

Affordability, Alignment, and Assistance Subcommittee 8/5/2025

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

Agenda

1

**Review
Subcommittee
Charge and Goals**

2

**Recommendation
Underpinnings**

3

**Subsidy
considerations,
funding, and
pairings**

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.

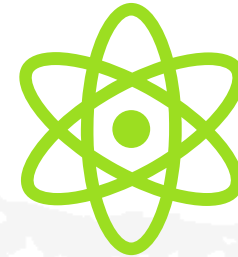
Shared Goals of the Subcommittee



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:

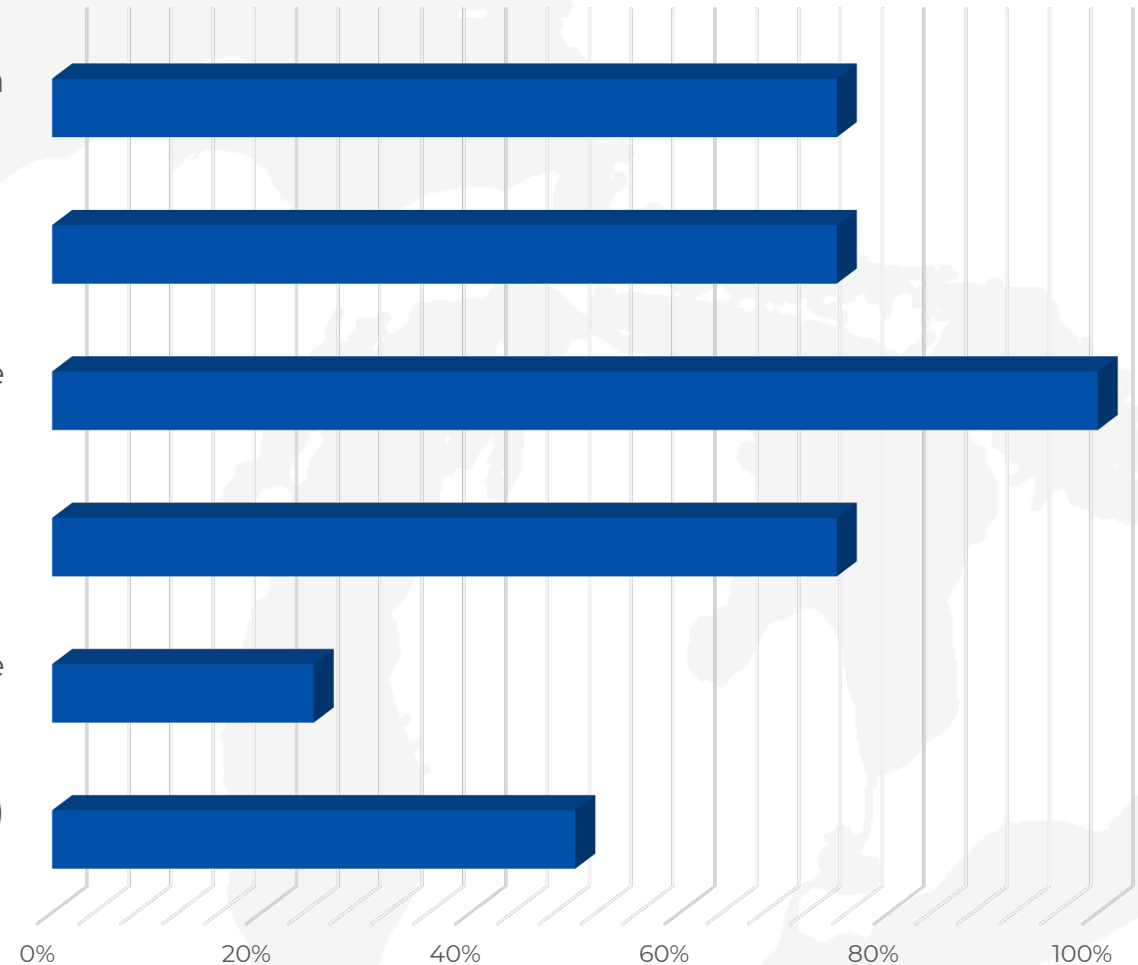
- **Ensuring equitable distribution** in the access to, use of, and outcomes from energy affordability and assistance policies/programs
- **Centering impacted community priorities** and participation in policy/program development, accountability, and assessment
- **Treating customers with dignity**,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

