Affordability, Alignment, and Assistance Subcommittee 2/4/2025

Elaina Braunschweig (MPSC—Rates and Tariff) Braunschweige@michigan.gov
Mary Wilkins (MPSC—Customer Assistance Division) WilkinsM3@michigan.gov
Kasey Grieco (SWP MEAP Grantee—Asst. Program Manager) kgrieco@superiorwatersheds.org

MPSC
MICHIGAN PUBLIC SERVICE COMMISSION

*Meeting presentations, recordings, and materials are shared on the EAAC website in the AAA section

Agenda

1

Review Subcommittee Charge and Goals

2

Low-Income Customer Journey Level-Setting

3

DTE Percentage of Income Payment Plan Pilot Report Presentation

4

Discussion and Next Steps

Goals of the Low-Income 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. U-20757.

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 shared goals 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

*Established by AAA members in September 2021

2023 & 2025 AAA Charge

Charge to the EAAC AAA Subcommittee

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

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

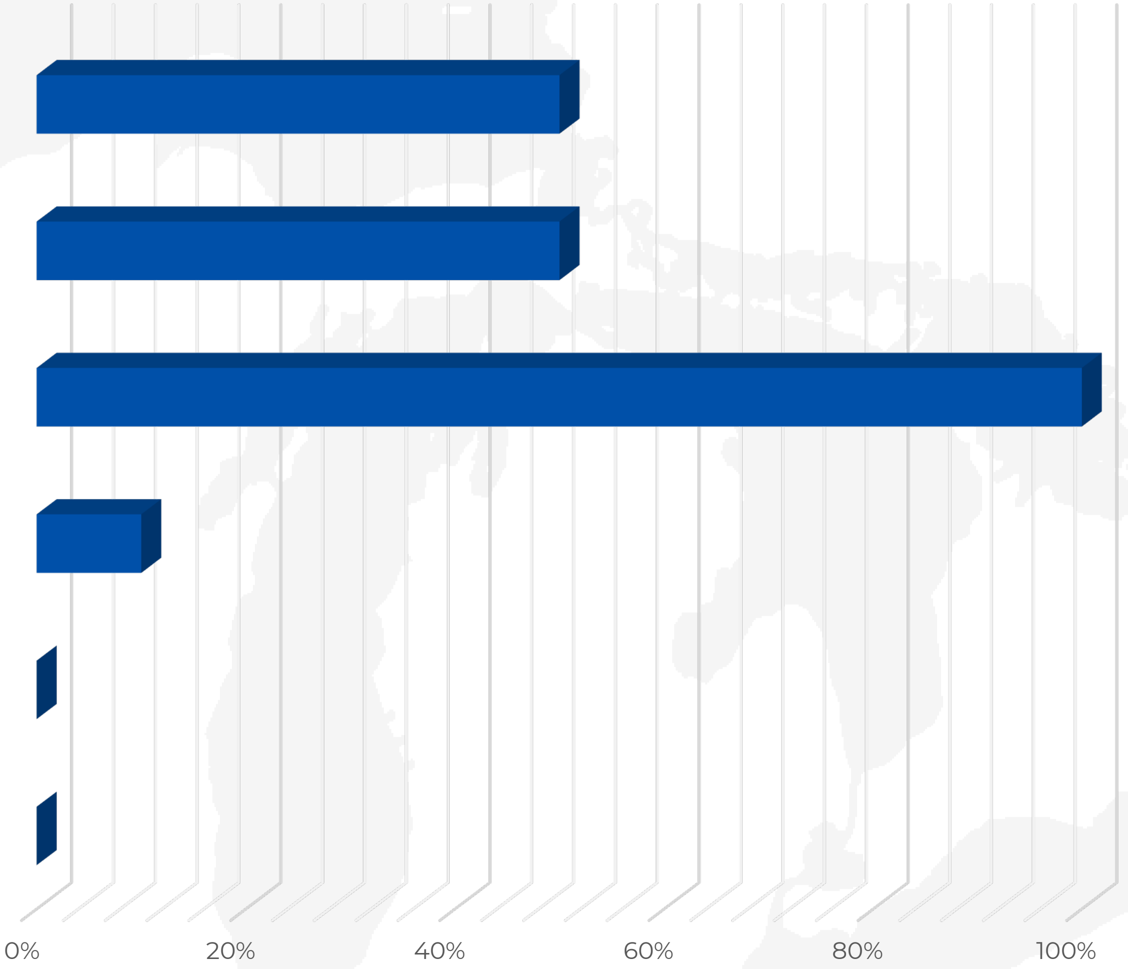
Evaluate the feasibility of a low-income customer subclass in the Cost-of-Service-Study (COSS)

Evaluate and make recommendations regarding Percentage of Income Payment Plans.

Propose an energy affordability standard for integration into the regulatory environment.

Determine the best fulfillment of MCL 460.11(2)

Progress



Low-Income Customer Journey Level-Setting

MPSC
MICHIGAN PUBLIC SERVICE COMMISSION

Michigan Funding for Energy Affordability

Federal Funds

Department of Energy (DOE) Administered by MDHHS

- Weatherization Services
- Community Action Agencies

Low-Income Home Energy Assistance Program (LIHEAP) Administered by MDHHS

- Weatherization Services
- Home Heating Credit (HHC)
- State Emergency Relief (SER)
- Assurance 16 (A16) Self-Sufficiency Services

Ratepayer Funds

Low-Income Energy Assistance Funds (LIEAF) Administered by MPSC

- Michigan Energy Assistance Program (MEAP) Affordable Payment Plans (APPs)
- Michigan Energy Assistance Program (MEAP) Crisis Payments
- Human Service Grantees

