

Affordability, Alignment, and Assistance Subcommittee 6/18/2025

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

Agenda

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**Review
Subcommittee
Charge and Goals**

2

**Low-Income
Customer
Journey Level-
Setting**

3

**Benefits Trade-
Offs and
Prioritization of
Applicants**

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.

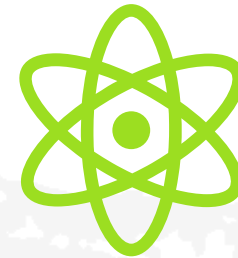
Shared Goals of the Subcommittee



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:

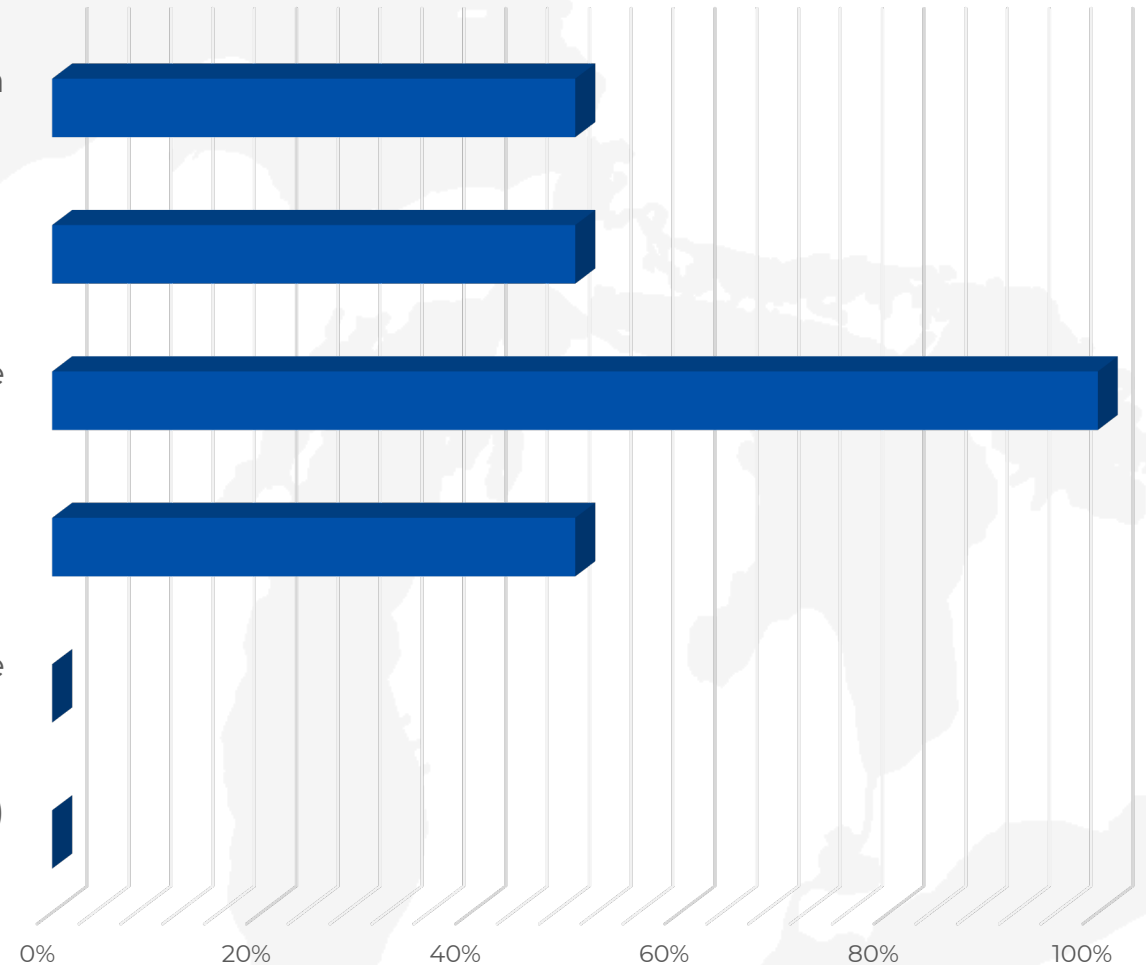
- **Ensuring equitable distribution** in the access to, use of, and outcomes from energy affordability and assistance policies/programs
- **Centering impacted community priorities** and participation in policy/program development, accountability, and assessment
- **Treating customers with dignity**, 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


