

U-20757 Directive Energy Affordability & Accessibility Collaborative

April 8, 2021

Agenda

10:00 am	Introduction	Brad Banks Anne Armstrong MPSC
10:05 am	Setting the Stage	Anne Armstrong MPSC
10:15 am	Discussion of Guiding Values/ Principles	Briana Parker Elevate
10:30 am	Keynote Different Approaches to Defining Energy Affordability	Roger Colton Fisher, Sheehan, & Colton
11:15 am	Break	
11:20 am	Survey Results and EAAC Proposed Structure	Brad Banks Fawzon Tiwana Anne Armstrong MPSC
11:30 am	Stakeholder Priorities	All
11:50 am	Federal Utility Assistance Outreach	All
11:55 am	Next Steps	Anne Armstrong MPSC
	Adjourn	

2/18/21 U-20757 Directive:

- Convene the Energy Affordability and Accessibility Collaborative in coordination with the EWR-LI Workgroup to address the Staff's recommendations in the [U-20757 Collaboration & Communication Process](#) report:
 - ongoing COVID-19 response
 - affordable payment plans
 - affordable energy bills
 - data collection, transparency, and analysis
 - review of rule-based protections
 - communication and engagement
- File an interim report in this docket on the progress made and any recommendations no later than December 17, 2021.

Broad Categories of Inquiry

- On-going COVID-19 response
- Simplify energy assistance & customer protections system
- Affordable energy bills
- Streamline and improve APPs
- Importance of data, transparency, and analysis to inform program design and policy changes
- Review of rule-based protections
- Communication and engagement

Coordination with LI-EWR

- The Commission further directs the Staff and the EWR Low-Income Workgroup to consider and explore the option of including the EAA Collaborative within the EWR Low-Income Workgroup.
- Priorities:
 - Not to tax the time & resources of participating groups
 - Build on success of the LI-EWR Group
 - Build an ecosystem where all low-income energy issues can be vetted and coordinated
- Methods
 - Survey
 - Discussions



ELEVATE

Guiding Values/ Principles

Briana Parker

Policy Manager, Elevate

Agenda

- Introduce and define guiding values/ principles
- Review Examples
- Volunteers (commitment to collaboration)
- Follow up & Next Steps

What are guiding values/ principles

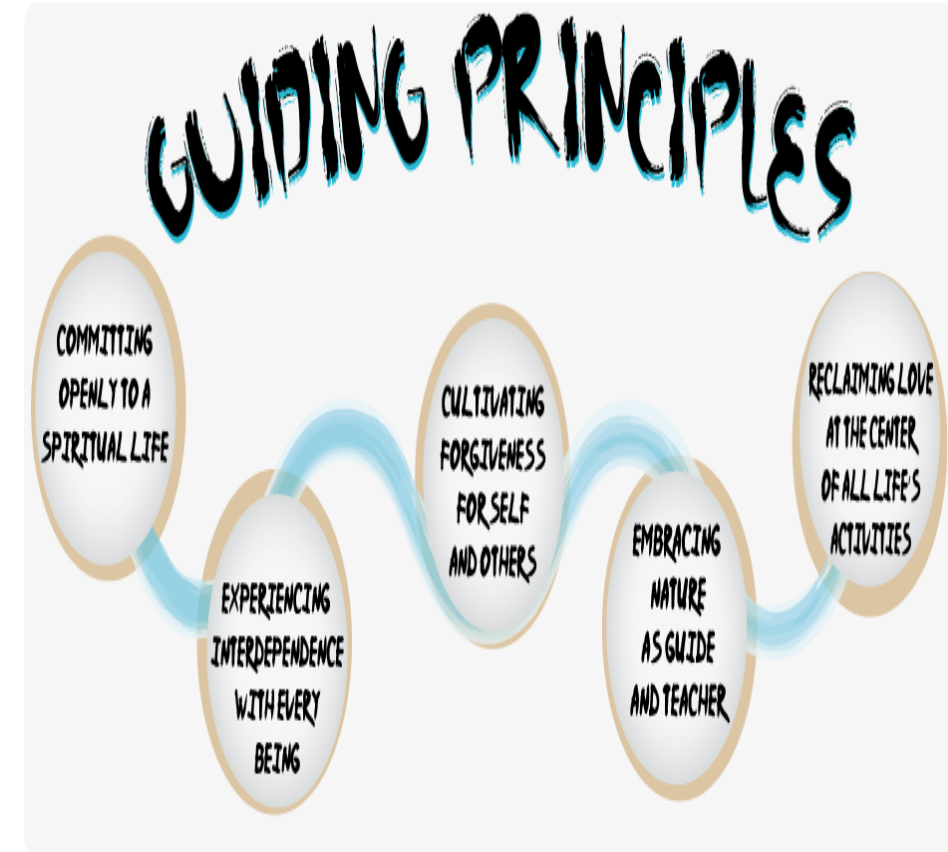
- **Values** are the things that are important to us, the characteristics and behaviors that motivate us and guide our decisions. For example, maybe you **value** honesty.
- Guiding values are those characteristics that we commit to as individuals and as a group so that we develop a culture that delivers our mission and executes our vision.
- What do you value? What do you need to be in community?

