

# Affordability, Alignment, and Assistance Subcommittee

Elaina Braunschweig (MPSC—Rates and Tariff) [Braunschweig@michigan.gov](mailto:Braunschweig@michigan.gov)

Jamie Curtis (MPSC—MEAP administrator) [CurtisJ14@michigan.gov](mailto:CurtisJ14@michigan.gov)

Kasey Grieco (SWP MEAP Grantee—Asst. Program Manager) [kgrieco@superiorwatersheds.org](mailto:kgrieco@superiorwatersheds.org)

# Agenda

**1.**

**Goals  
Background  
and  
2023 Preview**

**2.**

**Brief Summary of  
Kickoff Meeting**

**3.**

**Continued  
Discussion on the  
LIA Credit**

**4.**

**Next Steps**

# Overarching Charge of the Energy Policy Board

- ❑ 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.

# Shared Goals of the Subcommittee

1. To promote energy affordability.
2. To support program alignment for ease of access and use, effectiveness of administration, and evaluation.
3. To evaluate and improve systems of energy assistance.

# 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



# 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)

# U-20757 5/18/23 Order

“The Commission has reviewed the March 16 report and, in light of the vast recommendations briefly summarized above, finds that an additional opportunity for interested persons to file comments regarding the Staff’s second interim report and recommendations is appropriate.”

“The Commission will accept comments on the Staff’s March 16 report recommendations until 5:00 p.m. (Eastern time (ET)) on June 15, 2023, and reply comments until 5:00 p.m. (ET) on June 29, 2023. Written comments should be mailed to: Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, Michigan 48909. Comments submitted in electronic format may be filed via the Commission’s E-Dockets website, or for those persons without an E-Dockets account, via e-mail to [mpscedockets@michigan.gov](mailto:mpscedockets@michigan.gov). Any person requiring assistance prior to filing comments, may contact the Staff at (517) 241-6180. All comments should reference the above-captioned case, Case No. U-20757.”

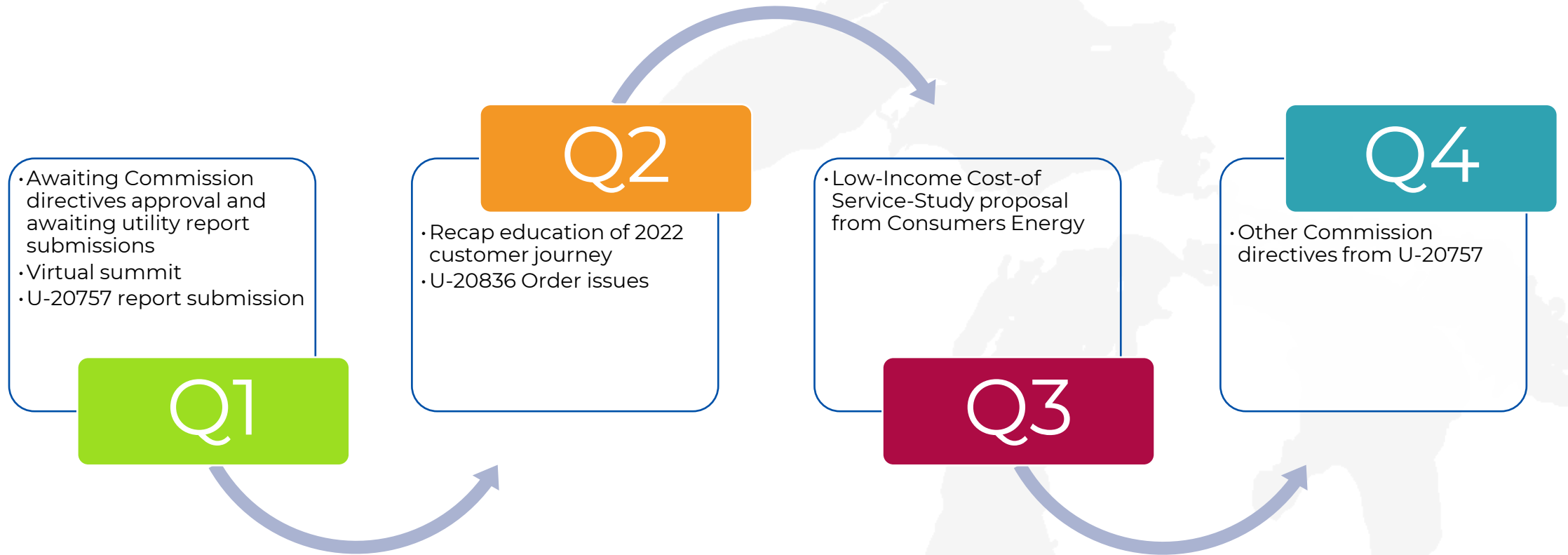
\*Click on link to the U-20757 [docket](#) and the “submit comment” link for electronic comment