2023 & 2025 AAA Charge

Charge to the EAAC AAA Subcommittee

Progress

- 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)



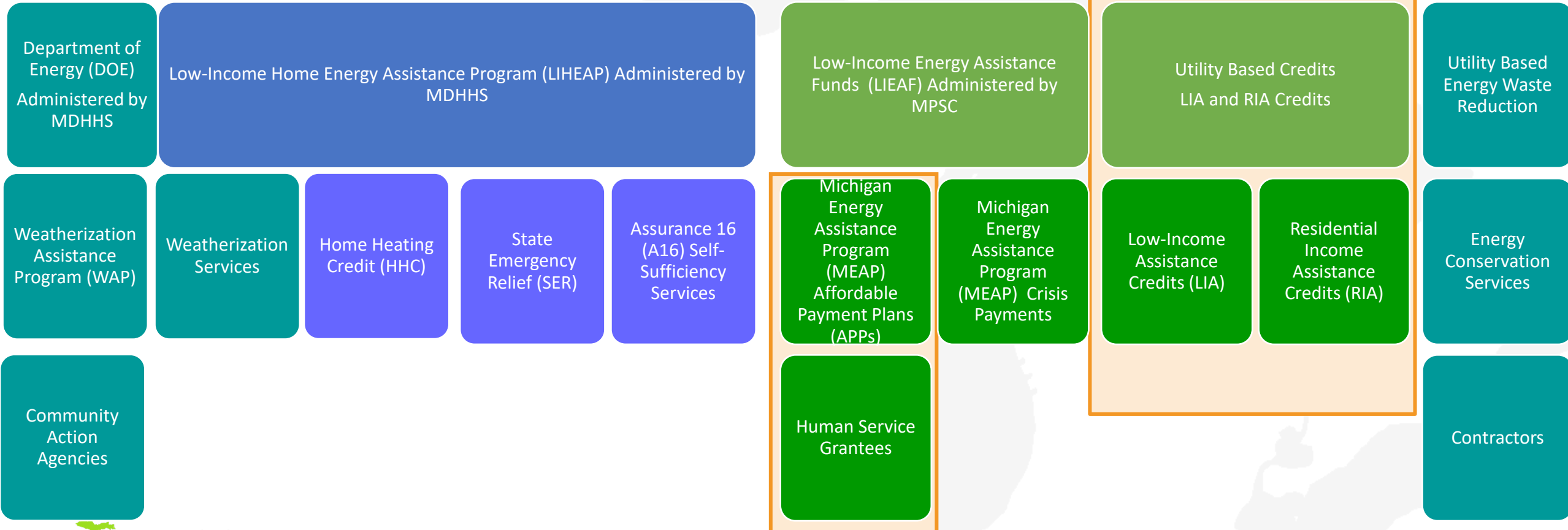
A light blue map of Michigan is positioned in the background, centered on the right side of the slide. The map shows the state's outline, including the Upper and Lower Peninsulas.

Low-Income Customer Journey Level-Setting

Michigan Funding for Energy Affordability

Federal Funds

Ratepayer Funds



MPSC Case No. U-20757 Commission Directive

“The Commission looks forward to the AAA subcommittee evaluation of RIA and LIA as a fulfillment of MCL 460.11(2), and directs the utilities to work with the Staff to provide necessary data to that end. In addition, the Commission directs the Staff to combine this analysis with a comparative analysis of PIPP pilots and the MEAP offerings to ensure a comprehensive understanding of current offerings.”

MPSC Case No U-20757, 12/21/2023 Commission Order, pp. 14-15

AAA Topic Prioritization

Program Design Aspects to Analyze



Primer for the Discussion

- ❑ When choosing a reform recommendation, is it best to:
 - Narrow eligibility and availability to provide greater assistance to few?
 - Expand availability, but provide a smaller amount in assistance to all?
 - Expand availability *and* provide greater assistance to all eligible?
 - ❑ Potentially disproportionately impact the energy burden of non-benefitting ALICE customers and other ratepayers.
- ❑ Which option best reduces the number of households with unsustainable energy burdens?
- ❑ How does a reform of the credits relate to MEAP reform?



Benefits Trade-offs and Prioritization of Applicants

What does that mean?

