



U-20757

Collaboration and Communication Process

December 15, 2020

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Executive Summary

In the U-20757 July 23, 2020 order, the Michigan Public Service Commission (MPSC or Commission) asked Staff to continue collaborations and communications with energy and telecommunication providers, and stakeholders to ensure an ongoing proactive response to issues arising from the novel coronavirus (COVID-19) and to look at not only best practices, but ways of improving energy assistance, affordability, and customer protections moving into the future.

What follows is a look into the state of Michigan's complex telecommunications, energy assistance, and customer protections system; followed by a review of ongoing collaborations, the recent collaborations, and stakeholder groups specifically addressing concerns arising from COVID-19. The report closes with a discussion and steps that can be taken in the near term to ensure active responses for protecting the health and safety of the public and continued access to service as the pandemic unfolds. The discussion includes broad themes emerging from the collaborations and recommendations on long term actions for MPSC consideration.

Focus areas for recommendations include:

- Ongoing COVID-19 Response: Staff recommends continued collaboration to problem solve issues that arise from the pandemic; ongoing data collection, and intensive outreach and education on available energy assistance and protections.
- Equity and Affordability: Staff recommends that equity be considered when reviewing energy assistance programs, customer protections, and policy development in the work of collaboratives.
- Simplify Energy Assistance and Customer Protection System: Staff recommends the consideration of a collaborative that works in connection with the EWR Low-Income Workgroup to study the alignment of income eligibility across energy assistance, energy waste reduction programs, and customer protections, and make recommendations for simplification and improvement.
- Affordable Energy Bills: Staff recommends exploring the adoption of a common definition of energy affordability and energy self-sufficiency with the goal of reducing the number of households in Michigan with unsustainable energy burdens.
- Streamline and improve APPs: Staff recommends exploring APPs and assistance options in more depth with the collaborative mentioned above, with the goal of establishing consistent expectations and metrics across programs to better understand efficacy for program improvements.
- Importance of data, transparency, and analysis to inform program design and policy changes: Staff recommends exploring a long term data collection strategy, using the monthly shut off and arrearage data submissions required under the July 23, 2020 Order,

the quarterly reports required under Rule 51, and the work from the various studies and collaboratives as inputs to strategy development.

- Review of rule-based protections: Staff recommends studying the efficacy of the Consumer Billing Rules, Part 7 Energy Assistance and Shut off Protection Programs for Residential Customers and provide recommendations for improvement.
- Communication and Engagement: Staff recommends the MPSC continue with formal and informal collaborations, and establish additional, regular mechanisms for stakeholders.

Introduction

As stated in the MPSC [order](#), U-20757 of July 23, 2020, Michigan is facing an unprecedented situation with the COVID-19 pandemic threatening human health and disrupting the economy. From March 10, 2020 to October 1, 2020, Michigan operated under a series of [state of emergency orders](#)¹ declared by Governor Gretchen Whitmer to respond to and limit the spread of COVID-19. On November 18, 2020 in the face of a surge of COVID-19 cases and hospitalizations, the Michigan Department of Health and Human Services (MDHHS) issued [epidemic orders](#)² putting into place new restrictions on large gatherings, schools, athletics, restaurants and bars, and others.

During this tumultuous period, the MPSC deemed it of the utmost importance to maintain the safety, reliability, and accessibility of critical infrastructure for energy and telecommunications services under its jurisdiction. Over the past seven months, since early March 2020 when the first case of COVID-19 was confirmed, the MPSC and other entities have addressed a plethora of issues precipitated by the pandemic with the goal of ensuring that utilities have the resources, authorizations, and guidance to operate effectively and provide continuity of service. In addition, the MPSC emphasized the need for special protections aimed at customers to access utility services and to assist those struggling with utility bills due to the abrupt disruptions to households and businesses across the state in the early months of the pandemic, and stresses on governmental support systems, such as unemployment and energy assistance programs. On April 15, 2020, the MPSC issued the first order in this docket describing its efforts to respond to the COVID-19 pandemic. [See, April 15, 2020 order in Case No. U-20757](#).³ In the second order in the docket issued on July 23, 2020, the MPSC summarized the actions taken as directed from the April 15, 2020 order and provided a new directive as a means of building on early pandemic response work and to ensure that vulnerable customers would continue to have access to utility services and assistance in paying bills.