Utility Based Credits

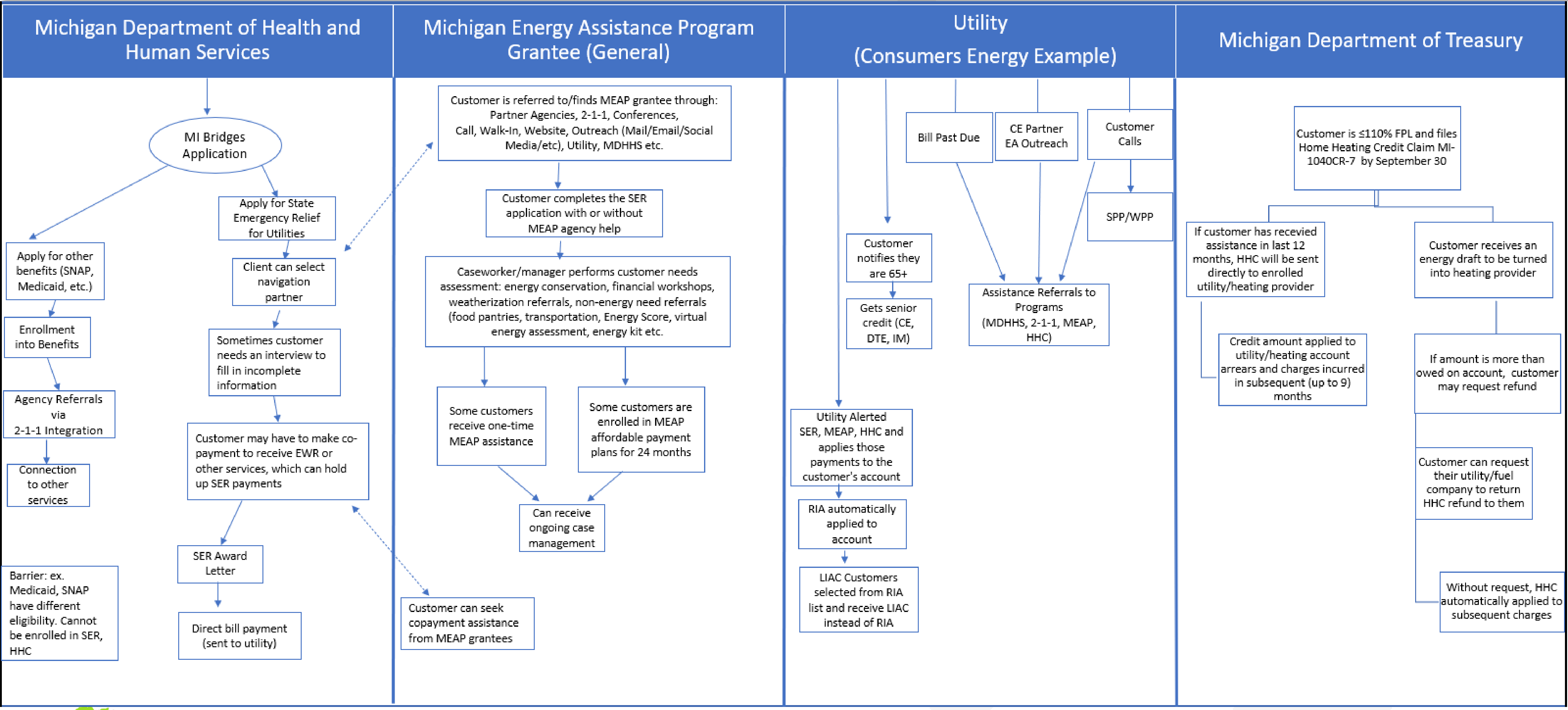
LIA and RIA Credits

- Low-Income Assistance Credits (LIA)
- Residential Income Assistance Credits (RIA)

Utility Based Energy Waste Reduction

- Energy Conservation Services
- Contractors

Comprehensive Customer Journey



MPSC
MICHIGAN PUBLIC SERVICE COMMISSION

DTE PIPP Report

Filed in MPSC Case No. U-20929

MPSC
MICHIGAN PUBLIC SERVICE COMMISSION

DTE PIPP Program:

Report Out and Recommendations

(Affordability, Alignment & Assistance Subcommittee)

February 4, 2025

Executive Summary

- DTE takes a very active leadership role in advocating for our vulnerable customers
- From 2022-2024 a Percentage of Income Payment Plan (PIPP) was offered
- During the design phase of the PIPP program, DTE conducted benchmarking with other states to learn about best practices and programs already in place
- DTE’s PIPP pilot program is called the Payment Stability Plan (PSP), and it was designed to address energy burden challenges for households up to 200% of the Federal Poverty Level
- When comparing the outcomes of the PSP program to LSP, the results were largely similar in terms of performance and cost. However, the PSP program demonstrated a significantly lower disconnect rate than LSP and RIA
- The Company recommends reallocating both the RIA and the LSP funds into a relaunched PSP program
    - Implementation of a relaunched PSP program would occur over a period of two fiscal years to allow for change management with impacted parties and customers
    - The company’s proposal of reallocating funding from RIA and LSP into a relaunched PSP program would provide for 42k PSP enrollments in the future state
    - Reallocating funds from RIA and LSP into PSP is neutral from a customer bill impact perspective and overall bill impacts for low-income programs remains significantly lower than that of Ohio
- DTE is a strong advocate for the PIPP model, which enhances bill affordability by aligning costs as a percentage of a customer's income. This approach effectively addresses affordability challenges, ensuring service stability for those in need

DTE takes a very active leadership role in advocating for our vulnerable customers

- The Company is an active leader in energy assistance efforts at the State and Federal levels
  - State MEAP legislation advocacy & action day
  - Federal LIHEAP action day
  - Community partnerships (THAW, United Way, MCAA, SVDP, Salvation Army, True North, etc.)
  - State agency collaborations (MPSC Staff & MDHHS)
  - Board service (NEUAC, THAW, United Way)
  - Community partner energy assistance training program

- Additionally, we have a robust network of pathways to reach our customers about available energy assistance
  - DTE-hosted neighborhood pop-ups
  - Community resource fairs and open houses
  - Outreach via neighborhood block clubs, homeowners' associations, and faith-based organizations
  - Outbound communications – Digital, Social Media, Phone calls for energy assistance, annual energy assistance brochure, 2-1-1 referral process

Several energy assistance options are available for our vulnerable customers. In accordance with Commission orders, from 2022-2024 a Percentage of Income Payment Plan (PIPP) was offered

