

Affordability, Alignment, and Assistance Subcommittee

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Agenda

1.

**Goals
Background
and
2023 Preview**

2.

**Background on
LIA issue**

3.

**Presentation and
Discussion on DTE
LIA report**

4.

Next Steps

A light blue map of the state of Michigan is positioned in the upper right quadrant of the slide, set against a dark blue background. The map shows the outlines of the Upper and Lower Peninsulas.

AAA Meeting Scheduling

Survey

AAA in Review

Original Subcommittee Charge

The charge of the Affordability, Alignment and Assistance Subcommittee (AAA) is:

- ❑ Looking at all aspects of energy affordability including streamlining and making more accessible existing energy assistance programs,
- ❑ Researching next generation affordable payment plans,
- ❑ Analyzing collections processes,
- ❑ Integrating programming with EWR and weatherization, as well as rate design.

Guiding Statement

End the crisis-assistance-crisis cycle by centering energy *affordability* and facilitating customers sustainably affording their energy bills by providing all households with uninterrupted *access to affordable, sufficient energy in an efficient, healthy, and sustainable manner.*

Guiding Principles

The ideal system/program design should achieve this while also:

- **Ensuring equitable distribution** in the access to, use of, and outcomes from energy affordability and assistance policies/programs
- **Centering impacted community priorities** and participation in policy/program development, accountability, and assessment
- **Treating customers with dignity**, enabling them to live comfortably, and not penalizing customers for an inability to pay their bills
- **Coordinating and communicating clearly** with relevant state agencies to integrate state policy goals, including those related to healthy homes and climate change



Recap of AAA work

- ❑ 2021-2022 topics covered
 - Educated on the customer assistance enrollment journey and details of each assistance program
 - ❑ Developed recommendations for improvement in the U-20757 report
 - ❑ Developed a customer journey excel file (on our website) to store all relevant information.
 - Convened EWR ad-hoc group to improve assistance recipient referrals to EWR
- ❑ Learn more about how customers move through the energy assistance landscape by reviewing our posted meeting materials from October 2021-February 2022