Specifically, the Commission issued the following directive: “The Commission Staff shall continue communication and collaboration with energy and telecommunications providers for the purpose of identifying and addressing issues as they arise and discussing best practices for customer protection and affordability measures moving forward, and to file in this docket no later than

¹ https://www.michigan.gov/coronavirus/0,9753,7-406-98178_98455---,00.html

² https://www.michigan.gov/coronavirus/0,9753,7-406-98178_98455-533660--,00.html

³ <https://mi-psc.force.com/sfc/servlet.shepherd/version/download/068t000000BRC2YAAX>

December 15, 2020, a summary of these efforts and any recommendations to improve utility affordable payment plans and other assistance options.”⁴

Setting the Context for COVID-19

As of December 14, 2020, Michigan had seen 437,985 confirmed cases and 10,752 confirmed deaths attributable to [COVID-19](#).⁵ Michigan was one of the most heavily impacted states by COVID-19 early in the pandemic, with new cases peaking at nearly 2,000 per day in late March 2020. Strict preventative measures and the cooperation of Michiganders drove daily case numbers dramatically down to less than 200 confirmed cases in mid-June 2020, greatly reducing the loss of life. However, since October 2020, Michigan has seen an exponential growth in cases. Daily new cases are now over 6,000 on average, much higher than what was seen in the spring.⁶

In 2019 before the onset of COVID-19, 551,897 households were eligible for the Federal Low-Income Home Energy Assistance Program (LIHEAP) and the Michigan Energy Assistance Program (MEAP). This means that 23.7% of Michigan residents were considered 150% or below the Federal Poverty Level (FPL) prior to the pandemic.

| Statistics – American Community Survey 2018 5-year estimates. Individuals⁷ | Michigan | |
|--|-----------------|-------|
| SE:A13004. Ratio of Income to Poverty Level | | |
| Population for Whom Poverty Status Is Determined: | 9,731,374 | |
| Under .50 | 654,072 | 6.7% |
| .50 to .74 | 381,373 | 3.9% |
| .75 to .99 | 421,563 | 4.3% |
| 1.00 to 1.49 | 853,973 | 8.8% |
| 1.50 to 1.99 | 866,890 | 8.9% |
| 2.00 and Over | 6,553,503 | 67.3% |

⁴ July 23 order, page 56.

⁵ <https://www.michigan.gov/coronavirus/>

⁶ For data relating to COVID-19 in Michigan see https://www.michigan.gov/coronavirus/0,9753,7-406-98163_98173---,00.html

⁷ Social Explorer Tables: ACS 2018 (5-Year Estimates) (SE), ACS 2018 (5-Year Estimates), Social Explorer; U.S. Census Bureau.

Fiscal Year 2020 (FY 2020) Guidelines for Households 150% or below the FPL⁸

| Persons in family/household | Poverty guideline |
|------------------------------------|--------------------------|
| 1 | \$19,140 |
| 2 | \$25,860 |
| 3 | \$32,580 |
| 4 | \$39,300 |
| 5 | \$46,020 |
| 6 | \$52,740 |

** For All States (except Alaska and Hawaii), and for the District of Columbia

During the unfolding of the pandemic as businesses and educational institutions responded to the Governor's initial Stay Home Stay Safe Emergency Order, unemployment soared from 3.6% in February 2020 to 24% in April 2020 during the first peak of COVID-19. As of October 2020, the unemployment rate was 5.1%.⁹ However, with the new MDHHS pandemic orders in place through December 20, 2020, unemployment, especially among service workers, may rise, which jeopardizes more families' ability to pay energy bills. This potentially could cause more families to fall into poverty. Even before COVID-19, residents using MIBridges the MDHHS online portal for applying for assistance cited paying electric or natural gas bills as their top need and they continued to do so during the first months of the pandemic.¹⁰

In response to this need, MPSC, MDHHS, utilities and stakeholders have communicated regularly since March 2020, both formally and informally, to respond to the imperative task of keeping Michigan residents safe and with access to energy and telecommunications services.

Overview of Energy Assistance and Customer Protections in Michigan

The following is a brief listing and description of Michigan's energy assistance and customer protections for the purpose of establishing a foundation for the stakeholder discussions and ongoing collaborations. It is believed that a greater understanding of the interwoven elements in the system will allow for greater clarity in the collaborative development of holistic solutions.

⁸ <https://www.acf.hhs.gov/ocs/resource/liheap-im-2020-01-hhs-poverty-guidelines-for-optional-use-in-ffy-2020-and-mandatory-use-in-ffy-2021>

⁹ Source: Michigan Bureau of Labor Market Information and Strategic Initiatives
<https://milmi.org/DataSearch/LAUS>

¹⁰ MDHHS MIBridges October Summary Report

LIHEAP

The state of Michigan, through MDHHS, receives a flexible block grant from the federal government each year to help reduce the energy burden¹¹ and address energy affordability for low-income families. In Fiscal Year 2020 (FY 2020), MDHHS received approximately \$163 million which was divided into four areas: State Emergency Relief (SER), Home Heating Credit (HHC), Weatherization Assistance Programs (WAP) and Assurance 16 services.