- In response to the Michigan Public Service Commission (MPSC) orders in case numbers U-20561 and U-20929, DTE Energy administered a Percentage of Income Payment Plan (PIPP) called the Payment Stability Plan (PSP) pilot from 2022 to 2024

- PSP program enrollments and administration was performed by DTE and set monthly customer payments at affordable stable levels equivalent to a percentage of income (with monthly arrears forgiveness for on-time customer payments)

- DTE also offers other forms of energy assistance:

  – Low-Income Self Sufficiency Plan (LSP) – An affordable payment plan with monthly customer payment amounts based on income & consumption (with arrears forgiveness)

    - This program was replaced by LSP Modified (LSPM) beginning in October 2024

  – LSP Modified (LSPM) – An affordable payment plan with monthly customer credit amounts based on income & consumption (with arrears forgiveness)

  – Low-Income Assistance (LIA) Credit – A flat monthly credit amount of $50 for Electric and $40 for Gas for income qualified customers (previously Electric was $40)

  – Residential Income Assistance (RIA) Credit – A flat monthly credit amount of $8.50 for Electric and $14.50 for Gas for income qualified customers

During the design phase of the PIPP program, DTE conducted benchmarking with other states to learn about best practices and programs already in place

- The most in-depth benchmarking was conducted with the State of Ohio
- Ohio was selected as DTE's strongest benchmark partner as it has one of the most extensive PIPP programs in the Midwest, as well as similar weather patterns and customer demographics to Michigan
- This study informed us of a percentage of income approach to assist income-qualified customers with both arrears forgiveness and targeted affordable energy burden levels

Elements of the Ohio PIPP Program	
Income Eligibility	≤ 175% FPL
Arrears Forgiveness	1/24th arrears forgiveness with on-time and in-full payments
Funding Mechanism	• Subsidized by a rider ($5.37/month bill impact on average per customer) • Regulated by the Public Utilities Commission of Ohio
Consumption Cap / Arrears Cap	There is no consumption cap or arrears cap for eligibility
LIHEAP	• Enrolled customers must be approved for Ohio HEAP • Ohio has aligned these programs for ease to the customer at 175% FPL
Enrollment Process	Annual agency enrollment (year-round)
Participation Rate	238,000 households at a cost of $1,546 per customer (after HEAP payment)
Burden Factor %	• 5% of income for Electric and/or Gas • Electric-only households:10% of income • Minimum payment is $10 per month

DTE's PIPP pilot program is called the Payment Stability Plan (PSP), and it was designed to address energy burden challenges for households up to 200% of the Federal Poverty Level

- DTE's PSP plan provides customers a flat, affordable monthly payment amount equal to 6% of gross income (for a single commodity) or 10% of gross income (for a dual commodity)
- To be eligible for DTE's PSP program, customers were required to have arrears of less than $1500, annual consumption of less than $3750, and meet the FPL eligibility cap of less than or equal to 200%
- With each on-time payment made by the customer, 1/24th of the starting arrears were forgiven
- Additionally, if the customer made 11 consecutive on-time and in-full payments, the 12th payment was automatically credited to the customer's account

Payment Stability Plan (PSP) Overview

Utility	Plan Amt Percentage of Gross Income
Single Commodity	6%
Dual (Gas & Electric)	10%

Eligibility Requirements

• Arrears ≤ $1,500 • Annual Consumption ≤ $3,750	• Federal Poverty Level ≤ 200%

Monthly Arrears Forgiveness	On Time Payment Benefit
• 1/24th of Starting Arrears • Triggered by customer payment	• 1 plan amount credit applied at the 12th month

Energy Waste Reduction (EWR) enrollment

- Enrollees would receive wrap around energy services and education through the EWR program.

Missed Payments

- Custom re-enrollment process if customer misses 3 payments (See below for more details)

DTE

More than 30,000 customers were invited to apply for the PSP program, with 2,141 ultimately enrolled

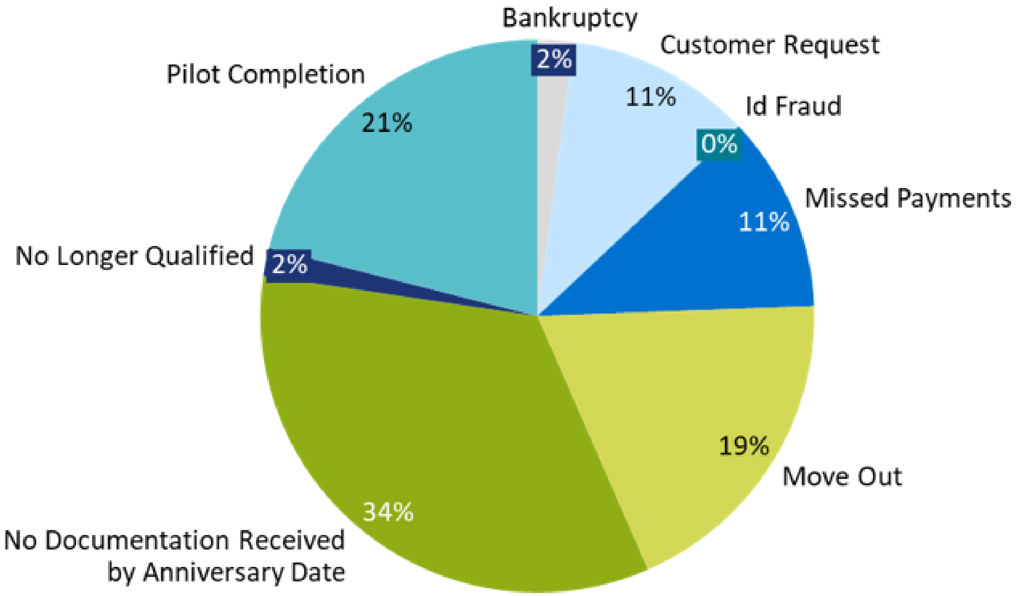
- For the Payment Stability Plan Pilot (PSP), more than 30,000 potentially eligible households were invited to apply for PSP via letters, emails and phone calls
- Applicants deemed to meet eligibility requirements were entered into a pool for random selection
- The table below outlines the disposition of customers who applied for PSP; in total, 3,218 applicants responded, or approximately 10% of those customers that were solicited