What are guiding values/ principles

- Collaboration
 1. Create an inclusive, welcoming environment
 2. Encourage the establishment and cultivation of meaningful relationships
 3. Honor the values and thoughts of others
 4. Seek out and acknowledge the good and strengths in others
- Innovation
 1. Challenge the process... frequently
 2. Engage in cutting edge research and assessment
 3. Regularly introduce new concepts, ideas, methods and strategies that advance our stated purpose
 4. Take risk... often
- Social Justice
 1. Emphasize the importance of creating the capacity for positive change
 2. Expose and explore social humanitarian issues
 3. Foster and promote an inclusive environment that affirms the value and recognizes the dignity of every human being
 4. Recognize the importance of diverse experiences and thinking

Follow up/ Next Steps

- Look out for a survey to come out before our next meeting
- Help!!! If you would like to volunteer, please reach out to Briana Parker
Briana.parker@ElevateNp.org



DIFFERENT APPROACHES TO DEFINING ENERGY AFFORDABILITY

Presentation to:

Energy Affordability and
Accessibility
Collaborative (Michigan)

Presented by:

Roger Colton
Belmont, MA

April 8, 2021

#1: PERCENT OF “AVAILABLE INCOME” (“DISPOSABLE INCOME”)

- Basics: Income “remaining” for utility payment after “essential” living costs subtracted.
- Fundamental challenge(s):
 - Who makes decision(s) on what costs are “essential”? Internet service? Extracurricular school activities? School-age tutoring?
 - Multiple family types each have different spending levels. (See, Michigan self-sufficiency income.)
 - Even within same family type, geographic differences exist across Michigan. (See, self-sufficiency incomes again.)
 - Doesn't answer basic question: what percent is appropriate?

#2: “HOURS OF MINIMUM WAGE”

- **Basics:** What number of hours (at minimum wage) are required to pay utility bill(s)?
- **Fundamental challenge(s):**
 - Academic thumb-twiddling. Doesn't answer “so what” question.
 - Provides no basis to answer question of “what is affordable.”
 - Works on “averages.” Wrong for almost everyone.
 - Lack of relationship to work status in Michigan.
 - Meaningless for large swaths of population (aging, stay-at-home parents).
 - Does not consider “fragility” of income in addition to level.

#3: “SHUTOFF PREVENTION”

- Basic premise: The objective of “affordability” is to preserve essential service.
- Fundamental challenge(s):
 - Shutoffs limited by utility policy (treatment amounts).
 - Shutoffs limited by utility resources (labor).
 - Compare # of shutoffs to # of long-term arrears / # of shutoffs to # of shutoff notices.
 - Can limit shutoffs without redressing underlying inability-to-pay (paid-but-unaffordable).
 - Inherently directed toward short-term response rather than proactive prevention.
 - Does not consider recidivism (compare foreclosure prevention).

#4: “PAYMENT TROUBLED STATUS”

- **Fundamental premise:** The objective of affordability is to prevent bill nonpayment.
- **Fundamental challenge(s):**
 - **Perspective-dependent:** Paid-but-unaffordable phenomenon is real (applicable also: shutoff prevention).
 - **Reactive, not proactive prevention** (similar to keep someone healthy vs. cure the illness).
 - **May “solve” payment-troubled status by shutoffs (or other onerous collections).** Likely unacceptable policy decision.