- 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

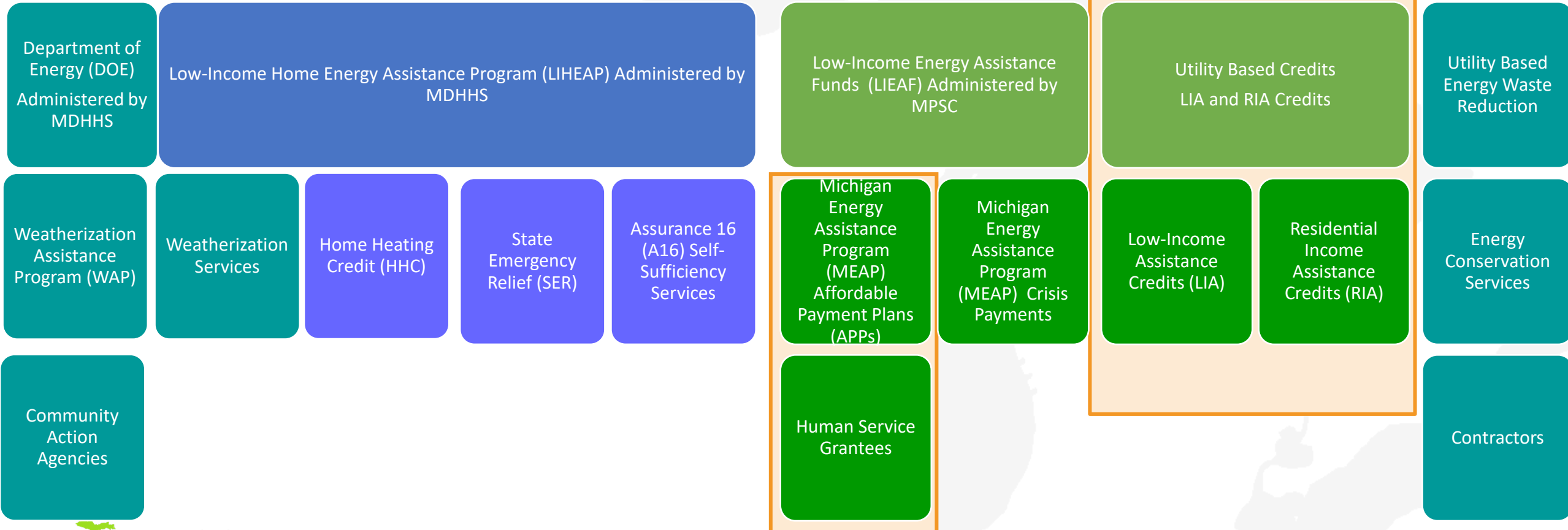


Energy Assistance Funding Level-Setting

Michigan Funding for Energy Affordability

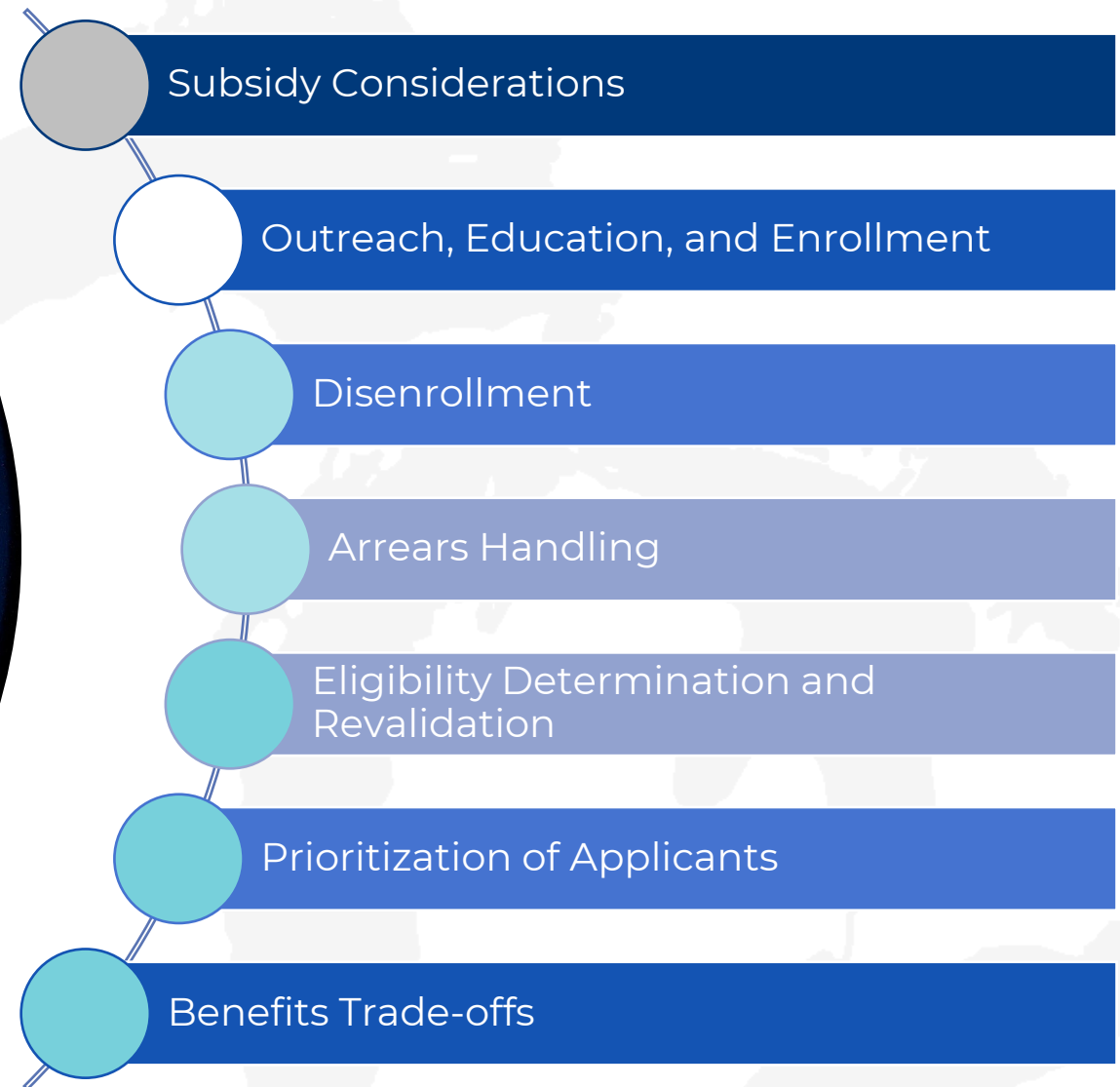
Federal Funds

Ratepayer Funds



AAA Topic Prioritization

Program Design Aspects to Analyze

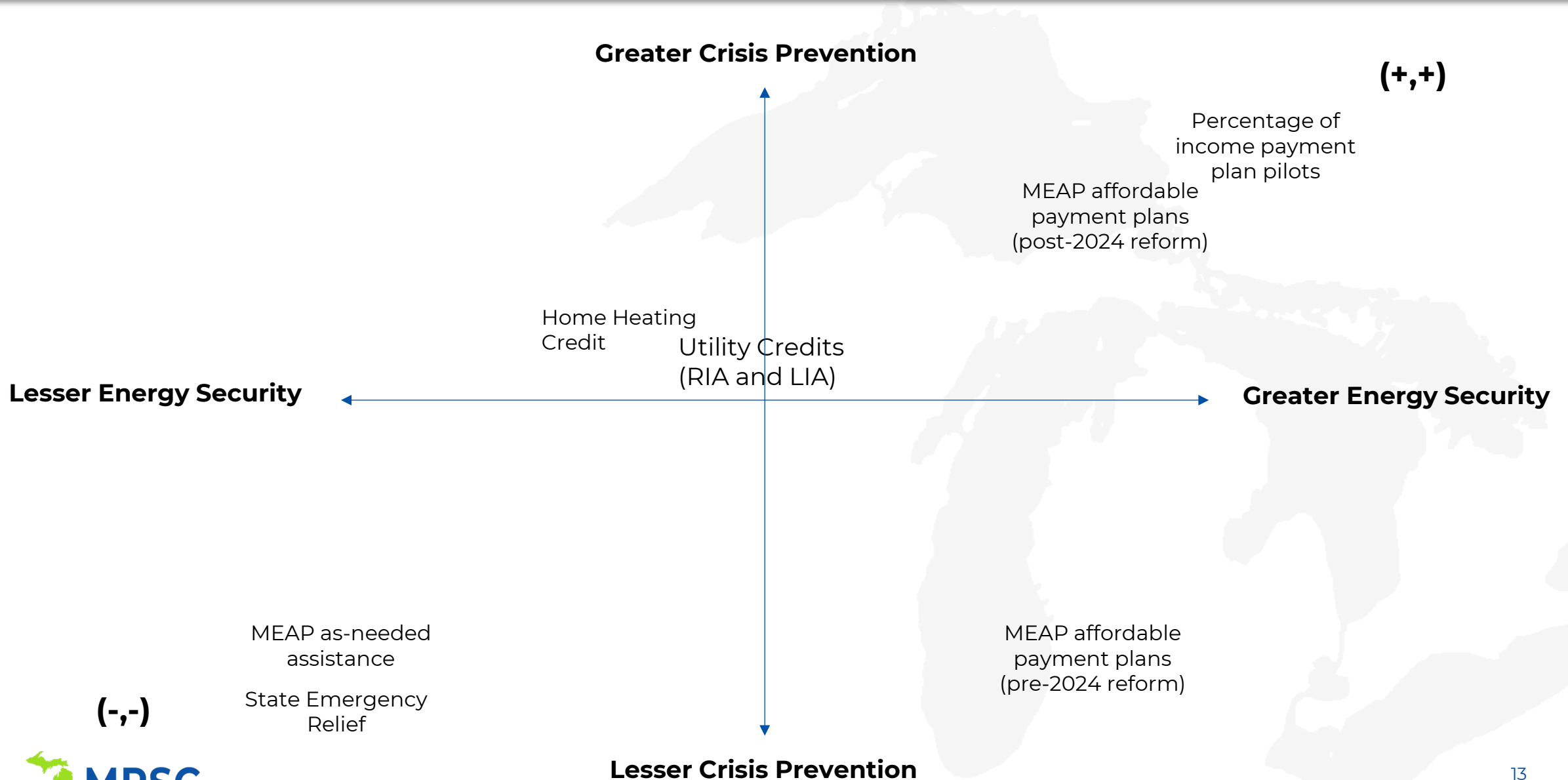


Recommendation Underpinnings

Summary of 2025 AAA Meetings

- ❑ Basing energy assistance on energy burden is important
- ❑ Raising rates to put all identified eligible customers on an income-based payment plan could make energy less affordable for more customers
 - Some believe that providing greater assistance to fewer customers may be the best path forward
- ❑ Energy security is a strong underpinning of energy assistance going forward
 - Keeping customers on assistance and reducing barriers to reverifying eligibility are very important
- ❑ Ensuring arrears forgiveness components lead to a clean slate (reverses as many fees as possible) is important
- ❑ Coordinating services and streamlining customer experience