Customer Status	Respondent Count	Respondent Percentage
Applied, Qualified and Enrolled in PSP	2,141	67%
Applied, Qualified and Included in Control Group	240	7%
Applied and Did Not Qualify	837	26%
Total	3,218	100%

DTE

Throughout the two-year pilot, PSP participants were removed from the program for a variety of reasons; including a customer-initiated request or the maximum number of missed payments

- 34% of PSP customers were de-enrolled due to failure to revalidate after the first year of participation
- The Company took extensive outreach measures to assist PSP participants in maintaining their enrollment and sustaining their energy security
- A one-time courtesy was extended to all customers who missed the equivalent of three payments and were de-enrolled. If such participants submitted their payment within thirty (30) days of removal, they would be automatically re-enrolled in PSP



When comparing the outcomes of the PSP program to LSP, the results were largely similar in terms of performance and cost. However, the PSP program demonstrated a significantly lower disconnect rate than LSP

- Key metrics include disconnect rate, on time payment rate, NPS (customer satisfaction) score and cost

Outcome Metrics			
	LSP	**LSPM***	**PSP***
Disconnect Rate (within 12 months of program default)	22%	7%	10%
Disconnect Rate (within 12 months after successful graduation)	7%	TBD	0.5%
On Time Payment Rate: Pre Plan	74%	61%	89%
On Time Payment Rate: 1-12 Months	91%	89%	91%
On Time Payment Rate: 13-24 Months	80%	TBD	74%
NPS (Customer Satisfaction) Score	37	43	43
Cost	$1,172	TBD	$1,229
Enrollment Count	21,761 (963 sampled accounts were utilized for time period comparison)	1,126	2,141
Default Rate (Due to Non-Payment)	47%	32%	11%
Consumption (kWh/CCF): Pre Plan	711/96	799/97	657/97
Consumption (kWh/CCF): 1-12 Months	758/103	966/82	677/99
Consumption (kWh/CCF): 13-24 Months	735/99	TBD	597/86

* LSPM was launched in October 2024 and PSP was closed in June 2024.

PSP disconnect rates are considerably lower than that of LSP & RIA and are comparable to that of LIA

- One of the strongest measures of successful outcomes for energy assistance programs is disconnect rate
- DTE measured the disconnect rates for LSP & PSP after program default and after successful graduation
- LIA and RIA disconnect rates were measured for those customers that did not also receive LSP benefits.
- LSPM data is not included below as the program was recently launched in October 2024
- The control group represents identified low-income customers that are not receiving any form of energy assistance

	Program (measurement)	**Disconnect Rate**
1	LSP (within 12 months of program default)	22%
2	LSP (within 12 months after successful graduation)	7%
3	PSP (withing 12 months of program default)*	10%
4	PSP (within 12 months after successful graduation)*	0.5%
5	LIA (while receiving LIA and other energy assistance excluding LSP)	10%
6	RIA (while receiving RIA and other energy assistance excluding LSP)	20%
7	Control Group	14%

* PSP was closed in June 2024.

Based on the significantly lower disconnect rate for PSP and the comparable performance on other key metrics, the Company recommends reallocating both the RIA and the LSP funds into a relaunched PSP program

Rationale:

- This reallocation would accomplish the shared goal of streamlining programs while also migrating funds from a program that is not effective at preventing disconnect to a program that is
- Reallocating funds from RIA and LSP into a relaunched PSP program creates a rates-neutral approach that will benefit not only our income-challenged customers but also the broader customer base

Proposal Details:

- The Company would partner with our network of state and community agency partners to implement a relaunched PSP program and to develop a targeted customer approach
- The proposed program would be structured in the same fashion as the prior version of PSP in terms of the eligibility criteria, program design, consumption caps (to keep program costs low), payment amounts, etc.
- Additionally, the MEAP program and eligibility requirements, such as the new 60% SMI (State Median Income) eligibility criteria, would be woven into a relaunched PSP program
- Another proposed change is that the Company would suggest changing the enrollment administrator from the Company itself to its network of agency partners (THAW, United Way, Salvation Army, etc.) through the MEAP program
- MEAP One-Time Assistance (non-LSP) would not be reallocated under this proposal. The Company’s proposal is that the same allocation of MEAP dollars that currently supports LSP (50%) would be utilized to support a relaunched PSP program in the future
- Furthermore, the Company proposes that the LIA program continues as a stand-alone program, given its comparably low disconnect rate

Implementation of a relaunched PSP program would occur over a period of two fiscal years to allow for change management with impacted parties and customers

<u>Proposal Timeline:</u>

- To support the necessary change management required to ensure a seamless transition for our customer and agency partners, we recommend a gradual conversion from RIA and LSP to PSP to occur over the course of two fiscal years.
  - New LSP reenrollments would not occur after the first fiscal year that this proposal is adopted. As existing LSP plans phase out, new enrollments would be directed toward PSP.
  - For the RIA program, funding levels (and enrollments) would be reduced by 50% in the first fiscal year that this proposal is adopted and the remaining 50% would be reduced in the subsequent year. This phased approach would allow RIA funding to begin being reallocated to PSP without eliminating the program immediately. Impacted customers would be directed to apply for PSP or other assistance programs.