#5: “ESSENTIAL SERVICE” (LIFELINE)

- Fundamental premise: Bills are “affordable” if the basic amount for “essential service” is priced lower.
- Fundamental challenge(s):
 - Who defines what service is “essential”?
 - Same challenges as “disposable income” approach: differences in geography, family composition.
 - Much usage is higher because of very fact of poverty (e.g., housing quality, heating system efficiency, ability to Wx).
 - Bill payment not disaggregated by payment for “essential” and “non-essential” service—bill payment on total bill.
 - “Hits” and “misses: Low-income who consume above “essential”; non-low-income who consume below “essential.”

#6: PERCENTAGE OF INCOME

- **Fundamental premise:** Inability-to-pay can be traced to bills exceeding a reasonable proportion of income (“bill burden”).
- **Fundamental challenge(s):**
 - Can be data-heavy (but no more so than “available income” or “payment-troubled”).
 - Possibly slanted against larger households (to extent larger households have higher incomes).
 - Deviation in implementation (e.g., minimum payments, maximum benefits).
 - Some get nothing (i.e., if bill affordable without assistance, no assistance is provided).
 - Political concern about “price signals” (not found to be a problem in reality).

ULTIMATE CONCLUSION(S)

- Can find some “fundamental challenge” in virtually any approach.
- The extent of “challenges” is often perspective-dependent (customer vs. utility; government vs. utility).
- It is difficult to separate the definition of “affordable” from program operational questions.
- Can make-up metrics without addressing the underlying question.
- If the answer was “easy,” we would all have agreed upon it by now.

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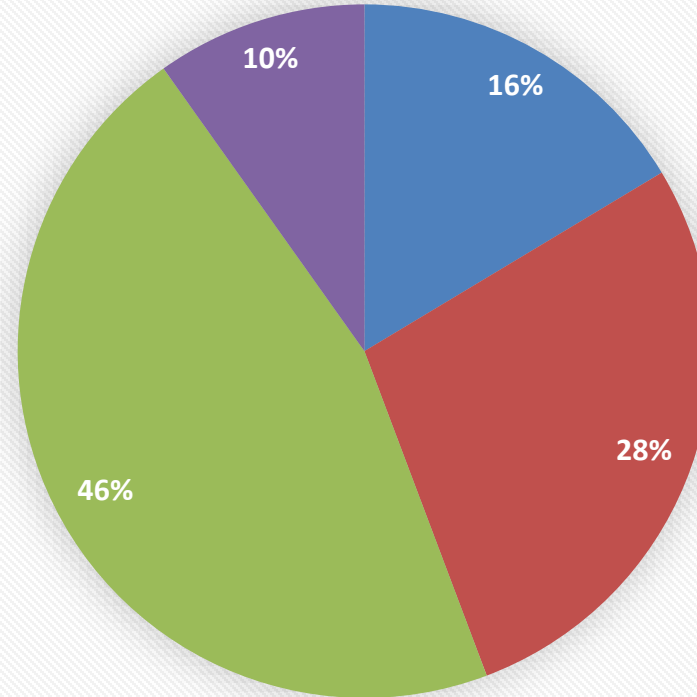
Break: 5 minutes

Survey Results

Fawzon Tiwana
Brad Banks
Anne Armstrong
MPSC

1. What do you consider to be the best way to coordinate energy affordability, low-income EWR, energy assistance and accessibility?