Energy Security/Crisis Spectrum

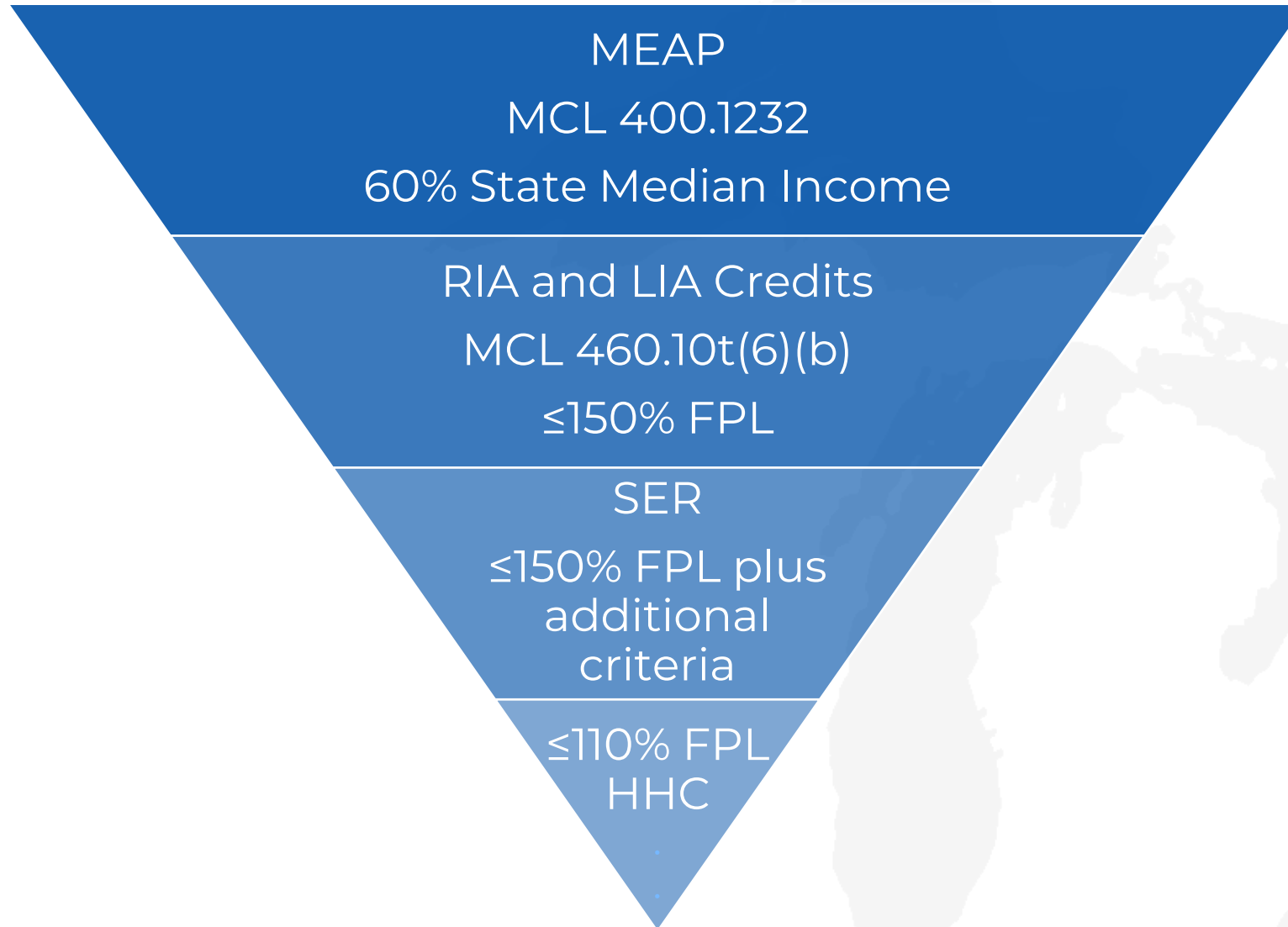


Energy Security Program Design

- ❑ Reduce crisis → no past due bill requirement, no arrears requirement or cap to enroll
 - What demonstrates need? Energy burden?
- ❑ Address arrears
- ❑ Provide ongoing assistance
 - For customers that have income information and for customers without
- ❑ Should all SER and HHC customers be auto-enrolled in ongoing assistance like RIA currently does?
 - Other states provide a combined application with the LIHEAP heating benefit (In MI this is the HHC)
 - Auto-enrollment incurs greater costs