Fiscal Year 0

- Current state
- Proposal adopted for subsequent year
- Change management activities (State, Utility, Agency, Customer)

Fiscal Year 1

- No new LSP enrollments
- 50% reduction in RIA enrollments and funding
- PSP enrollments begin as funding allows

Fiscal Year 2

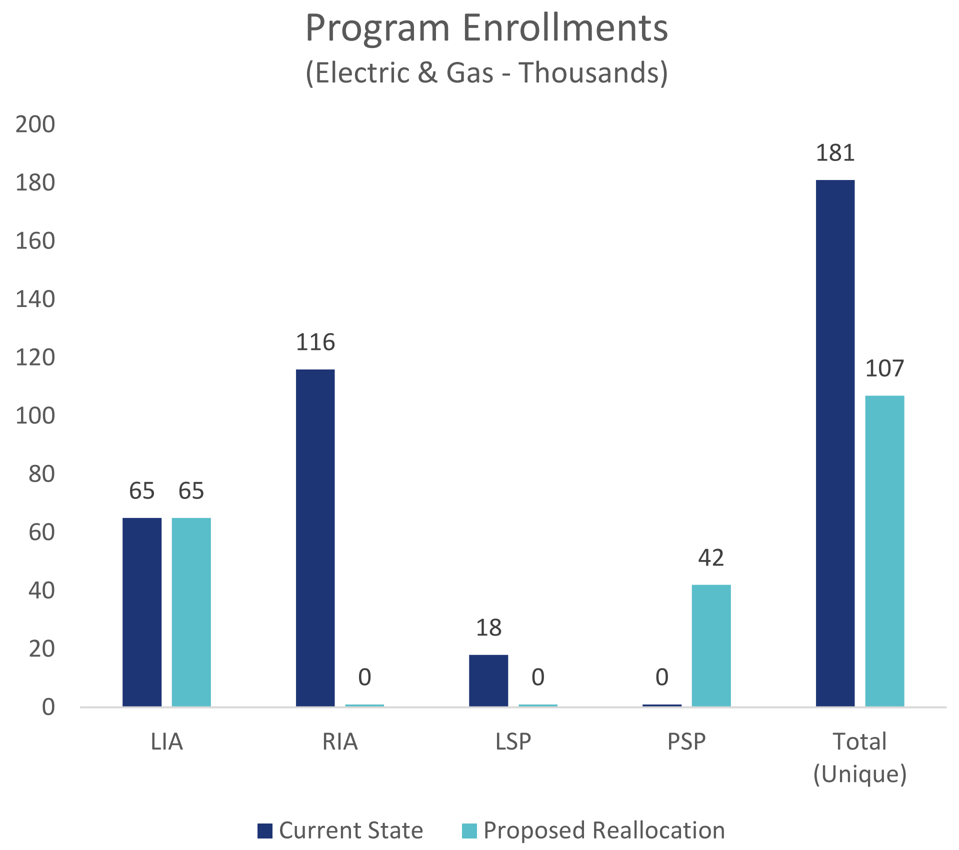
- LSP program ends
- RIA program ends
- Full scale PSP program

DTE

The company's proposal of reallocating funding from RIA and LSP into a relaunched PSP program would provide for 42k PSP enrollments in the future state

Key Impacts:

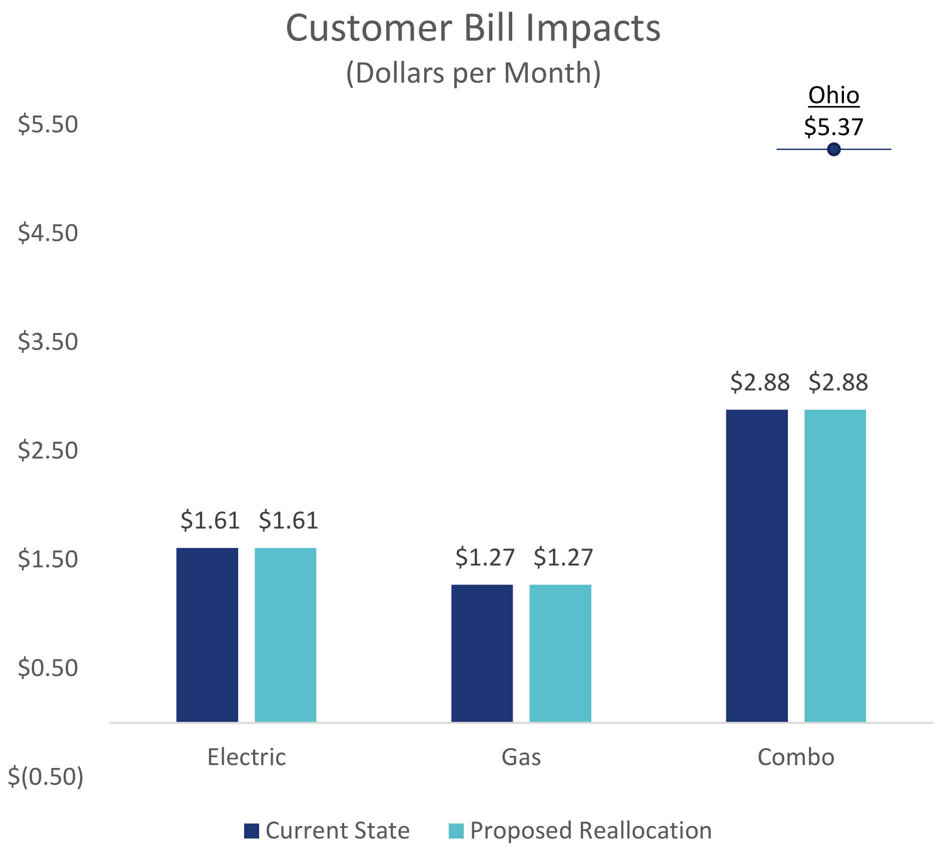
- The total funding associated with the reallocation of RIA & LSP funds into PSP, would remain flat, creating a rates-neutral approach
- LIA enrollments would remain flat at 65k
- PSP enrollments would increase from zero to 42k
- Total unique customers receiving assistance would reduce from 181k to 107k
  - In the current state LSP customers also receive the LIA credit; in the future state PSP customers will not also receive the LIA credit (impacting total unique counts)



Reallocating funds from RIA and LSP into PSP is neutral from a customer bill impact perspective and overall bill impacts for low-income programs remains significantly lower than that of Ohio

Customer Bill Impacts:

- The proposed reallocation of funding from RIA and LSP into PSP is neutral from a customer bill impact perspective, as the proposed funding for PSP is already being collected via rates as part of the current RIA and LSP programs
- The total monthly cost (in rates & surcharges) of these four programs (LIA, RIA, LSP, PSP) for both the current state and the proposed reallocation for an average residential combo customer is \$2.88
- This amount is considerably lower than Ohio's PIPP program at \$5.37/month