SER is a crisis intervention program that assists with energy-related expenses such as heating fuel, electricity, and home repairs. To be eligible a household must be past-due on their energy bills (natural gas, electric or deliverable fuels), 150% or under the FPL, and meet certain asset tests. Households can receive a one-time payment up to \$850 for assistance on electric and natural gas bills and \$1250 for deliverable fuels. For many customers, SER is the first step to resolving a crisis. Customers who receive SER are then qualified for additional energy services through MEAP. Customers can apply for SER online using [MI Bridges](#)¹² or fill out a paper application at a local MDHHS office. Hundreds of community partners, including some utilities, are registered as navigators to assist customers through the application process.

In Fiscal Year 2019 (FY 2019), over 100,923 households received energy assistance through SER with payments totaling \$75,383,655 and an average payment of \$749.

HHC, another program funded by LIHEAP, offers support for heating costs. The Michigan Department of Treasury determines eligibility and makes payments. A household can apply for a HHC using the Home Heating Credit Claim form ([MI1040CR-7](#))¹³. The form can be submitted with state of Michigan taxes or applied for separately using only the MI1040CR-7. Eligibility is based on income, number of exemptions, and household heating costs. In FY 2019, \$60 million was allocated from LIHEAP to the HHC with 296,187 households receiving credits during the FY 2019 from October 1, 2018 through September 30, 2019.

WAP provides free home energy conservation services to low-income Michigan homeowners and renters to reduce energy use and lower utility bills. Services to be provided are determined by a whole home energy audit and vary from house to house. The measures installed often include wall, attic and foundation insulation, air leakage reduction, smoke detectors, and dryer venting. The program is administered in all 83 Michigan counties by local Community Action Agencies. WAP is funded through the Federal Department of Energy (DOE) and through LIHEAP.

¹¹ *High energy burdens* are often defined as greater than 6% of income, while *severe energy burdens* are those greater than 10% of income ([APPRISE 2005](#)). Researchers estimate that housing costs should be no more than 30% of household income, and household energy costs should be no more than 20% of housing costs. This means that affordable household energy costs should be no more than 6% of total household income.

¹² https://newmibridges.michigan.gov/s/isd-landing-page?language=en_US

¹³ https://www.michigan.gov/taxes/0,4676,7-238-44143_44144---.00.html

In recent years MDHHS has made changes in the LIHEAP state plan to allow for LIHEAP funds to be more flexible and more holistically supplement DOE funds in this program. Some of these changes have included aligning the income limit to 200% of FPL between both funding sources and allowing LIHEAP funds to address minor deferral reduction needs so that weatherization work can proceed on homes. MDHHS will continue to evaluate the allowability and usability in supplemental LIHEAP to ensure the program addresses as many eligible homes in Michigan as possible. The program data from FY 2020 was significantly impacted by COVID-19. In general, each year \$6 million in LIHEAP funds are allocated to weatherization. In FY 2019, \$8.9 million in LIHEAP funds were allocated to weatherization; however, because of the significant scaling up of this program only \$7.8 million funds were spent. This resulted in serving 1,161 households with LIHEAP funds and 1,460 households with DOE funds for weatherization. Some homes received only one funding source, while others received both funding sources. A total of 1,599 households were served during this time. The average amount spent per unit totaled \$5,199 in LIHEAP funding, and \$6,841 in DOE funding.

Assurance 16 funding is allocated from LIHEAP to the MEAP program. Households applying for crisis assistance can receive Assurance 16 services to assist with the reduction of energy costs and their need for assistance. A primary goal of MEAP states, "Energy assistance must include services that will enable participants to become or move toward becoming self-sufficient, including assisting participants in paying their energy bills on time, assisting participants in budgeting for and contributing to their ability to provide for energy expenses, and assisting participants in utilizing energy services to optimize on energy efficiency."¹⁴ Services can include needs assessment, budgeting assistance, energy education, and providing assistance for households to enroll in Affordable Payment Plans (APP) offered by their energy provider(s). Households who receive weatherization services may also receive Assurance 16 services, as part of the WAP.

In 2019, \$4,203,654 of LIHEAP funding was spent on Assurance 16 Activities for 32,844 households.