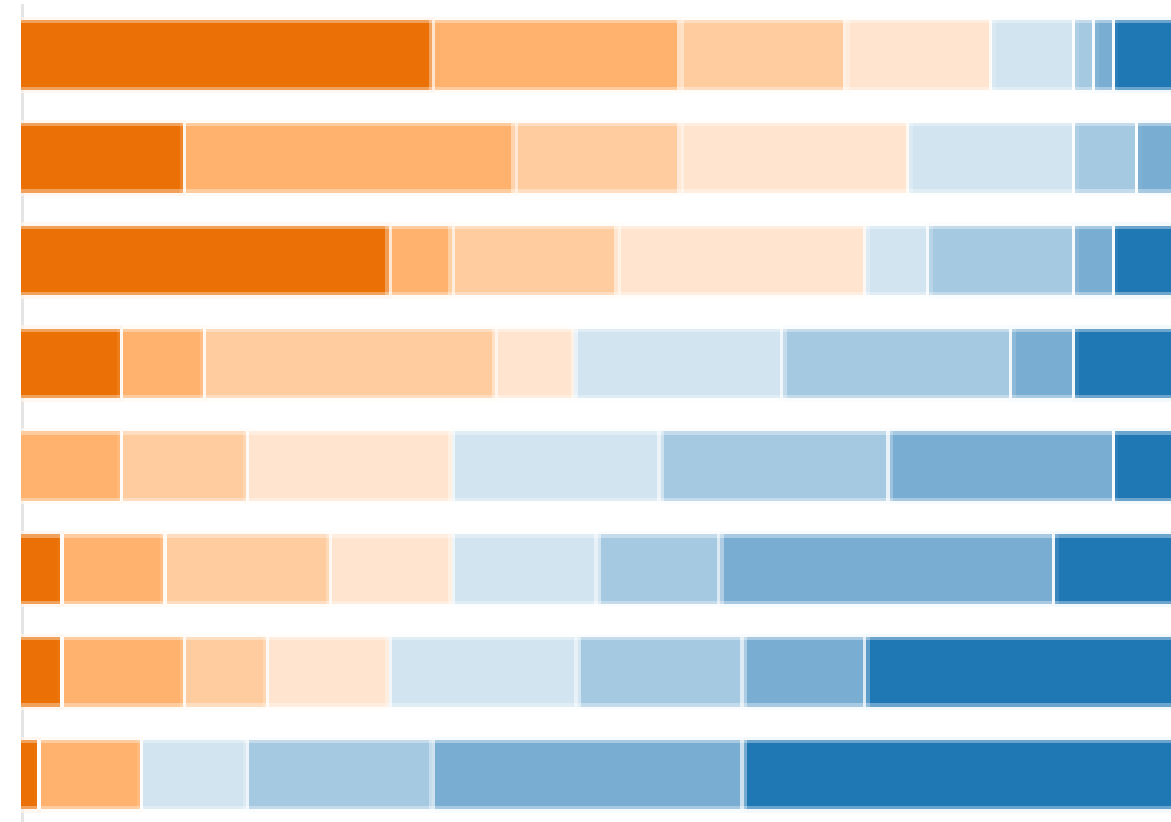
- a. Separate collaboratives each for the LI EWR and the Energy Affordability and Accessibility collaborative (EAAC)
- b. One collaborative that addresses all low-income energy issues
- c. One collaborative with various subcommittees assigned to key issues
- d. Other



2. In the February 18 U-20757 order, the Commission laid out a series of priorities to be tackled by the new Energy Affordability and Accessibility Collaborative (EEAC) in coordination with the LI-EWR workgroup. Please rank the issues in order of urgency or importance to you.