DTE is a strong advocate for the PIPP model, which enhances bill affordability by aligning costs as a percentage of a customer's income. This approach effectively addresses affordability challenges, ensuring service stability for those in need

- DTE recognizes the critical importance of utility service and the challenges that energy insecurity can have on households and families. The Company appreciates the opportunity to outline our deep support of our vulnerable customers and to provide recommendations on future energy assistance offerings

- The Company also recognizes that the recommendations outlined in this document are significant and will require change management and operational planning by utilities, the State, and our agency partners, as well as customer communications

- Moving forward, the Company will continue to deeply monitor and analyze our suite of energy assistance offerings and is highly interested in continued dialogue on these topics with MPSC Staff, Community Agencies, and key stakeholders in order to continue developing ways to optimize our energy assistance offerings for our vulnerable customers

Discussion

Use the raise hand function in Teams to speak or add to the chat

Be respectful of diverse input

Voice dissent in a productive and respectful manner

Next Steps

Next Meeting:

March 4

We'll likely be diving into different parts of energy assistance program design and looking at DTE's PIPP as a case study.

Reports:

DTE filed its PIPP report to the U-20929 Commission docket.

Waiting to see if the Commission will open a comment period.

Goals:

Provide affordability, alignment, and assistance recommendations to the Commission for their consideration.

Leadership:

Working with DTE and Consumers Energy to ensure PIPP reporting contains necessary information.

MPSC
MICHIGAN PUBLIC SERVICE COMMISSION

Appendix: Energy Assistance Glossary

- ALICE: Asset-Limited, Income-Constrained, Employed
  - → Michigan | UnitedForALICE
- APP: the MEAP Affordable Payment Plan
  - → Available through Michigan Energy Assistance Program
- FPG/FPL: Federal Poverty Guidelines/Level
  - → LIHEAP IM 2024-02 FPG and SMI
- HHC: Home Heating Credit
  - → LIHEAP Heating Benefit Home Heating Credit Information
- LIA: Low-Income Assistance Credit
  - → Current expression of MCL 460.11 (2)
- LIEAF: Low-Income Energy Assistance Fund
  - → Funds the Michigan Energy Assistance Program
- LIHEAP: Low-Income Home Energy Assistance Program
  - → Low Income Home Energy Assistance Program

Appendix: Energy Assistance Glossary – Cont.

- MEAP: Michigan Energy Assistance Program
  - → Michigan Energy Assistance Program
- PIPP: Percentage of Income Payment Plan/Program
  - → https://liheapch.acf.hhs.gov/docs/PIPPupdate.pdf
- RIA: Residential Income Assistance Credit
  - → Current expression of MCL 460.11 (2)
- SER: State Emergency Relief
  - → LIHEAP Crisis Benefit State Emergency Relief (SER) Program
- SMI: State Median Income
  - → LIHEAP IM 2024-02 FPG and SMI

DTE Appendix

A nationwide review was also conducted to understand PIPP programs more broadly across the country

- Many utilities have implemented PIPP programs with similar criteria and have provided insights for income-based plans (see below).
- With the exception of California, all benchmarked utilities in the table below have some form of arrears forgiveness program component.

State	Utilities	Bill Amount	Eligibility
California	Pacific Gas & Electric San Diego Gas & Electric Southern California Edison	4% of income	200% FPL
Colorado	Black Hills Energy Xcel Energy	6% of income	200% FPL
Illinois	Ameren Illinois ComEd	6% of income	150% FPL
Michigan	Consumers Energy	6% of income	150% FPL
Ohio	American Electric Power AES Corporation Duke Energy First Energy	5% of income for electric and/or gas 10% of income for electric only	175% FPL
Pennsylvania	Duquesne Light Company FirstEnergy Exelon UGI Utilities	6% of income for gas 4% of income for electric non-heat 10% of income for electric heat	150% FPL
Virginia	American Electric Power Dominion Energy	10% of income for electric heat 6% of income for gas heat	200% FPL

The PSP program was implemented in 2022 and has key differences from DTE's other affordable payment plans

- Key programmatic differences of PSP include FPL eligibility, arrears caps, SER requirements, payment plan amount, arrears requirements and annual revalidation

Program Design			
	LSP	**LSPM**	**PSP**
Program Description	Former LSP Program replaced by LSPM	Modified LSP Program launched in Oct 2024	Payment Stability Plan (DTE's Percent of Income Program - PIPP)
FPL Eligibility	≤ 150%	≤ 150%	≤ 200%
Arrears Cap	$3,000	None	$1,500
Consumption Cap	Dual - $3,750 Electric Only - $1,600 Gas Only - $2,150	None	For single or dual: $3,750
Approved SER	Required	Required	Not Required
Arrears Forgiveness	Arrears are frozen at the time of enrollment and 1/24th is forgiven each month as long as the customer is actively enrolled in the program; regardless of on-time payment status	Upfront arrears forgiveness payment up to $600 2nd arrears payment of up to $600 at 12 months as long as the customer is actively enrolled in the program A final arrears payment of up to $1800 at the completion of the plan	Arrears are frozen at the time of enrollment and 1/24th is forgiven each month with full and on-time payment
Gap Payment	A credit is provided to offset the difference between actual usage and the customer's plan amount	A flat monthly credit is provided to subsidize the customer's budgeted plan amount	A credit is provided to offset the difference between actual usage and the customer's plan amount
Term of Plan	24 months	24 months	24 months (pilot)
Payment Plan Amount	Based on the customer's FPL percentage and usage (See section 5 - Traditional LSP Plan Table) The customer's plan amount is set at enrollment and only changes if the customer moves within the service territory	Based on average monthly consumption and reduced by a program credit based on the customer's FPL percentage Customer's plan amount is evaluated every six months and can change based on the customer's consumption behavior	The customer's plan amount is based on a percentage of income The customer's plan amount is set at enrollment and only changes if the customer moves within the service territory or could change in year 2 based on income
Arrears Required	Yes	Yes	No
Annual Revalidation	No	No	Yes