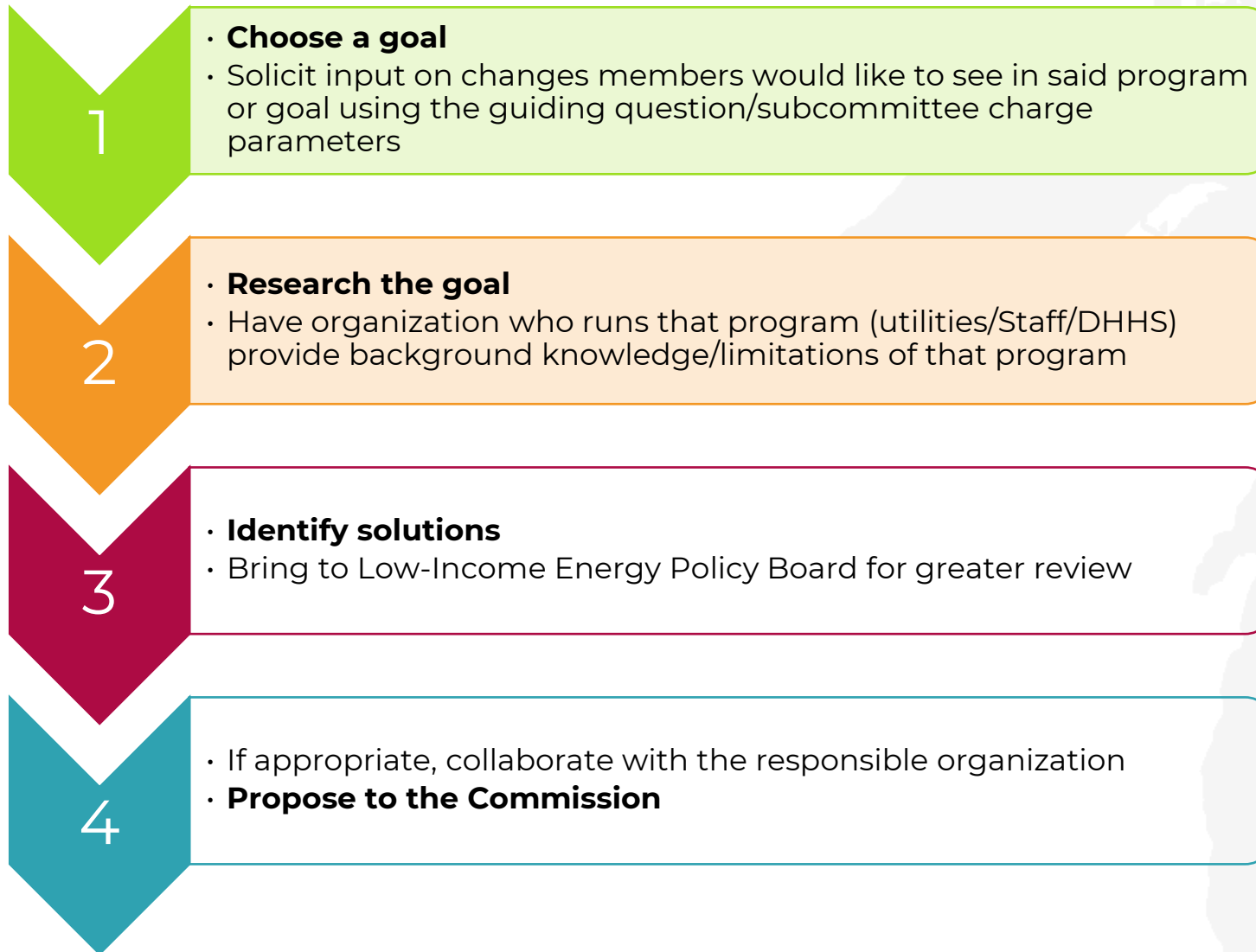
# Accomplishing Goals in 2023- 2024



# Potential Timeline for 2023



# Goals Structure



## Progress

Goal: customer journey

- Recommendations in 2022 U-20757 report

Goal: Do our assistance programs work?