2022 U-20757 Report

*Glossary of terms on pp. 76-77

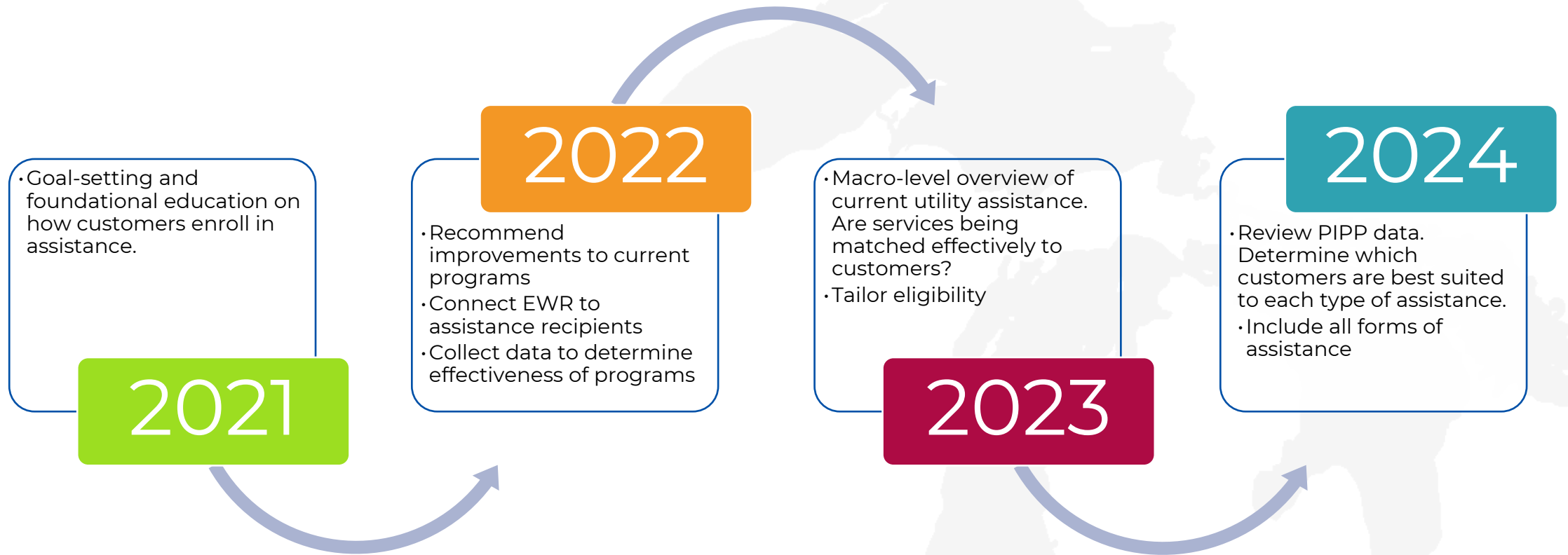
Recap of 2022 U-20757 Report

- ❑ Our recommendations (pp.16-25) hope to achieve change by collaborating with other organizations and agencies. However, some issues require legislative change, which is not within the MPSC's authority.
- ❑ We requested clarification in the U-20757 report (pp. 16-17) on outstanding AAA Commission directives and in the meantime are focusing on order compliance this year. The Commission has assigned the EAAC many tasks that we invite you to collaborate with us on.
- ❑ If issues in the current customer journey come up in future, we can address them in our annual 20757 report.

Proposed 2023-2024 AAA Charge p. 58— Awaiting Commission Approval

- ❑ Initiate a stakeholder discussion of DTE’s report on the enrollment of customers in the LIA credit program and submit a report and recommendations to the Commission.
- ❑ Discuss the LIA/RIA enrollment assignment, enrollment cap, and best use/program pairings.
- ❑ Evaluate the feasibility of a low-income customer subclass in the Cost-of-Service-Study (COSS)
- ❑ Develop a proposal for an energy affordability standard and how the standard can be integrated into the regulatory environment.
 - Look at all aspects of energy affordability including rate design.
 - Look at all aspects of affordability utilizing the definition of energy affordability.
 - Map where assistance and affordability tools intersect with aspects of affordability.
- ❑ Evaluate and make recommendations regarding PIPPs. (2024)