Subsidy Considerations, Funding, & Pairings

Eligibility Thresholds



MCL 460.11(2) Funding Mechanism

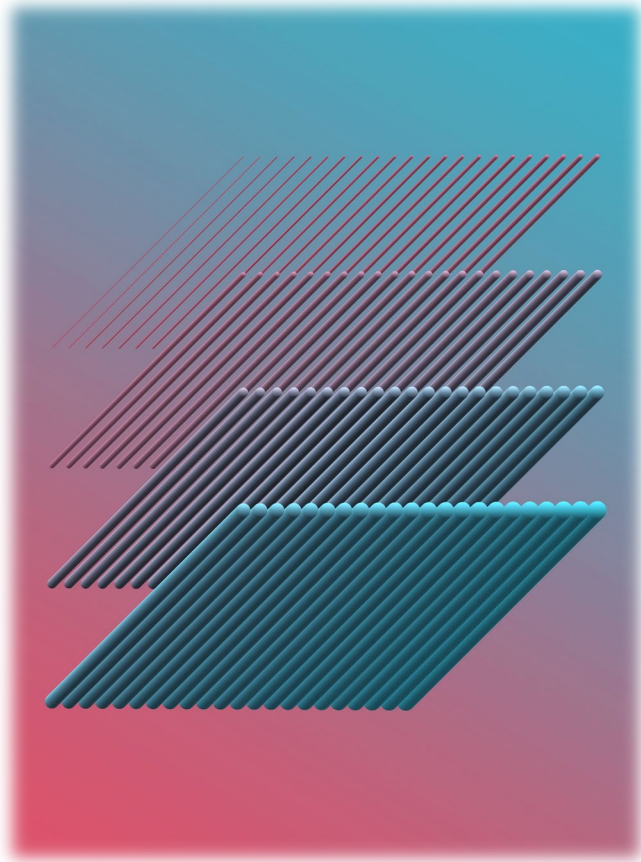
Do we fund energy assistance provided through MCL 460.11(2) at a certain level (A) or (B) approve a customer enrollment target and recover dollars for that through rate cases (RIA method)

Example A: include \$40,000,000* in a company's rates and set the fund target so each residential ratepayer pays \$10*/year toward assistance for every regulated utility.

Example B: 50%* of identified eligible customers at each utility are approved to be put on a payment plan. Costs are estimated and recovered in rates.

*these numbers are only used for illustrative purposes

Layering vs. Unique Offering—Questions



MEAP offers:

- As-needed, lump sum assistance to address arrears
- Affordable payment plans
 - Only for participating utilities

MCL 460.11(2) offers:

- Monthly credits to all who are identified as qualified

Can MEAP promote energy security if it only offers an energy security option to participating utilities?

Should MEAP offer ongoing assistance for metered utilities and MCL 460.11(2) expand that for IOUs?

Current Energy Assistance Offerings

	Home Heating Credit	State Emergency Relief	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)
Requires Crisis	No	Yes	Not necessarily	No	No	No	No
Assistance frequency	One-time assistance	One-time assistance	As-needed assistance	Monthly assistance	Monthly assistance	Monthly assistance	Monthly assistance
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/ Michigan Department of Treasury (agency agreement)	Authority: MDHHS	Authority: MDHHS/MPSC (agency agreement)	Authority: MDHHS/MPSC (agency agreement)			

Fund Layering Example A – higher energy costs

Household size of 3 with higher annual energy costs for heat and electric of \$3600

Up to 60% SMI

Income \$55,000
6% Income \$ 3,300
Subsidy \$ 300

Customer Payments \$3300 (\$275/mo.)

MEAP
\$300

Up to 150% FPL

Income \$38,000
6% Income \$ 2,280
Subsidy \$ 1,320

Customer Payments \$2280 (\$190/mo.)

MCL 460.11(2) \$600

MEAP \$720

Up to 110% FPL

Income \$27,000
6% Income \$ 1,620
Subsidy \$ 1,980

Customer Payments \$1620 (\$135/mo.)

HHC
\$200

MCL 460.11(2) \$600

MEAP \$1180

Fund Layering Example A1 – average energy costs

Household size of 3 with average annual energy costs for heat and electric of \$2400

Up to 60% SMI

Income \$55,000
 6% Income \$ 3,300
 Subsidy \$ -

Customer Payments \$2400 (\$200/mo.)

