830.99
Midland	331	\$293,998.96
Missaukee	102	\$126,040.59
Monroe	357	\$231,818.66

Montcalm	301	\$236,311.23
Montmorency	23	\$25,493.92
Muskegon	1,045	\$820,381.44
Newaygo	351	\$417,812.77
Oakland	2,434	\$1,388,056.80
Oceana	178	\$188,265.95
Ogemaw	109	\$98,086.35
Ontonagon	85	\$72,768.56
Osceola	118	\$111,185.93
Oscoda	77	\$46,999.34
Otsego	71	\$62,590.49
Ottawa	553	\$187,548.18
Presque Isle	21	\$18,197.61
Roscommon	89	\$75,929.96
Saginaw	2,689	\$1,851,477.54
Saint Clair	1,204	\$529,743.00
Saint Joseph	174	\$90,493.08
Sanilac	234	\$126,800.60
Schoolcraft	99	\$51,792.42
Shiawassee	226	\$213,918.34
Tuscola	143	\$130,244.32
Van Buren	83	\$87,694.20
Washtenaw	778	\$426,270.31
Wayne	24,318	\$18,274,061.46
Wexford	244	\$256,722.59

Table 6 provides the list of Participating Electric Service Providers for FY2024.

Table 6		
FY2024 Participating Electric Service Providers	Estimated LIEAF Remittance	Number of Years Participating
Alger Delta Cooperative Electric Association	\$108,296.57	12
Alpena Power Company	\$172,149.89	11
City of Bay City	\$211,657.31	12
City of Crystal Falls	\$16,588.12	7
City of Dowagiac	\$28,792.31	5
City of Gladstone	\$30,291.80	9
City of Hart	\$11,235.77	8
City of Norway	\$22,159.14	12
City of Petoskey	\$49,431.14	12
City of St. Louis	\$20,711.72	12
Consumers Energy	\$19,576,874.63	12
Croswell Light & Power Department	\$11,100.40	5
DTE Energy	\$23,777,386.09	12
Great Lakes Energy Cooperative	\$1,292,321.68	8
Hillsdale Board of Public Utilities	\$63,520.10	12
HomeWorks Tri-County Electric Cooperative	\$280,113.24	8
Indiana Michigan Power Company (AEP)	\$1,365,942.52	12
Lansing Board of Water & Light	\$1,026,307.83	1
Marshall Electric Department	\$47,588.01	12
Midwest Energy Cooperative	\$348,277.60	12
Negaunee Department of Public Works	\$21,065.76	12
Newberry Water & Light Board	\$15,463.50	12
Niles Utilities Department	\$65,602.73	12
Northern States Power Company -Wisconsin (Xcel)	\$93,010.09	12
Presque Isle Electric & Gas Co-op	\$356,680.99	12
Thumb Electric Cooperative	\$124,218.25	12
Union City Electric Department	\$16,140.35	12
Upper Peninsula Power Company	\$555,936.26	8
Village of Baraga	\$8,247.20	12

Table 7 provides the list of Non-Participating Electric Service Providers for FY2024.

Table 7	
FY2024 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
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

Conclusion

In FY24, more than 50,000 households engaged in some type of MEAP assistance with two-thirds of those households receiving longer term assistance that helps make their monthly payments more affordable. Nearly 75% of households receiving MEAP assistance engaged with a grantee on services to help the household become more self-sufficient. The average household received \$724 in payment

assistance. Rural households required higher amounts of assistance on average, with the highest household assistance averages being in the northern Lower and the Upper Peninsula, despite a lack of participation in the MEAP program from a number of the larger utilities serving these areas. The MEAP program continues to work to serve Michigan residents where they are throughout the State.