The AAA Timeline

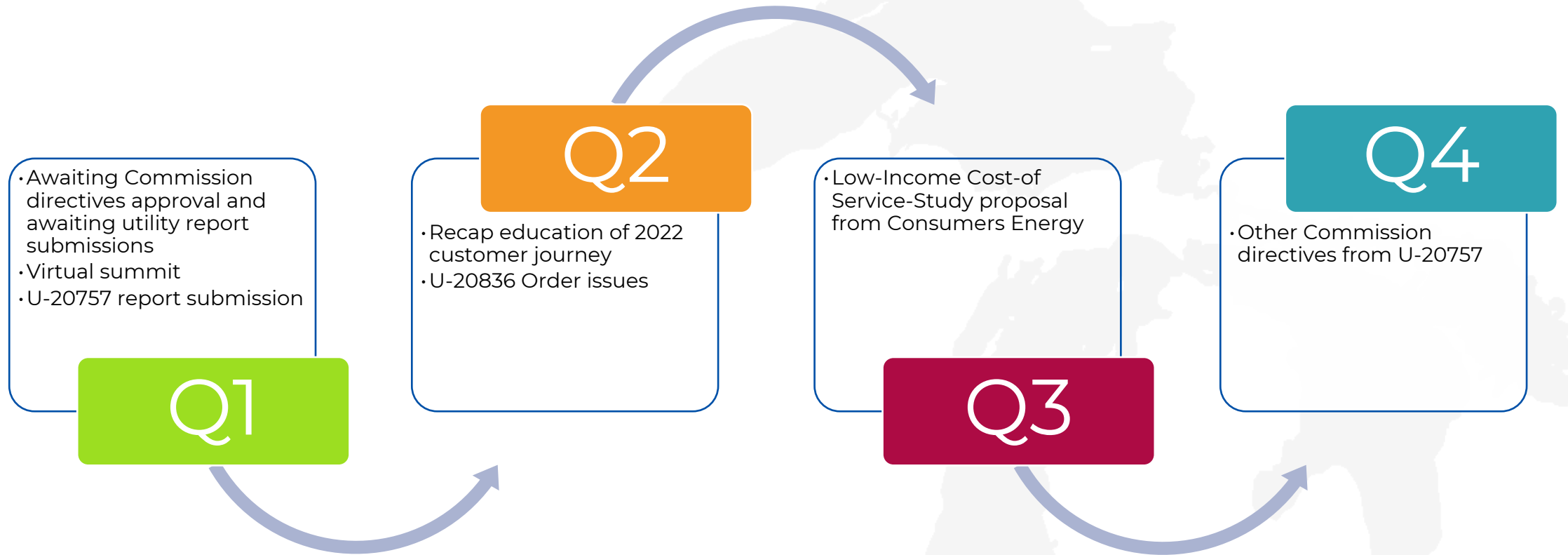


Overarching Charge of the LIEPB

- ❑ The overall goal of the work of the EAAC is to define and ensure energy affordability, accessibility, and security/self-sufficiency in collaboration with the EWR-LI and the LIEPB (its advisory organization) as stated by the Commission through Case No. U20757.
- ❑ To build on these directives, the LIEPB set their primary purpose as “guiding the process of assessing energy affordability and accessibility holistically, especially through linking EWR services and energy assistance programs.”
- ❑ They set as their overarching goal “to reduce the number of households with unsustainable energy burdens.” All work of the Board, EAAC, and EWR-LI Workgroup flowed from this purpose and goal.

Accomplishing Goals in 2023- 2024

Potential Timeline for 2023



Goals Structure



Progress

Goal: customer journey

- Recommendations in 2022 U-20757 report

Goal: Do our assistance programs work?

- Data collected
- Analyzing utility systems in 2023

Adding new sub-goals in 2023

Objective 1

Initiate a stakeholder discussion of DTE's report on the enrollment of customers in the LIA credit program and submit a report and recommendations to the Commission.

Discuss the LIA/RIA enrollment assignment, enrollment cap, and best use/program pairings.

Low Income Assistance Credit (LIA) Pilot History

- ❑ **What:** \$40 monthly credit
- ❑ **Why:** DTE proposed the LIA in 2015 to mitigate payment crises and manage DTE uncollectible expense and improve the collection process.
 - The Residential Income Assistance (RIA) credit was chosen to be equal to the monthly customer charge as a way to fulfill [MCL-460.11](#) because it credits the monthly amount a customer cannot control.
- ❑ **Who:** Confirm with DTE
- ❑ **How:** the tariff does not distinguish enrollment methods—rather states “customers who select this pilot”
 - Case No. U-17767 (2015) originally assigned qualified customers randomly
 - Mentioned in DTE testimony in Case No. U-18255 (2018) that they applied LIA LSP customers

- ❑ DTE proposed, and was approved, to start a pilot called the Residential **Service Special Low Income Pilot tariff** on rate D1.6, which was the standard residential rate (D1) with a **\$40 monthly credit to 32,000 qualifying customers**. To qualify, customers had to have **12-month historical usage levels less than \$1,700 and an income at or below 150% of the federal poverty level**. No metrics were established to evaluate the effectiveness of the credit, nor was the purpose of the credit stated/approved by the Commission. (12/11/15 [Order](#), pp. 130-132).
- ❑ Tariff found in Appendix 1

DTE's Intent for LIA in U-17767

- “The D1.6 tariff that DTE Electric proposes to pilot will **provide proactive assistance** to eligible low-income customers that will make their utility bill more affordable. As experienced through past and current low-income programs, proactive solutions provide vulnerable customers assistance that **mitigates the occurrence of a crisis situation**. As a result, **efficiencies in the collection cycle** are gained, thereby enabling DTE Electric to **manage its arrears and uncollectible expense**.” (Direct [Testimony](#) of Company witness Tomina, pp.15-16)

- DTE is approved to remove the billing cap of \$1,700 and to average out the enrollment of 32,000 over the year (4/18/18 [Order, pp.82-83](#)).

- Tariff found in Appendix 1
- No other orders changed the D1.6 LIA rate. U-20561 ordered the exploration of what became the Payment Stability Plan pilot (a form of PIPP) and U-20836 ordered the EAAC to discuss the LIA and produce a report.