- ❑ Benefits trade-offs in this context means considering serving more people with less benefit, fewer with greater, or increase funding
- ❑ Prioritization of applicants means with limited funding, which subsets of customers should be prioritized for receiving energy assistance, if any

Current Energy Assistance Offerings

	State Emergency Relief	Home Heating Credit	MEAP as-needed Assistance (aka “one-time assist”)	MEAP Affordable Payment Plans	PIPP Pilot (DTE and CE Concluded)	RIA Credit	LIA Credit (some investor-owned utilities)
Assistance frequency	One-time assistance	One-time assistance	As-needed assistance	Monthly assistance	Monthly assistance	Monthly assistance	Monthly assistance
Prioritization of Applicants	First-come first served	All who apply receive. Benefit adjusted to serve all	Sometimes based on customer choice	Some agencies prioritize those they think can make stable payments. Others based on customer choice and availability	DTE—randomized CE—same as APPs but would have lower payment under PIPP	All who apply/are eligible receive.	Sometimes APP recipients. Sometimes APP grads, seniors etc. Depends on utility
Commission authority	No Commission authority	No Commission authority	Limited Commission authority	Limited Commission authority	Commission authority through MCL 460.11(2)	Commission authority through MCL 460.11(2)	Commission authority through MCL 460.11(2)
	Authority: MDHHS	Authority: MDHHS/ Michigan Department of Treasury (agency agreement)	Authority: MDHHS/MPSC (agency agreement)	Authority: MDHHS/MPSC (agency agreement)			

DTE Example

- ❑ DTE proposed the following energy assistance reform in its PIPP report:
 - The PIPP would continue
 - ❑ Eliminate the RIA. Equivalent dollars would be redirected to a PIPP
 - ❑ MEAP affordable payment plans would be replaced by the PIPP
 - The Low Income Assistance Credit (LIA) would be provided to customers that do not qualify for the PSP program (may exceed the consumption or arrears caps) or those that are unwilling to apply for the PSP program (DTE PSP Report, p. 90).
 - ❑ DTE indicated in the meeting that the MEAP agencies would likely administer the LIA
 - DTE's recommendation would decrease current total income assistance enrollments but would not increase rates

DTE's Proposed Updated Assistance Landscape

	State Emergency Relief	Home Heating Credit	MEAP as-needed Assistance (aka "one-time assist")	PIPP	LIA Credit
Assistance frequency	One-time assistance	One-time assistance	As-needed assistance	Monthly assistance	Monthly assistance
Prioritization of Applicants	First-come first served	All who apply receive. Benefit adjusted to serve all	Children ≤5, 65+, disability, homelessness in last 12 mon.	??, but MEAP-funded PIPP would have MEAP priorities	Those who don't verify income
Commission authority	No Commission authority	No Commission authority	Limited Commission authority	Partial Commission authority	Commission authority through MCL 460.11(2)
	Authority: MDHHS	Authority: Michigan Department of Treasury	Authority: MDHHS/MPSC (agency agreement)	Authority: MDHHS/MPSC (agency agreement) for MEAP funds. Commission for MCL 460.11(2) funds	

What if all identified income-eligible customers instead received PIPP/APPs?

How would providing greater assistance to all identified income eligible customers impact residential rates?

*Costs are estimates and are used mainly to illustrate how recovering different levels of costs impacts rates

Cost Estimate to Serve all Customers—DTE

Estimated Annual Program Expense included in rates if all identified eligible customers received the listed form of assistance

Ratepayer-based Assistance Model	Annual Amount Prospectively Included in DTE Electric Rates	Annual Amount Prospectively Included in DTE Gas Rates
PIPP	\$46,413,688	\$25,085,856
LSP	\$77,093,923	\$41,668,032
LSP MB	\$62,147,142	\$33,589,536
Current RIA & LIA Enrollment Split (currently in rates)	\$20,096,000	\$28,020,000

Estimated Annual Rate Impact of Programs if all identified eligible customers received the listed form of assistance

Ratepayer-based Assistance Model	Annual Rate Impact on Residential Electric Customers	Annual Rate Impact on Residential Gas Customers
PIPP	\$20.48	\$3.82
LSP	\$34.02	\$11.73
LSP MB	\$27.42	\$5.11
Current RIA & LIA Enrollment Split (currently in rates)	\$8.87	\$4.26

Customer counts used:

Electric: 32,000 LIA, 68,085 RIA Gas: 33,000 LIA, 70,000 RIA
PIPP and LSP summed RIA+LIA customer counts

*dollars allocated the same as DTE Energy's RIA and LIA credits. MEAP funding not included