- Data collected
- Connect to affordability standard goal in 2023-4

**Goal: 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.**

# 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.

# 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

# Energy Assistance Summary

- ❑ Low-income customer journey maps available on the [AAA website](#)
  - Various tabs with different approaches to the customer journey
  - Energy Assistance Diagram that shows funding sources for programs and historical amounts of funding
  - Program descriptions tab goes into more detail about each program and includes links to their respective web pages

# Energy Assistance Summary – Point in Time or Ongoing

- Some programs offer point-in-time assistance, and some are ongoing

Point-in-time
<ul style="list-style-type: none"><li>• State Emergency Relief (SER)</li><li>• Home Heating Credit (HHC)</li><li>• Michigan Energy Assistance Program (MEAP)<ul style="list-style-type: none"><li>• One-time assistance</li><li>• Assurance 16 (A16)</li></ul></li><li>• Weatherization Assistance Program (WAP)</li></ul>

Ongoing
<ul style="list-style-type: none"><li>• MEAP<ul style="list-style-type: none"><li>• Affordable Payment Plans (APPs)</li><li>• A16 case management</li></ul></li><li>• Residential Income Assistance Credit (RIA)</li><li>• Low-Income Assistance Credit (LIA)</li><li>• Percentage of Income Payment Plan (PIPP) <i>Note: PIPPs are currently in pilot phase</i></li></ul>

# Energy Assistance Summary – Crisis or Not

- Some are both crisis and income based and some do not require the customer to experience a crisis before seeking assistance

## Crisis Assistance

- SER
- MEAP (must be SER eligible)
  - APP enrollment
  - One-time assistance
  - Assurance 16

## Non-Crisis Assistance

- HHC
- WAP
- RIA/LIA
- PIPP

# Energy Assistance Summary – Federal or Rate-Payer

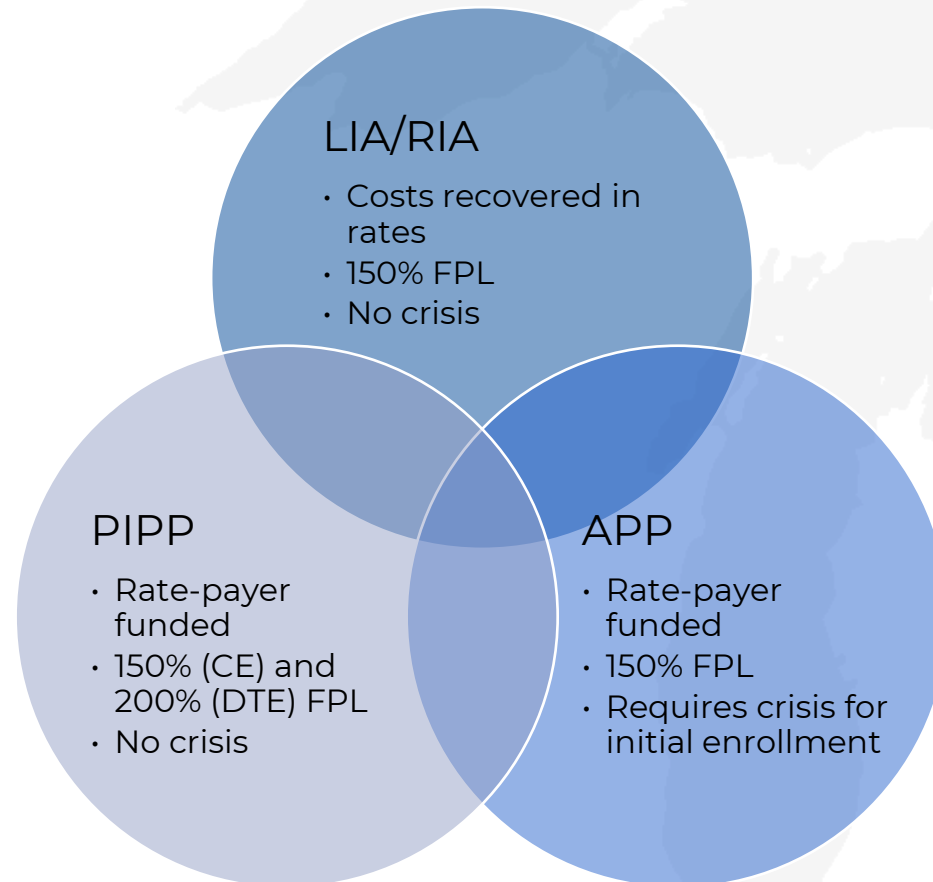
- Some are federally funded and some are rate-recovered or rate-funded programs