Supporting Details:
LSP customer payment amounts by income and consumption

Service	Consumption	FPL	Payment Plan Amount	Arrears Cap
Both Electric & Gas	<= $2500/ year	*20- 75%	$90	$3,000
		76- 110%	$95	
		111- 150%	$130	
	$2501- 3750/ year	20- 75%	$125	
		76- 110%	$130	
		111- 150%	$130	
Electric Only	<= $1000/ year	*20- 75%	$35	$3,000
		76- 110%	$40	
		111- 150%	$55	
	$1001- 1600/ year	*20- 75%	$50	
		76- 110%	$55	
		111- 150%	$55	
Gas Only	<= $1500/ year	*20- 75%	$50	$3,000
		76- 110%	$55	
		111- 150%	$75	
	$1501- 2150/ year	*20- 75%	$70	
		76- 110%	$75	
		111- 150%	$75	

* Denotes new tier

Supporting Details:
LSPM customer credit amounts by income and consumption

LSPM 2024 – 2025 Monthly Credits					
Commodity	FPL Tiers	Usage (Avg Consumption)	Heating Season Gap Credits (November - May)	Non-Heating Season Gap Credits (June – October)	LSP Budget Reduction Amount
Combo	Between 1% - 75%	High Usage (> $175)	$95	$35	$70
		Low Usage (<= $175)	$28	$9	$20
	Between 76% – 110%	High Usage (> $175)	$80	$32	$60
		Low Usage (<= $175)	$14	$5	$10
	Between 111% – 150%	High Usage (> $175)	$68	$25	$50
		Low Usage (<= $175)	$7	$3	$5
Electric Only	Between 1% - 75%	High Usage (> $115)	$85	$30	$62
		Low Usage (<= $115)	$14	$5	$10
	Between 76% – 110%	High Usage (> $115)	$28	$9	$20
		Low Usage (<= $115)	$10	$5	$8
	Between 111% – 150%	High Usage (> $115)	$20	$8	$15
		Low Usage (<= $115)	$7	$3	$5
Gas Only	Between 1% - 75%	High Usage (> $60)	$68	$25	$50
		Low Usage (<= $60)	$14	$5	$10
	Between 76% – 110%	High Usage (> $60)	$40	$16	$30
		Low Usage (<= $60)	$10	$5	$8
	Between 111% – 150%	High Usage (> $60)	$14	$5	$10
		Low Usage (<= $60)	$7	$3	$5

Supporting Details:
Reallocation of RIA and LSP funding into PSP

Reallocate RIA & LSP to PSP
Before and After Views

Current State:

	Funding[1]				Enrollments[2]			
	Average Assistance Amount	**Electric[2]**	**Gas**	**Total**	**Electric**	**Gas**	**Combo**	**Total[3]**
LIA	$40 Electric & $40 Gas (Month)	$ 15,360,000	$ 15,840,000	$ 31,200,000	32,000	33,000	-	65,000
RIA[3,4]	$8.50 Electric & $14.50 Gas (Month)	$ 4,736,000	$ 12,180,000	$ 16,916,000	46,431	70,000	-	116,431
LSP[7]	$1172 (12 Month Cost)	-	-	$ 11,830,916	2,624	853	14,789	18,266
PSP[5,7]	-	-	-	$ -	-	-	-	-
Total	**-**	**-**	**-**	**$ 59,946,916**	**81,055**	**103,853**	**14,789**	**199,697**

Proposed Future State - Reallocation Only:

	Funding[1]				Enrollments[2]			
	Average Assistance Amount	**Electric[2]**	**Gas**	**Total**	**Electric**	**Gas**	**Combo**	**Total[3]**
LIA	$40 Electric & $40 Gas (Month)	$ 15,360,000	$ 15,840,000	$ 31,200,000	32,000	33,000	-	65,000
RIA	-	-	-	-	-	-	-	-
LSP	-	-	-	-	-	-	-	-
PSP[6,7]	$1229 (12 Month Cost)	-	-	$ 28,746,916	14,013	2,972	25,477	42,462
Total	**-**	**-**	**-**	**$ 59,946,916**	**46,013**	**35,972**	**25,477**	**107,462**

Proposed Future State - Reallocation and Surcharge Increase:

	Funding[1]				Enrollments[2]			
	Average Assistance Amount	**Electric[2]**	**Gas**	**Total**	**Electric**	**Gas**	**Combo**	**Total[3]**
LIA	$40 Electric & $40 Gas (Month)	$ 15,360,000	$ 15,840,000	$ 31,200,000	32,000	33,000	-	65,000
RIA	-	-	-	-	-	-	-	-
LSP	-	-	-	-	-	-	-	-
PSP (Reallocation)[6,7]	$1229 (12 Month Cost)	-	-	$ 28,746,916	14,013	2,972	25,477	42,462
PSP (Surcharge Increase)[6,7,8]	$1229 (12 Month Cost)	-	-	$ 15,366,592	7,490	1,589	13,619	22,698
Total	**-**	**-**	**-**	**$ 75,313,508**	**53,503**	**37,561**	**39,096**	**130,160**

1) Funding totals are representative of 2023 revenue requirements approved in case U-21297 for electric and U-21291 for gas. At the time of this document's drafting case U-21534 was still pending.

2) Enrollment numbers reflect the total number of customers that can be supported based on the corresponding 2023 revenue requirements.

3) Total enrollment numbers do not represent the total unique customers served. Customers can receive assistance from multiple programs.

4) Actual enrollment numbers for RIA may be higher than what is approved in rates, as this program was approved to support all eligible customers. For example, in 2023 ~75,000 customers received RIA credits as opposed to the 46,431 approved in rates. Recovery of these overenrollment amounts in pending rate case approval.

5) PSP funding was not included in rates.

6) The proposed PSP program is based on average pilot costs and may change in future periods. Additionally, it includes the reallocated RIA amounts for Electric ($4.74M), Gas ($12.18M) and LSP ($11.83M).

7) On average, LSP and PSP customers are on the program for less than 12 months per year, due to de-enrollments (default, graduation, move-outs, etc.). Enrollment numbers factor in a de-enrollement rate of 45% based on historical data.

8) The surcharge increase represents the increase in the LIEAF surcharge from $0.87 to $2.00. Half of this amount would support the PSP program under this proposal ($15.37M). The total PSP amount of $44.11M is $28.75M (from the reallocation only scenario) plus $15.37M.