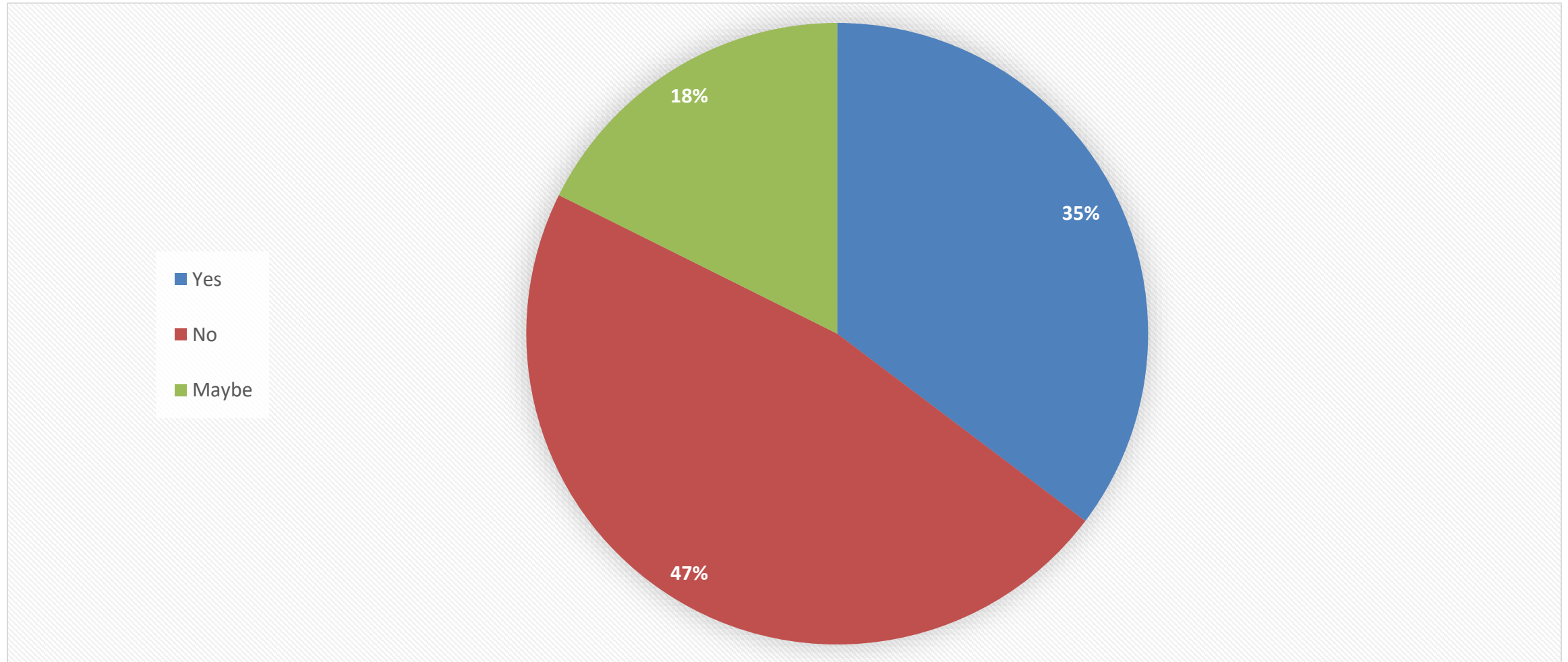
First choice  Last choice

1. Study the alignment of income eligibility across energy assistance programs and customer protections, including studying the impacts of expanding eligibility to 200% of the FPL; and under Commission jurisdiction, make recommendations on aligning application processes if beneficial
2. Analyze the application, eligibility determination, and program design for the various assistance programs and utility-based credits, additionally making recommendations for alignment and simplification
3. Adopt a common definition of energy affordability and energy self-sufficiency
4. Direct utilities to pilot the targeting of communications so that recipients of an energy assistance program will be alerted to eligibility for energy efficiency programs.
5. Streamline and improve affordable payment plans (APPs with consideration of the objectives set forth in the Collaborations and Communications Staff Report
6. Develop recommendations for a Long Term Data Strategy Includes looking at demographic information such looking at race, gender, income, and zip code information in gathering demographic information and work with current data submission requirements
7. Develop a strategy for communication and engagement that would establish regular mechanisms for stakeholders to provide input on improving communication and materials, broaden its outreach to groups traditionally not a part of utility communications
8. Engage in a review of Rule-based Protections- Part 7 of the Commission’s billing rules, Mich Admin Code R 460.128 *et seq.* and make recommendations for improvements to customer protection