Federally Funded	Rate Funded/Recovered
<ul style="list-style-type: none"><li>• LIHEAP</li><li>• SER</li><li>• HHC</li><li>• WAP</li><li>• Assurance 16 (Sent to the MEAP program)</li></ul>	<ul style="list-style-type: none"><li>• RIA/LIA</li><li>• PIPP</li><li>• MEAP</li><li>• APPs</li><li>• One-time Assistance</li></ul>



# Energy Assistance Summary – PIPP, APP, LIA/RIA

- The ongoing assistance programs include PIPPs, APPs, and the LIA/RIA credits



# MEAP-funded Affordable Payment Plan (APP)

- ❑ Currently there are essentially two different types of APPs
  - Flat Rate – 24-month enrollment
    - ❑ Customers make a fixed monthly payment
    - ❑ MEAP agency subsidizes the monthly bill
  - Modified Budget – 24-month enrollment
    - ❑ Customers make a fixed monthly payment based on an annual budgeted amount
    - ❑ MEAP agency subsidizes the budget amount monthly
- ❑ A MEAP workgroup subcommittee is currently in the process of aligning to offer a single type of APP: using the subsidized/modified budget payment plan

# Low Income Assistance Credit (LIA) Pilot Summary

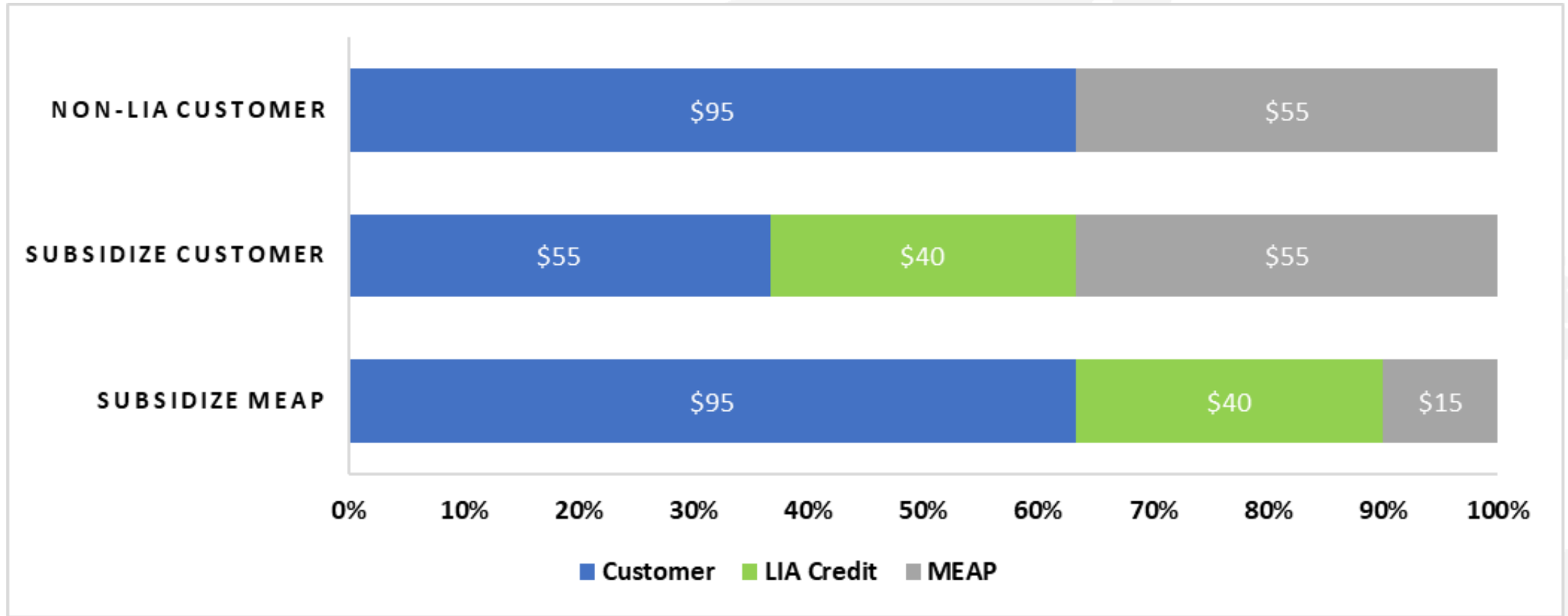
- ❑ **What:** \$40 monthly credit
- ❑ **Why:** DTE proposed the LIA in 2015 to mitigate payment crises and manage DTE uncollectible expense and improve the collection process.
- ❑ **Who:** About 70% non-LSP customers and 30% LSP
- ❑ **How:** Company chooses the recipients, LSP customers' credit is applied to the MEAP agency to allow more customers to receive the affordable payment plan.
- ❑ **Impact:** Mostly tied to the outcomes of the LSP

# Recap of DTE's Presentation and Discussion

- ❑ Unspecified by the Commission besides approving DTE's LIA proposal where their stated goal was:
  - **“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)
- ❑ Recognizing that this can't solve all energy burden issues, because that cost would be a large burden on other ratepayers.
- ❑ Who could this LIA work best for to reduce the person's balance? Where does this credit have the most impact? Likely not best administered randomly.
- ❑ Pairing with LSP helps serve a segment of customers who are well-supported and engaged in their energy consumption and good at reaching out for assistance.