DTE

Supporting Details:
Customer Bill Impacts – Current State

Bill Impacts of Energy Assistance Programs:
(Current State)

Program	RIA [3]	LIA [4]	MEAP [2]	PSP [1]	TOTAL
Electric [5]:					
Amount in Rates/Surcharge	$ 4,736,000	$ 15,360,000	$ 23,661,832	$ -	$ 43,757,832
Total Electric Customer Count	2,266,459	2,266,459	2,266,459	2,266,459	2,266,459
Annual Cost to residential customers	$ 2.09	$ 6.78	$ 10.44	$ -	$ 19.31
Monthly Cost to residential customers	**$ 0.17**	**$ 0.56**	**$ 0.87**	**$ -**	**$ 1.61**
Gas [6]:					
Amount in Residential Rates/Surcharge	$ 8,282,400	$ 10,771,200	$ -	$ -	$ 19,053,600
Residential Gas Customer Count	1,248,580	1,248,580	1,248,580	1,248,580	1,248,580
Annual Cost to residential customers	$ 6.63	$ 8.63	$ -	$ -	$ 15.26
Monthly Cost to residential customers	**$ 0.55**	**$ 0.72**	**$ -**	**$ -**	**$ 1.27**

1) PSP amounts are as of current state (after pilot closure - June 2024).
2) MEAP is funded through the per meter (electric only) surcharge which is currently $0.87. 50% of this funding goes toward the LSP program.
3) 68% of the total Gas RIA revenue requirement ($12.18M) is allocated to residential rates; which equates to $8.28M.
4) 68% of the total Gas LIA revenue requirement ($15.84M) is allocated to residential rates; which equates to $10.77M.
5) Electric revenue requirements are distributed equally across the full customer base (commercial and residential).
6) Gas revenue requirements are distributed based on residential customers percentage of the cost of service.

Supporting Details:
Customer Bill Impacts – Future State

Bill Impacts of Energy Assistance Programs:
(Proposed Future State - Reallocation Only)

Program	RIA [3]	LIA [4]	MEAP (Non-PSP) [2]	MEAP (PSP) [1 2]	PSP (From RIA) [1 3]	TOTAL
Electric [5]:						
Amount in Rates/Surcharge	$ -	$ 15,360,000	$ 11,830,916	$ 11,830,916	$ 4,736,000	$ 43,757,832
Total Electric Customer Count	2,266,459	2,266,459	2,266,459	-	2,266,459	2,266,459
Annual Cost to residential customers	$ -	$ 6.78	$ 10.44	-	$ 2.09	$ 19.31
Monthly Cost to residential customers	**$ -**	**$ 0.56**	**$ 0.87**	**-**	**$ 0.17**	**$ 1.61**
Gas [6]:						
Amount in Residential Rates/Surcharge	$ -	$ 10,771,200	$ -	$ -	$ 8,282,400	$ 19,053,600
Residential Gas Customer Count	1,248,580	1,248,580	1,248,580	1,248,580	1,248,580	1,248,580
Annual Cost to residential customers	$ -	$ 8.63	$ -	-	$ 6.63	$ 15.26
Monthly Cost to residential customers	**$ -**	**$ 0.72**	**$ -**	**-**	**$ 0.55**	**$ 1.27**

1) Total PSP amounts are $16.57M for Electric and include the RIA reallocation and 50% of MEAP funds (that are currently allocated to LSP).
2) MEAP is funded through the per meter (electric only) surcharge. 50% of MEAP funds are currently allocated to the LSP program and would be reallocated to PSP under this proposal.
3) 68% of the total Gas RIA revenue requirement ($12.18M) is allocated to residential rates; which equates to $8.28M; now part of PSP.
4) 68% of the total Gas LIA revenue requirement ($15.84M) is allocated to residential rates; which equates to $10.77M.
5) Electric revenue requirements are distributed equally across the full customer base (commercial and residential).
6) Gas revenue requirements are distributed based on residential customers percentage of the cost of service.

Bill Impacts of Energy Assistance Programs:
(Proposed Future State - Reallocation and Surcharge Increase)

Program	RIA [3]	LIA [4]	MEAP (Non-PSP) [2]	MEAP (PSP) [1 2]	PSP (From RIA) [1 3]	TOTAL
Electric [5]:						
Amount in Rates/Surcharge	$ -	$ 15,360,000	$ 27,197,508	$ 27,197,508	$ 4,736,000	$ 74,491,016
Total Electric Customer Count	2,266,459	2,266,459	2,266,459	-	2,266,459	2,266,459
Annual Cost to residential customers	$ -	$ 6.78	$ 24.00	-	$ 2.09	$ 32.87
Monthly Cost to residential customers	**$ -**	**$ 0.56**	**$ 2.00**	**-**	**$ 0.17**	**$ 2.74**
Gas [6]:						
Amount in Residential Rates/Surcharge	$ -	$ 10,771,200	$ -	$ -	$ 8,282,400	$ 19,053,600
Residential Gas Customer Count	1,248,580	1,248,580	1,248,580	1,248,580	1,248,580	1,248,580
Annual Cost to residential customers	$ -	$ 8.63	$ -	-	$ 6.63	$ 15.26
Monthly Cost to residential customers	**$ -**	**$ 0.72**	**$ -**	**-**	**$ 0.55**	**$ 1.27**

1) Total PSP amounts are $31.9M for Electric and include the RIA reallocation and 50% of MEAP funds (that are currently allocated to LSP).
2) MEAP is funded through the per meter (electric only) surcharge and includes an increase to $2.00 by 2028. 50% of MEAP funds are currently allocated to the LSP program and would be reallocated to PSP under this proposal.
3) 68% of the total Gas RIA revenue requirement ($12.18M) is allocated to residential rates; which equates to $8.28M; now part of PSP.
4) 68% of the total Gas LIA revenue requirement ($15.84M) is allocated to residential rates; which equates to $10.77M.
5) Electric revenue requirements are distributed equally across the full customer base (commercial and residential).
6) Gas revenue requirements are distributed based on residential customers percentage of the cost of service.