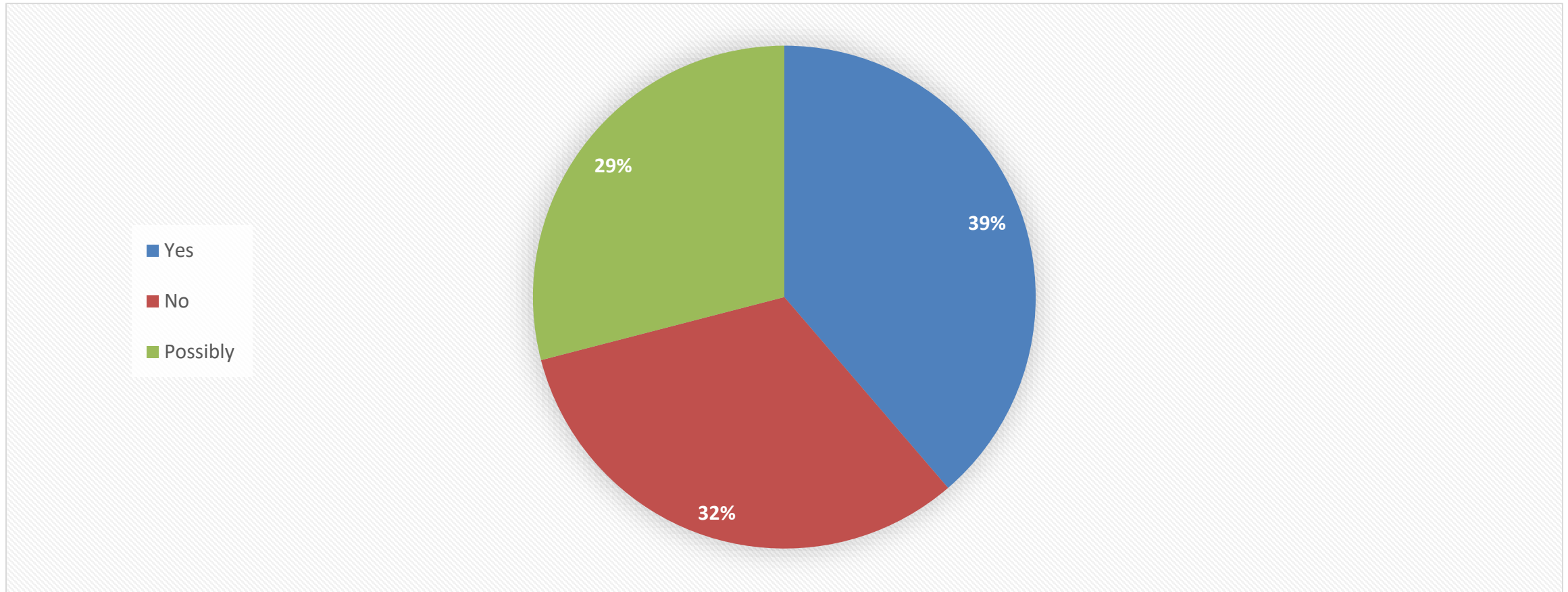


3. If you have additional priorities, you would like addressed please summarize them here:
4. What outcomes or products do you envision coming from this group? The U-20757 2/18/2021 order requires an interim progress report by 12/17/2021 including any recommendations for Commission consideration, but there could be other outcomes/products.
5. How do you see the work of the LI-EWR group transitioning?

6. Are there concerns that adequate time will be spent on LI issues?



7. Are there concerns about loss of focus or direction for the EWR LI Workgroup or topic groups getting lost or not completed?