MEAP Funded by the Low-Income Energy Assistance Fund (LIEAF)

The Michigan Energy Assistance Act, [Public Act 615](#)¹⁵ of 2013, requires MDHHS to establish MEAP. The purpose of MEAP is to form and administer programs statewide that provide energy assistance to eligible low-income households. Energy assistance programs must include services that enable participants to become or move toward becoming self-sufficient, which assists in paying their energy bills on time, budgeting and contributing to their ability to provide for energy expenses, and utilizing energy services to optimize on energy efficiency.

¹⁴ [Michigan PA 615 of 2012, p.2](#)

¹⁵ <http://www.legislature.mi.gov/documents/2011-2012/publicact/pdf/2012-PA-0615.pdf>

To fund MEAP the legislature created LIEAF, [Public Act 95](#)¹⁶ of 2013. The Act allows the MPSC to annually approve a low-income energy assistance funding factor, not to exceed \$50,000,000, to support the LIEAF. The funding factor is the same across all customer classes and the monthly customer charge can't exceed \$1.00. The Act also tasks MDHHS and MPSC with ensuring that all money collected for the fund from a geographic area is returned to that geographic area. The funding factor for the last several years is detailed below:

| Fiscal Year | FY 2021 | FY 2020 | FY 2019 | FY 2018 | FY 2017 | FY 2016 | FY 2015 |
|-----------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Monthly Surcharge Approved | \$0.91 | \$0.92 | \$0.93 | \$0.93 | \$0.96 | \$0.98 | \$0.97 |
| Number of Participating Utilities | 28 | 28 | 27 | 26 | 22 | 23 | 22 |

Case No. U-17377, Public Act 95 of 2013

MEAP is distributed to customers through human services agencies and community action agencies. Because the goal of MEAP is to move households toward self-sufficiency, every household that receives MEAP is offered self-sufficiency and energy efficiency services. These can include case management, budgeting classes, Energy Waste Reduction (EWR) kits and services, or vendor advocates who, for example, could work on payment arrangements with the customer's utility. MEAP grantees fund these services in part through the LIHEAP Assurance 16 funding mentioned above.

Assurance 16 – Self-sufficiency Services

| Service Type | Households Served 2020 | Households Served 2019 |
|---------------------------------------|------------------------|------------------------|
| Needs Assessment (includes referrals) | 26,421 | 25,061 |
| Vendor Advocacy | 22,575 | 17,229 |
| Energy Education | 26,104 | 24,036 |
| Financial Counseling | 19,720 | 17,580 |
| Short-term Case Management | 16,396 | 11,095 |
| Long-term Case Management | 5,395 | 2,215 |
| Any type of A16 service | 39,576 | 32,884 |

Typically, a customer receives either a one-time assistance payment on their natural gas, electric, or deliverable fuel bill or a customer may be enrolled in an APP if their utility offers a plan under MEAP. The utilities that offer APPs are Consumers Energy (CE), DTE Energy (DTE), SEMCO Energy

¹⁶ <http://www.legislature.mi.gov/documents/2013-2014/publicact/pdf/2013-PA-0095.pdf>

Gas Company (SEMCO), Upper Peninsula Power Company (UPPCO), and Great Lakes Energy Electric Cooperative (GLE). APP's pay a portion of a customer's energy bill and 1/24th of their unpaid bill balances over a two-year period. If the customer makes regular payments, at the end of two years, their arrearages will be paid down with the goal of moving the customer off assistance. A household can receive no more than \$2,000 in direct energy payments each fiscal year.

Assistance by Type

| Assistance | 2020 | 2019 |
|------------|-----------------|-----------------|
| One-time | \$18,257,543.12 | \$13,928,402.64 |
| APP | \$22,448,535.94 | \$28,943,641.15 |

Affordable Payment Plan Assistance

| Program | Households Served 2020 | New Enrollments FY20 | Total MEAP Funds Spent 2020 | Households Served 2019 | New Enrollments FY19 | Total MEAP Funds Spent 2019 |
|-----------------|------------------------|----------------------|-----------------------------|------------------------|----------------------|-----------------------------|
| CE – CARE | 14,309 | 6,833 | \$11,767,706.43 | 16,881 | 9,499 | \$10,698,409.19 |
| DTE – LSP | 12,371 | 12,528 | \$9,155,588.37 | 22,390 | 3,301 | \$16,235,631.65 |
| SEMCO – MAP | 3,227 | 1,895 | \$1,050,695.43 | 5,115 | 1,259 | \$2,009,600.31 |
| UPPCO – EASE UP | 431 | 431 | \$372,846.67 | N/A | N/A | N/A |
| GLE | 108 | 108 | \$101,699.04 | N/A | N/A | N/A |