- Finding the ALJ's recommendations to be well-reasoned and supported by the record, **the Commission adopts the ALJ's recommendations regarding the RIA/LIA programs.** While the Commission understands the calls for urgency expressed by the DAAOs and recognizes that energy affordability is a critical issue for many DTE Electric ratepayers, the Commission agrees with the ALJ that **the EAAC is in the best position to assess the issues of the enrollment assignment and caps as well as potential revisions to the LIA credit.** The Commission further finds that a report detailing DTE Electric's current enrollment practices would be informative and beneficial to the EAAC's discussion of the issue. Therefore, the Commission directs DTE Electric to file, within 120 days from the date of this order, **a report detailing the company's current approach to enrolling customers in the LIA credit program with current enrollment data from 2021 and 2022 (through the end of 2022).** The report shall be filed in Case No. U-20757. Following the submission of DTE Electric's report, the Commission directs the EAAC to initiate, according to a format and schedule set by the collaborative, **a stakeholder discussion of the company's report on the enrollment of customers in the LIA credit program and submit a report and recommendations to the Commission.**

Order Compliance Objectives

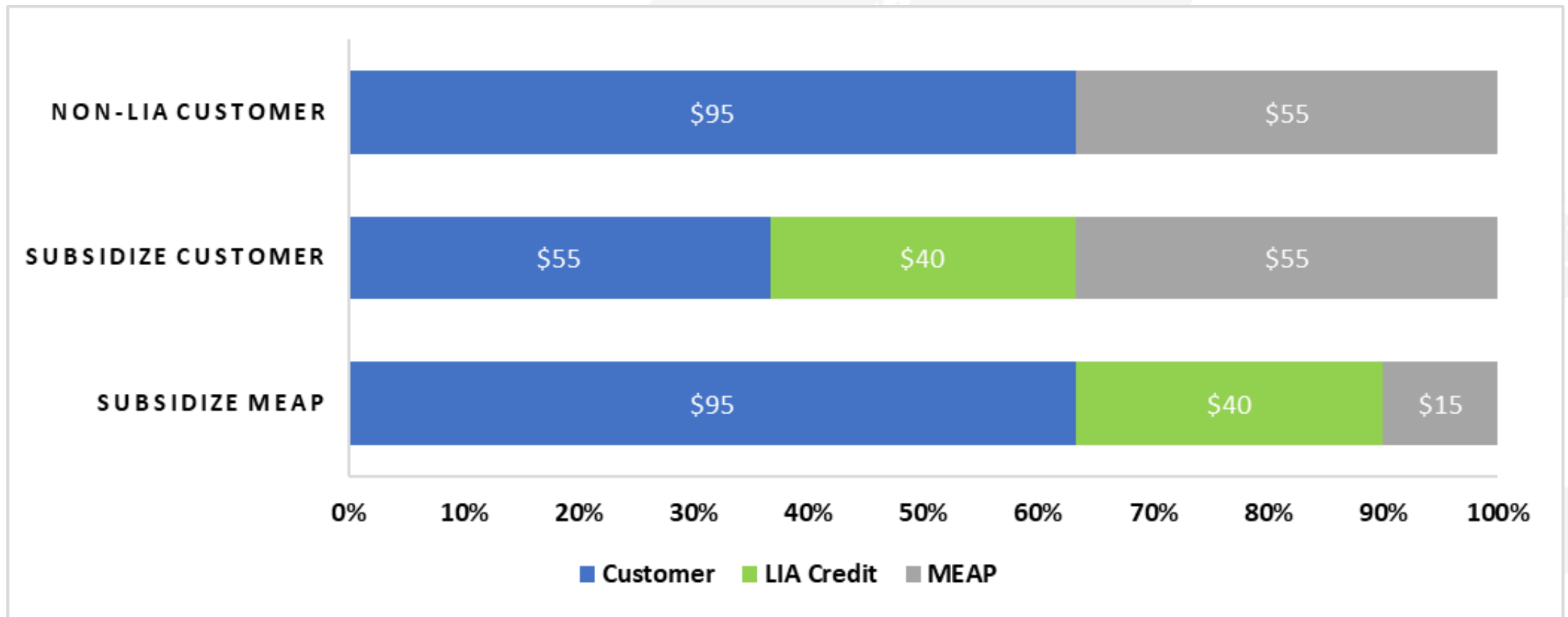
1. Analyze the use and effectiveness of the LIA credit
2. Decide on the best use of the credit
 - We could maintain the current approach
 - We could consider ways of using the credit to further equity or focus on impacted communities
 - We could propose reformatting RIA and LIA
 - Consider MEAP's broader goal of matching service with customer cohorts
3. Determine a clear and consistent approach across utilities
 - Consider utilities with vastly different revenues
 - Consider if an enrollment cap is appropriate
4. Determine what success looks like/if success is appropriate
5. Determine end-date or approval necessities of this pilot
6. Survey to determine support based on types of AAA members
7. File report to the Commission



