

# Affordability, Alignment, and Assistance Subcommittee

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# Agenda

**1.**

**Goals  
Background  
and  
2023 Preview**

**2.**

**Summary of LIA  
Discussions**

**3.**

**Discuss LIA Credit  
Success and  
Purpose**

**4.**

**Next Steps**

# Overarching Charge of the Energy Policy Board

1

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.

2

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.”

3

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.

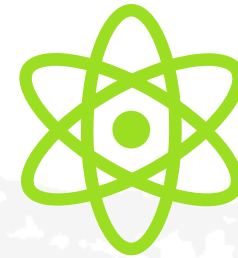
# Shared Goals of the Subcommittee



To promote energy affordability.



To support program alignment for ease of access and use, effectiveness of administration, and evaluation.



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)

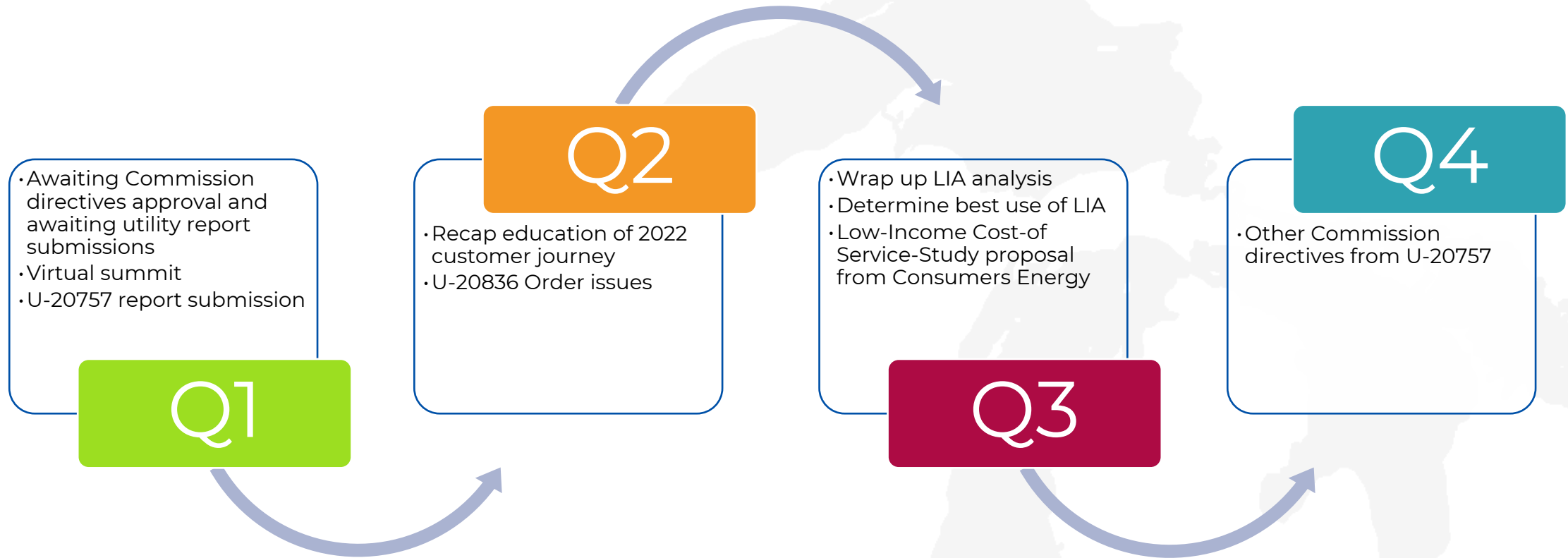
Develop a proposal for an energy affordability standard and how the standard can be integrated into the regulatory environment.

- 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)