Up to 150% FPL

Income \$38,000
 6% Income \$ 2,280
 Subsidy \$ 600

Customer Payments \$1800 (\$150/mo.)

MCL 460.11(2) \$600

Up to 110% FPL

Income \$27,000
 6% Income \$ 1,620
 Subsidy \$ 800

Customer Payments \$1600 (\$133/mo.)

**HHC
 \$200**

MCL 460.11(2) \$600

Fund Layering Example B – side by side programs

Household size of 3 with higher annual energy costs for heat and electric of \$3600

Up to 60% SMI

Income \$55,000
6% Income \$ 3,300
Subsidy \$ 300

Customer Payments \$3300 (\$275/mo.)

MEAP
\$300

Up to 150% FPL

Income \$38,000
6% Income \$ 2,280
Subsidy \$ 1,320

Customer Payments \$2280 (\$190/mo.)

MCL 460.11(2) \$1320

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Customer Payments \$2280 (\$190/mo.)

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Up to 110% FPL

Income \$27,000
6% Income \$ 1,620
Subsidy \$ 1,980

Customer Payments \$1620 (\$135/mo.)

HHC
\$200

MCL 460.11(2) \$1780

Up to 110% FPL

Income \$27,000
6% Income \$ 1,620
Subsidy \$ 1,980

Customer Payments \$1620 (\$135/mo.)

HHC
\$200

MEAP \$1780

Discussion



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



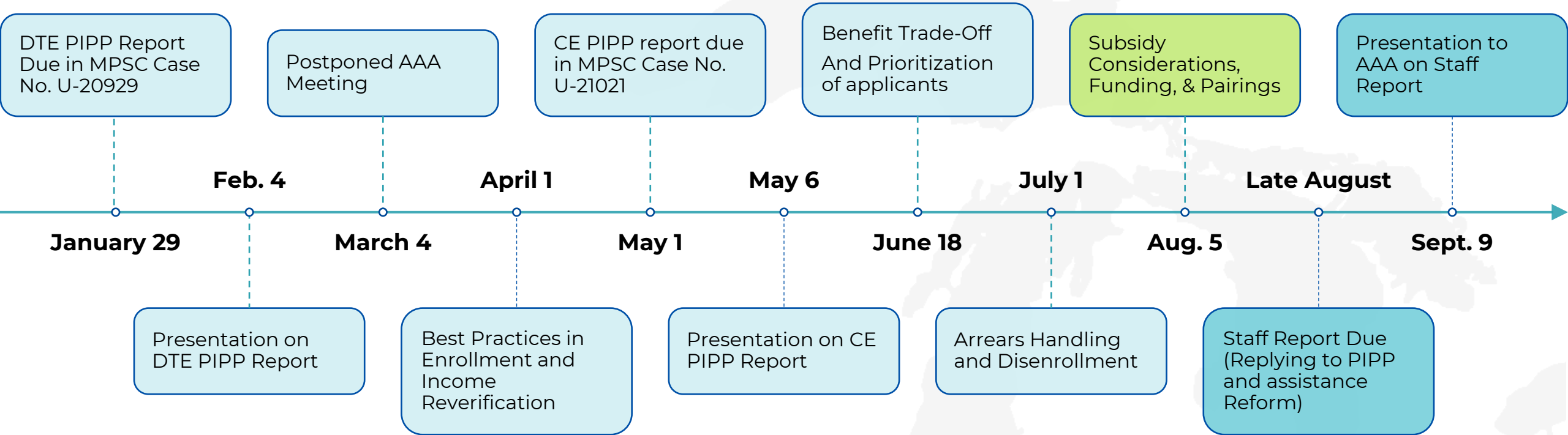
Be respectful of diverse input



Voice dissent in a productive and respectful manner

Reporting Updates

2025 PIPP Reporting Timeline



*Timeline subject to Commission discretion and timeliness of reporting

Next Steps



Next Meeting:

September 9
Presentation on staff report



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.