

Affordability, Alignment, and Assistance Subcommittee 8/1/2023

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*Meeting presentations, recordings, and materials are shared on the EAAC website in the [AAA section](#)

Agenda

1.

**Goals
Background
and
2023 Preview**

2.

**Review RIA/LIA
Enrollment
Process**

3.

**Review and
Discuss LIA Credit
Reform Options**

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)

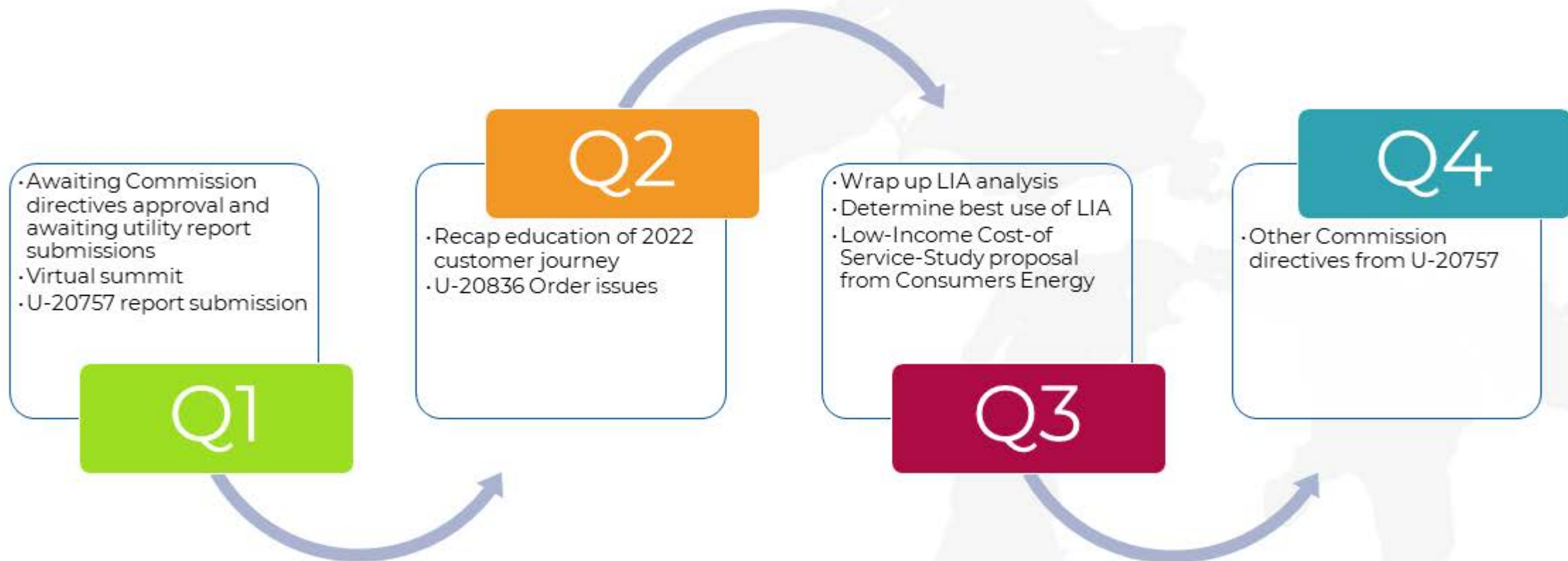
Develop a proposal for an energy affordability standard and how the standard can be integrated into the regulatory environment.

- 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.