# Clarity on Customer Bill

- The LIA+LSP customer's bill is similar to the "subsidize MEAP" bill example below



# Q&A on the use of the LIA with DTE

- ❑ How has the credit been applied to non-LSP (APP) customers?
  - Which groups, if any, are prioritized to receive the credit?
    - ❑ *Historically, seniors receiving RIA*
    - ❑ *Sometimes call-ins (who could potentially also get DTE gas LIA)*
    - ❑ *Not many options to prioritize other customers*
      - *In future, potentially could prioritize those with high arrears*
        - ❑ *There are just better options for reducing arrears*
  - What percentage of LIA customers are also LSP customers
    - ❑ *About 28% of total LIA*
    - ❑ *Looking into percentage breakdown of other LIA recipients*

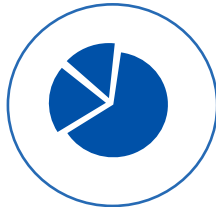
- ❑ How are the customers benefitting from the LIA?
  - LSP customers vs. non-LSP
    - ❑ *Still need to look into this, such as: EWR uptake, graduation rate, self-sufficiency and % that return to LSP post-graduation.*
  - Positive outcomes
    - ❑ *Want to look into disconnects and payment behaviors to compare subsets of LIA customers*
    - ❑ *81% of LSP customers are not disconnected*
  - How do other ratepayers benefit from this cost/program?
    - ❑ *Besides uncollectible expense being reduced, it may also be knowing for a small fee, you can help LI customers*
  - How does the Company benefit from this program?
    - ❑ *Similar as benefits for customers*

# 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: Energy Assistance Summary

- ❑ RIA credit=equal to monthly customer charge. Automatically applied when customer receives other energy assistance (SER, HHC, MEAP). Can also self-attest
- ❑ LIA credit=\$30-\$40 monthly credit. Applied at company's discretion. Generally given to APP customers to offset MEAP agency's portion of the subsidized bill. Can't receive RIA and LIA together

\*See the Customer Journey document linked on the AAA website for more assistance and protections information

# Appendix 2 cont.: Energy Assistance Summary

- ❑ MEAP: Michigan Energy Assistance Program
  - \$50M collected through the LIEAF surcharge to fund APPs and self-sufficiency services through community agencies
- ❑ APP: the MEAP Affordable Payment Plan
  - LSP: DTE's APP
  - CARE: Consumers' APP
  - MAP: Semco's APP
  - EASE: UPPCO APP
  - Others

# Appendix 3: Bill Example

For Service at [REDACTED]

## DTE Electric Company Residential Electric Special Low Income

### Current Charges

#### Power Supply Charges

Power Supply Capacity Charge	561 KWH @ 0.045000	25.25
	525 KWH @ 0.064840	34.04
Power Supply Non Capacity Charge	1086 KWH @ 0.041760	45.35
Power Supply Cost Recovery	1086 KWH @ 0.006650	7.22
Other Power Supply Volumetric Surcharges		-0.18

#### Delivery Charges

Service Charge		7.50
Distribution	1086 KWH @ 0.066110	71.80
LIEAF Factor		0.87
Special Low Income Credit		-40.00
Other Delivery Volumetric Surcharges		8.65
Residential Michigan Sales Tax		7.99

**Total DTE Electric Company Current Charges 168.49**

### Other Charges and Credits

Gap Payments THAW Funds Credit - 113.49

**Total Other Charges and Credits - 113.49**

**Total Current Charges 55.00**

### Current Billing Information

Service Period	Jul 2, 2022 - Aug 3, 2022
Days Billed	33
Meter Number	[REDACTED]
Meter Reading	38808 Actual - 39894 Actual
KWH Used	1086
Your next scheduled meter read date is on or around SEP 1, 2022	

### Usage History - Average per day

	Current Month	Last Month	Year Ago
KWH Usage	32.9	28.2	21.6
Change		17%	52%