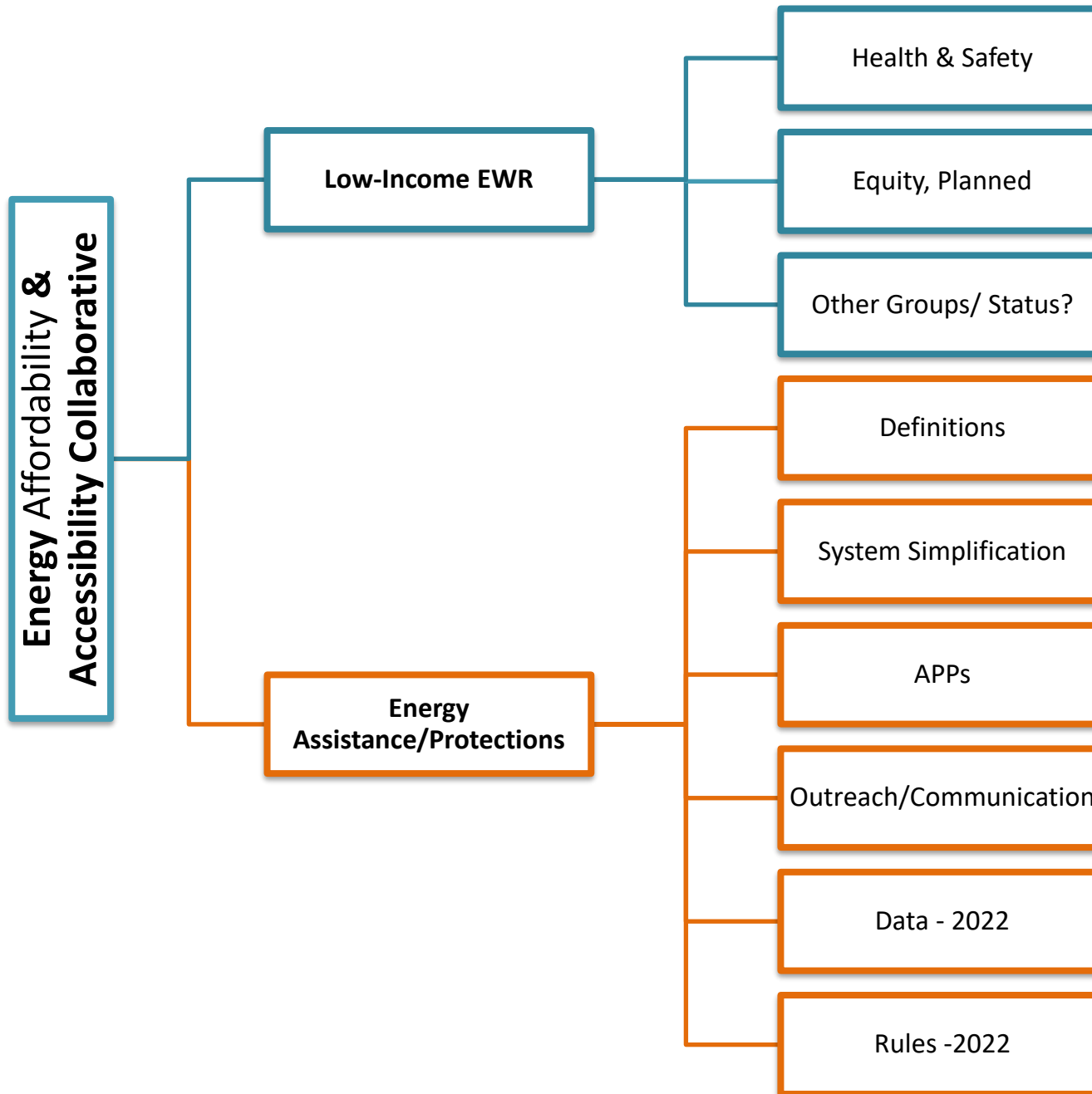


Process Priorities

- Establish consensus values for conducting meetings, communications, and outputs
 - Safe meetings
 - Varied opportunities for input
 - Respect for diverse perspectives
- Establish strategy on bringing more representation to the workgroup such as under-resourced, BIPOC, renter, and high energy burdened communities
- Establish consensus on using inclusive and varied meeting facilitation techniques; provide recommendation on the best tools for this group

EAAC Expectations

- Create an environment where broad and varied input is made possible to provide guidance to the Commission in making formal policy decisions on energy affordability and accessibility
- Staff is committed to achieving consensus when possible
- Staff is ultimately responsible for making final recommendations including accurately reflecting participant input and writing reports based on the group discussion



Stakeholder Priorities

Briana Parker - Elevate

Brad Banks - MPSC

Top Issues from Survey Ranking

1. Study the alignment of income eligibility across energy assistance programs and customer protections, including studying the impacts of expanding eligibility to 200% of the FPL; and under Commission jurisdiction, make recommendations on aligning application processes if beneficial
2. Analyze the application, eligibility determination, and program design for the various assistance programs and utility-based credits, additionally making recommendations for alignment and simplification
3. Adopt a common definition of energy affordability and energy self-sufficiency
4. Direct utilities to pilot the targeting of communications so that recipients of an energy assistance program will be alerted to eligibility for energy efficiency programs.

Priorities from Survey Comments

- LI-EWR group continuation with strong interface
- Increased agency/services collaboration
- Wholistic integrative approaches
 - Full integration of EWR into program/services
 - Proactive engagement with low-income customers
 - Affordability/accessibility/ reliability hotspots
 - Shutoff elimination/ vulnerable population protections
 - Low interest loans/ ease of credit score requirements
- Data coordination
 - Database with clearinghouse for single application
 - Eligibility matrix
- PIPPs
- Low-income, affordability, equity standards for case filings
- Fix 211

Next Steps

- May Meeting
 - Overview of Commission Authority and low-income energy assistance and EWR laws.
 - Breakout rooms to further define guiding principles and values
 - Breakout rooms to further define structure and priorities
 - Further discussion of affordability standards

Thank you for participating

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