Annual Average Benefit in Dollars—DTE

Annual Average benefit provided to customers on Current Payment Plans										
	PIPP		LSP		LSP MB		RIA		LIA	
Electric	\$	804	\$	660	\$	696	\$	102	\$	600
Gas	\$	708	\$	480	\$	708	\$	174	\$	480
Combo	\$	660	\$	1,332	\$	1,056	\$	276	\$	1,080
Avg	\$	804	\$	660	\$	696				

*Weighted averages from DTE's PIPP Report Data File

Cost Estimate to Serve all Customers—CE

Estimated Annual Program Expense included in rates if all identified eligible customers received the listed form of assistance

Ratepayer-based Assistance Model	Annual Amount Prospectively Included in CE Electric Rates	Annual Amount Prospectively Included in CE Gas Rates
PIPP	\$80,014,616	\$46,884,013
CARE	\$37,098,499	\$21,737,610
CARE MB	\$53,701,085	\$31,465,781
Current RIA & LIA Split (currently in rates)	\$7,000,000	\$16,800,000

Estimated Annual Rate Impact of Programs if all identified eligible customers received the listed form of assistance

Ratepayer-based Assistance Model	Annual Rate Impact on Residential Electric Customers	Annual Rate Impact on Residential Gas Customers
PIPP	\$23.82	\$20.79
CARE	\$11.05	\$7.64
CARE MB	\$15.99	\$13.95
Current RIA & LIA Split (currently in rates)	\$2.08	\$7.45

Customer counts used:

Electric: 4,580 LIA, 61,816 RIA Gas: 11,652 LIA, 68,782 RIA
PIPP and LSP summed RIA+LIA customer counts

Annual Average Benefit in Dollars—CE

Annual Average benefit provided to customers on Current Payment Plans

	PIPP	CARE	CARE MB	RIA	LIA
Electric	\$ 1,810	\$ 950	\$ 941	\$ 96	\$ 360
Gas	\$ 612	\$ 358	\$ 576	\$ 180	\$ 363
Combo	\$ 1,856	\$ 882	\$ 1,478	\$ 276	\$ 723
Avg	\$ 1,788	\$ 829	\$ 1,200		

*Data provided in CE PIPP Report

What Causes these Cost Differences?

	LSP/CARE/APP	LSPM (LSP Modified)/CARE MB/APP MB	PSP/PIPP Pilot	LIA/RIA Credits
Program Description	Former MEAP affordable payment plan replaced by the modified budget version	Modified budget affordable payment plan launched in Oct 2024	Payment Stability Plan (DTE's Percent of Income Program - PIPP) PIPP (CE)	Low Income Assistance Credit/Residential Income Assistance Credit
FPL Eligibility / Criteria	≥20% and ≤ 150% FPL	≤ 150% FPL	≤ 200% FPL DTE ≥20% and ≤ 150% FPL CE	≤ 150% or receipt of SER, Medicaid, or SNAP
Arrears Cap	\$3,000 DTE \$4,000 CE	None	\$1,500 DTE \$6,000 CE	None
Consumption (bill) Cap	DTE: Dual - \$3,750 Electric Only - \$1,600 Gas Only - \$2,150 CE: No consumption cap	None	For single or dual: \$3,750 DTE Credit cap of \$6,000 for CE	None
Approved SER	*Required by MEAP	*Required Not required for MEAP starting October 1, 2025	Not 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. Total arrears forgiveness of \$3,000	Arrears are frozen at the time of enrollment and 1/24th is forgiven each month with full and on-time payment. DTE provided the last arrears forgiveness payment early, before the customer paid their final bill	None

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

Discussion

- When choosing a reform recommendation, is it best to:
 - Narrow eligibility and availability to provide greater assistance to few?
 - Expand availability, but provide a smaller amount in assistance to all?
 - Expand availability and provide greater assistance to all eligible?
- Potentially disproportionately impact the energy burden of non-benefitting ALICE customers and other ratepayers.
- Which option best reduces the number of households with unsustainable energy burdens?