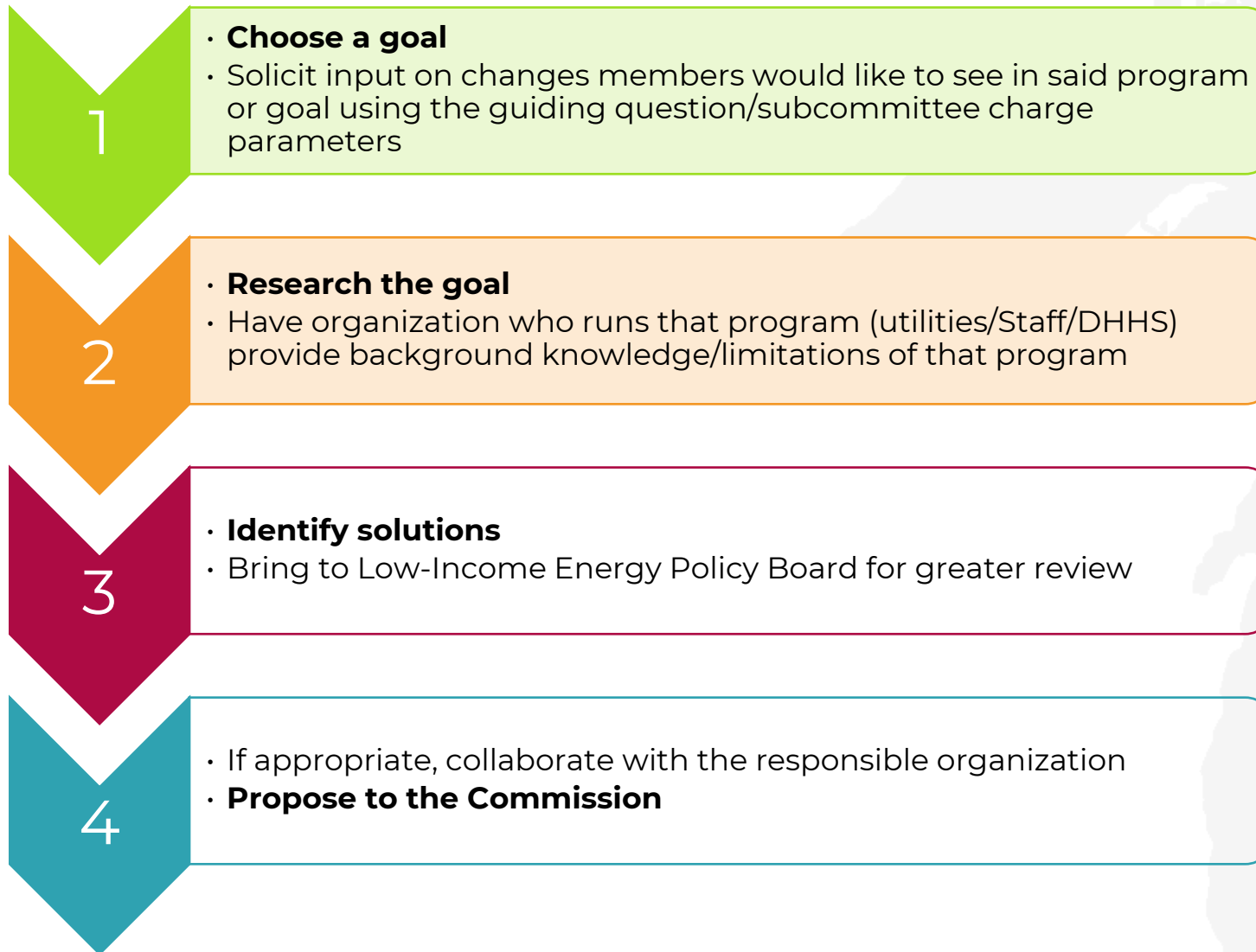
# Accomplishing Goals in 2023- 2024

# 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



**Analyze the use and effectiveness of the LIA credit**



**Decide on the best use of the credit**

We could maintain the current approach

We could consider furthering equity or focus on impacted communities

We could propose reformatting RIA and LIA

Consider MEAP's broader goal of matching service with customer cohorts



**Determine a clear and consistent approach across utilities**

Consider utilities with vastly different revenues

Consider if an enrollment cap is appropriate



**Determine what success looks like/if success is appropriate**



**Determine end-date or approval necessities of this pilot**



**Survey to determine support based on types of AAA members**



**File report to the Commission**

# Summary of our Discussions

- ❑ April meeting
  - Reviewed DTE's goal and broad use of the LIA credit
- ❑ May meeting
  - Reviewed customer journey maps: how customers move through the energy assistance landscape
  - Discussed positive outcomes of the LIA credit
  - Dove deeper into LIA recipients: LSP (APP) vs. non-LSP
- ❑ June meeting
  - Reviewed survey results
  - DTE answered questions on how customers receive energy assistance
  - DTE also elaborated on the bill impact of LIA+LSP customers

\*PowerPoints and meeting recordings can be found on the AAA [website](#)

# Authorizing Legislation: MCL 460.11 (2)

“Notwithstanding any other provision of this act, the commission may establish eligible low-income customer or eligible senior citizen customer rates. Upon filing of a rate increase request, a utility shall include proposed eligible low-income customer and eligible senior citizen customer rates and a method to allocate the revenue shortfall attributed to the implementation of those rates upon all customer classes. As used in this subsection, ‘eligible low-income customer’ and ‘eligible senior citizen customer’ mean those terms as defined in [section 10t.](#)”

# What is the Purpose of the Credits?

- ❑ If the LIA credit is meant to provide more assistance than the RIA credit, does that mean:
  - To provide it on a system wide level (provide more people with APP)
  - To provide it on an individual level as an additional credit to the customer to lower the APP customer's bill even further than the MEAP subsidy.
- ❑ Should LIA recipients be:
  - Selected randomly
  - Selected from a subset of customers that haven't been considered?
    - ❑ Under 20% FPL, over consumption level, not enough payment history
- ❑ Have customers been asked what they need/want?
  - How would this type of outreach be performed?
- ❑ If there's no clear answer, what should the purpose of the credit be?

# Crisis Cycling: Assessing Success?

- ❑ Crisis cycling, as defined by the AAA, is when a customer receives energy assistance and once again finds themselves in a crisis situation (receiving a past due notice).
- ❑ Utilities provided crisis-cycling data (on the AAA [website](#)) last year to inform efficacy of energy assistance going forward.
  - The AAA did not request LIA/RIA-specific data.
- ❑ To determine LIA success and crisis-cycling, what questions do we want data to answer?
- ❑ Is minimizing crisis cycling the determination of LIA success?
  - If not, what is, or what do you think success should be?

# Pain Points: LIA



Seems there are more groups and organizations in the cities. What are rural residents' equivalent?



Administering it to LSP customers, but using it to reduce their MEAP payments, rather than the customers' payment amounts seems as though it doesn't have a palpable impact on customers' bills.



Do not know if all low-income households are identified and accessing the credit.



It appears to be completely funded by customers, which potentially limits its expansion (either for an increase in dollars given or number of recipients). I would be interested in having more serious discussion about how DTE views this program and if it is interested in expanding it, and then figuring out how to do that.



Consider equity in benefit vs. equity in burden.



# Next Steps



## **Next Meeting:**

Continue discussion on LIA credit  
Determine success and purpose of 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!