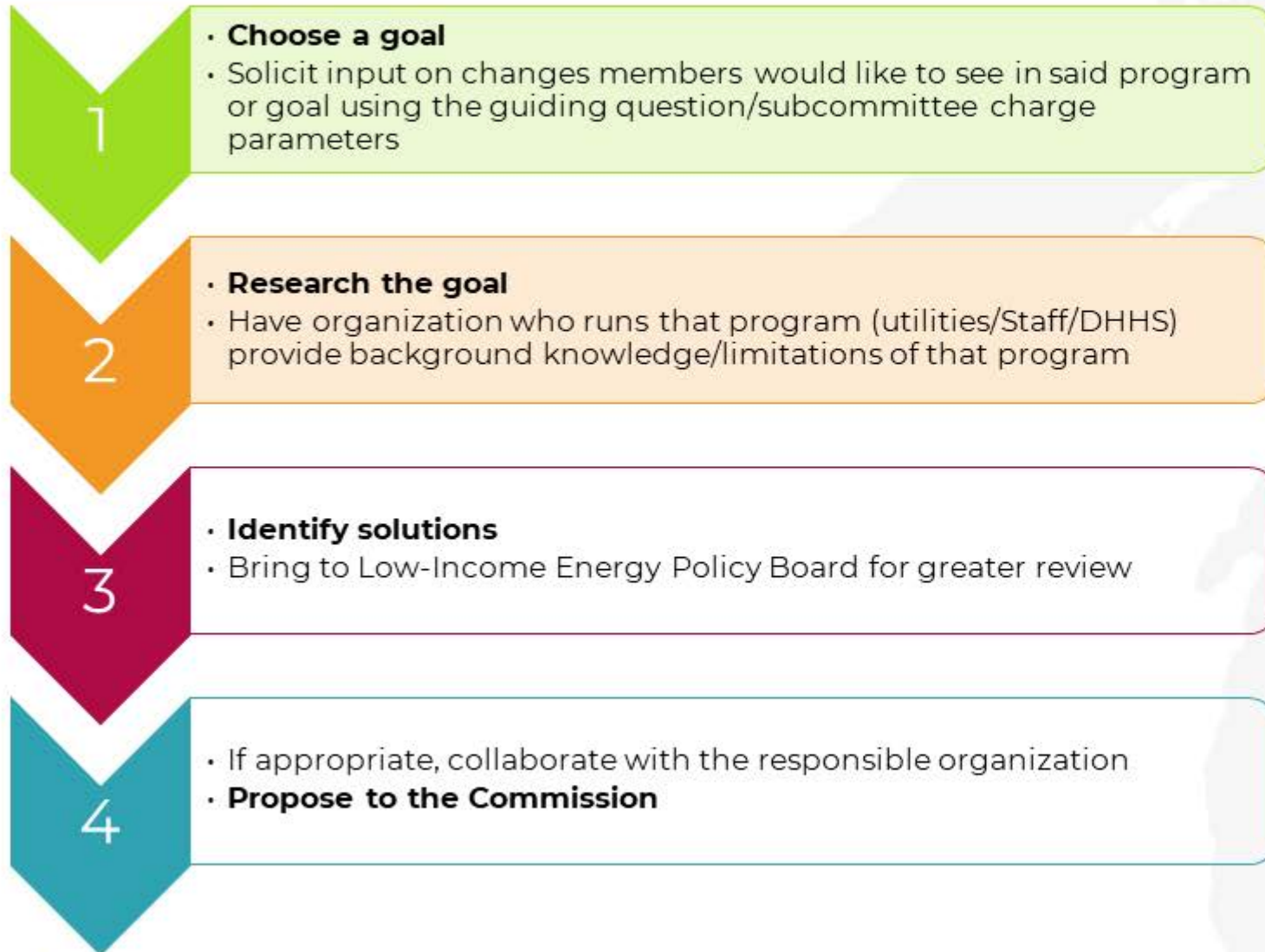
Evaluate and make recommendations regarding PIPPs. (2024)

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



Potentially 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



LIA Reform Proposals Could Impact the Enrollment Process

Let's review how RIA/LIA
enrollment occurs

RIA Enrollment Process

MDHHS: Customer at or below 150% FPL applies for and receives a SER after receiving a past due energy bill notice.

Treasury: Customer at or below 110% FPL fills out the supplemental tax form to receive the HHC

Customer info and bill payment assistance amount is sent to the customer's utility to apply a payment/credit to their bill.

All SER/HHC customers with participating utilities automatically receive additional RIA bill reduction equal to the amount of the monthly service charge (~\$5-\$16) for the next 12 months.

• After 12 months, the customer will need to either receive a new SER/HHC or self-attest to being income-eligible to continue receiving the credit.

For select utilities, a limited number of company-selected customers are chosen to receive the LIA instead of the RIA to provide greater payment assistance (\$30-\$40/month).

RIA Self-Attestation Process

Customer reaches out to their participating utility and requests the RIA.

Participating utilities are required to offer a self-attestation form and may request eligibility proof.

- 150% or below the FPL, Medicaid, SNAP, SER, HHC, MEAP

Approved customers with participating utilities receive RIA bill reduction equal to the amount of the monthly service charge (~\$5-\$16) for the next 12 months.

- After 12 months, the customer will need to either receive a SER/HHC or self-attest to being income-eligible to continue receiving the credit.

For select utilities, a limited number of company-selected customers are chosen to receive the LIA instead of the RIA to provide greater payment assistance (\$30-\$40/month).

Key Takeaways:

- ❑ Anyone who is identified as eligible for the RIA receives it
- ❑ RIA eligibility determination is simple if a customer already applied for and received SER or HHC.
 - Data release/privacy prevents auto-enrollment for Medicaid and SNAP recipients.
 - Some SER applicants are RIA-eligible but not SER-eligible
- ❑ Utility personnel costs are greater when RIA/LIA customer eligibility is confirmed through self attestation.
 - Self-attestation increases accessibility and decreases customer application burden
 - Many customers do not want utilities to hold personal data
- ❑ How are customers being notified when their RIA is about to expire? And do they know how to handle that?

Today's Discussion: LIA Reform

*In separate Word document

Reminders Before our Discussion



Use the raise hand function
in Teams to speak



Be respectful of diverse
input



Reserve dissent until we
discuss “drawbacks” in the
Word document

Initial LIA Reform Options

Option 1

- Prioritize LIA enrollment for specific customer groups:
- Those ineligible for MEAP services, SER or PIPPs
- Eligible low-income customers who further Justice 40 initiatives
- Based on income levels

Option 2

- Provide a single credit that potentially amounts to somewhere between the RIA and LIA credit amounts and is tied to inflation or rate increases.
- Regulatory assets/liabilities could help allay concern for unprecedented increases in the credit
- Discuss if enrollment would be capped

Option 3

- If the PIPP pilot results indicate sufficiently beneficial outcomes:
 - Eliminate the RIA and LIA
 - A PIPP or percentage payment plan could be approved on a more permanent basis
 - If costs don't significantly exceed RIA/LIA costs
 - And we can serve the same number of customers

Next Steps



Next Meeting:

Dependent on today's discussion.



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: 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](#).”

Appendix 2: 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?