Prioritization

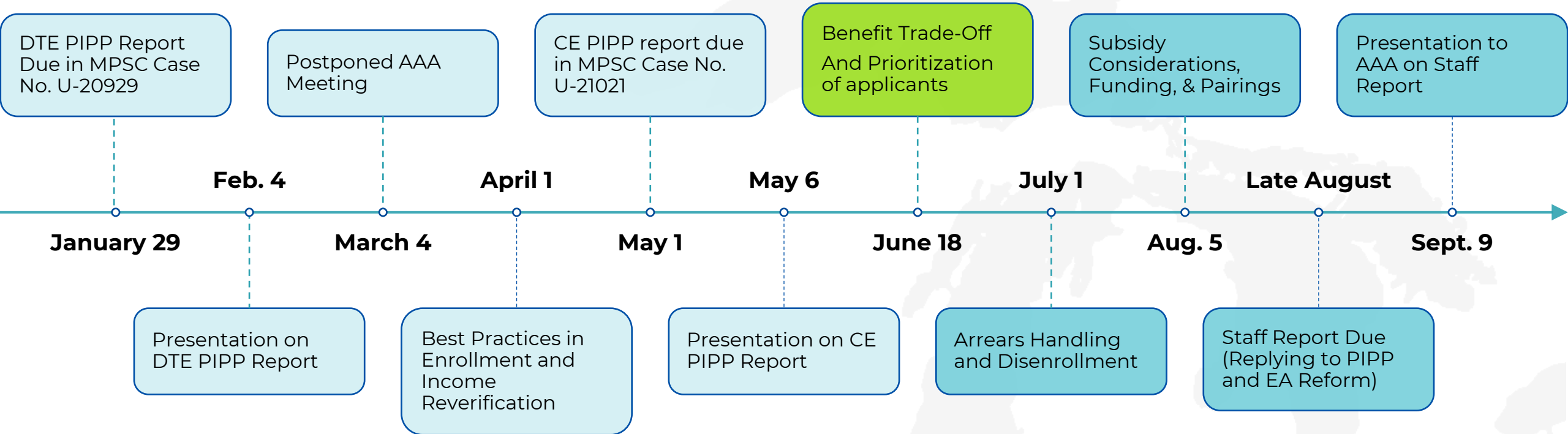
- ❑ MEAP legislation directs agencies to prioritize vulnerable populations (MCL 400.1232)
 - "Vulnerable populations" means eligible low-income households that have at least 1 member that meets the following criteria:
 - (i) Is a child under 5 years of age.
 - (ii) Is an individual with a disability.
 - (iii) Is an individual who is 60 years of age or older.
 - (iv) Is an individual who has experienced homelessness in the preceding 12 months and who needs energy assistance to secure housing.

Which customers would be best prioritized under MCL 460.11(2)?

- ❑ The RIA and LIA credits are currently authorized under MCL 460.11(2)
- ❑ In 2023, when the AAA discussed reforming the Low-Income Assistance Credit (LIA), one reform option was to prioritize customers who didn't qualify for MEAP affordable payment plans or State Emergency Relief to receive the credit.
- ❑ If MCL 460.11(2) programs were going to be administered by MEAP grantees (like in DTE's recommendation), should MCL 460.11(2) programs prioritize different customers than MEAP?

Reporting Updates

2025 PIPP Reporting Timeline



*Timeline subject to Commission discretion and timeliness of reporting

How to Submit Comments ([U-20929](#), [U-21021](#), [U-20757](#))

- ❑ The Commission opened a comment period on the DTE and CE PIPP reports plus the EAAC's proposed definition of home energy security. See that Commission order [here](#).
- ❑ Comments were due 6/12/25. To submit a reply comment, e-mail LARA-MPSC-Edockets@michigan.gov by June 26
 - If assistance is required prior to filing, contact the Staff at (517) 284-8090 or by e-mail at LARA-MPSC-Edockets@michigan.gov
 - All information submitted to the Commission in this matter will become public information available on the Commission's E-Dockets website, subject to disclosure, and filed in Case Nos. U-20929, U-21021, and/or U-20757.
- ❑ Thank you to those who commented and still plan on replying to comments!

Next Steps



Next Meeting:

July 1

Arrears handling and disenrollment



Reports:

DTE filed its PIPP [report](#) to the [U-20929](#) Commission docket.

Consumers Energy filed its PIPP [report](#) to the [U-21021](#) Commission docket.



Goals:

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



Leadership:

Reviewing DTE and Consumers Energy PIPP reports to identify and bring decision points to the AAA meetings.

Appendices

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](#)

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.”

MCL 460.10t(6)(b)

"Eligible low-income customer" means a customer whose household income does not exceed 150% of the poverty level, as published by the United States Department of Health and Human Services, or who receives any of the following:

- (i) Assistance from a state emergency relief program.
- (ii) Food stamps.
- (iii) Medicaid.