DTE Report Presentation

Clarity Questions

- ❑ Are all LIA recipients LSP (APP) recipients?
- ❑ Which best demonstrates how LIA-LSP customers' bills are broken down, based on a sample bill size of \$150?



Brainstorm: Goal of Credit

- ❑ Today's intent is not to debate past Commission decisions or testimonies, rather consider the future of this type of assistance.
 - First, will DTE briefly outline the current goal of the credit?
 - Then, the group can share thoughts on what they believe the goal of the credit could/should be going forward.
 - ❑ This discussion could include the RIA too

Please raise your hand before speaking and do not interrupt anyone or debate their ideas. Vetting proposals will come later. Thank you.

Next Steps



Next Meeting:

Continue discussion on LIA credit
Lay out options for the credit



Data:

Data and education materials are on our website and will be used for reference as we analyze affordability and assistance on a macro level this year.



Goals:

Notify us if you have any goals for the group in 2023 or issues that concern you.
We are currently working on directives that have been directed to the EAAC through Commission orders.



Leadership:

Come to us with any concerns or ideas!

Appendix 1: DTE LIA Tariff

12/11/15 U-17767 LIA Tariff

LIA Rate D1.6 Tariff Language Sheet No. D-12.01 from [Canceled Rate Sheets from MPSC#1](#):

Customers who select this pilot rate must qualify for the Residential Service rate D1 and must have been billed by the Company \$1,700 or less over the last 12 months. To qualify for this pilot rate a customer must also provide annual evidence of receiving a Home Heating Credit (HHC) energy draft or warrant, or must provide confirmation by an authorized State or Federal agency verifying that the customer's total household income does not exceed 150% of the poverty level as published by the United States department of health and human services or if the customer receives any of the following: i) Assistance from a state emergency relief program; ii) Food stamps or iii) Medicaid. Service under this rate shall be limited to 32,000 customers.

4/18/18 U-18255 LIA Tariff (currently still in effect)

LIA Rate D1.6 Tariff Language Sheet No. D-12.01 from [Canceled Rate Sheets from MPSC#1](#):

Customers who select this pilot rate must qualify for the Residential Service rate D1. To qualify for this pilot rate a customer must also provide annual evidence of receiving a Home Heating Credit (HHC) energy draft or warrant, or must provide confirmation by an authorized State or Federal agency verifying that the customer's total household income does not exceed 150% of the poverty level as published by the United States department of health and human services or if the customer receives any of the following: i) Assistance from a state emergency relief program; ii) Food stamps or iii) Medicaid. Service under this rate shall be limited to an average of 32,000 customers.

Appendix 2: U-20836 Proposal for Decision pp. 662-663

- ❑ This PFD recommends that the company file a report detailing its current approach to enrolling customers in the LIA credit program, as well as current (2021 and 2022 to date) enrollment data. Once DTE's report is filed, this PFD recommends that the parties engage in discussions through the Energy Affordability and Accessibility Collaborative (EAAC). Among the topics to consider is Staff's recommendation that LIA credits be randomly assigned monthly. In conjunction with that discussion, to provide some continuity for customers, it would be appropriate for the parties to discuss raising the enrollment cap. While a random selection may be best, it is unclear on this record whether that selection must be made monthly as Staff argues, or if there could be an agreed upon time period for enrollment, which would provide opportunity for DTE to coordinate with its LSP program. The other "clarifying" changes DTE and Staff propose appear to be unnecessary to address at this time.
- ❑ Consistent with the general recommendations in this PFD that pilot results should be evaluated before further decisions are made, this PFD finds Staff's analysis persuasive and recommends that potential changes to the LIA credit, including adoption of a PSP-type program, be evaluated through the EAAC.