| Grantee Name | Total Award 2020 | Total Award 2019 |
|--------------------------------|------------------|------------------|
| Barry County United Way | \$ 150,000.00 | \$ 125,000.00 |
| Bureau of Community Action | \$ 6,390,000.00 | \$ 6,000,000.00 |
| Society of St. Vincent de Paul | \$ 4,100,000.00 | \$ 4,100,000.00 |
| Superior Watershed | \$ 2,460,000.00 | \$ 1,940,597.00 |
| The Heat and Warmth Fund | \$ 7,150,000.00 | \$ 8,242,989.00 |
| The Salvation Army | \$ 11,400,000.00 | \$ 11,072,266.00 |
| TrueNorth Community Services | \$ 12,056,633.00 | \$ 10,778,608.00 |
| United Way SEM | \$ 5,371,421.00 | \$ 6,750,000.00 |
| United Way Jackson | \$ 5,421,946.00 | \$ 5,047,831.00 |
| Total Awarded | \$ 54,500,000.00 | \$ 54,057,291.00 |

Utility-Based Credits

Additional assistance for ratepayers comes in the form of ratepayer-funded, low-income credits from some utilities. Currently, DTE, CE, and SEMCO have two types of bill credits for low-income customers: a Residential Income Assistance credit (RIA), which equals the monthly customer charge or a Low-Income Assistance credit (LIA/LIAC) ranging from \$30 to \$40 per month. RIA doesn't limit the total number of customers eligible to receive the credit, but rates are approved for recovery of a projected number of customers. LIA customer counts are capped. LIA and RIA projections are shown below:

2018 Total Annual Enrollment

| Utility | LIA | RIA |
|---------------------------|-----------------|----------------|
| CE Electric* | 50,400 proposed | 683,040 |
| CE Gas | 131,166 | 932,457 |
| DTE Electric | 372,708 | 160,205 |
| DTE Gas | 212,329 | 519,475 |
| SEMCO** | 24,000 target | 126,000 target |
| Indiana Michigan (I&M)*** | N/A | 30,972 |

2018 Expenses

| Utility | LIA | RIA |
|------------------|----------------------|--------------------|
| CE Electric (1) | \$1,512,000 proposed | \$4,781,280 |
| CE Gas (2) | \$3,970,395 | \$10,956,370 |
| DTE Electric (3) | \$14,908,320 | \$1,201,537.5 |
| DTE Gas (4) | \$6,369,870 | \$5,844,094 |
| SEMCO (5) | \$720,000 target | \$1,449,000 target |
| I&M (6) | N/A | \$112,273.5 |

*New rates and low-income credits from Case No. U-20697 will go into effect in January 2021. New LIA credit has not yet been approved by the MPSC.

**SEMCO's assistance credits were approved in the December 6, 2019 MPSC order for Case No. U-20479. The targeted enrollment numbers are listed, but data has yet to be released for these credits.

***This number represents the annual average number of accounts receiving any type of bill assistance. I&M administered a 50% service charge discount in 2018. That was changed to a 100% discount in the January 1, 2020 settlement agreement for Case No. U-20359.

(1) LIA: $50,400 \times \$30 = \$1,512,000$; RIA: $683,040 \times \$7 = \$4,781,280$

(2) LIA: $131,166 \times \$30.27 = \$3,970,395$; RIA: $932,457 \times \$11.75 = \$10,956,370$

(3) LIA: $372,708 \times \$40 = \$14,908,320$; RIA: $160,205 \times \$7.50 = \$1,201,537.50$

(4) LIA: $212,329 \times \$30 = \$6,369,870$; RIA: $519,475 \times \$11.25 = \$5,844,094$

(5) LIA: $24,000 \times \$30 = \$720,000$; RIA: $126,000 \times \$11.50 = \$1,449,000$

(6) RIA: $30,972 \times \$3.625 = \$112,273.5$

Some electric utilities offer ratepayer-funded assistance credits to their senior citizens. This credit is for \$3.75 per month, which is half the monthly service charge for CE and DTE. According to the most recent data from 2018, CE and DTE's average monthly enrollment are 340,751 and 109,090, respectively. The annual expenses are \$15,333,798 for CE and \$4,909,050 for DTE.

Low-Income Energy Waste Reduction Programs (LIEWR)

Although EWR programs and efforts are not tackled directly in this report, these programs are an important component to helping low-income and vulnerable customers afford their energy bills. The MPSC directed in the July 23, 2020 order rate-regulated utilities file a report on October 23, 2020 and on January 22, 2021, detailing their most up-to-date efforts to expand EWR programs to low and moderate-income customers. Prior to COVID-19, efforts were already underway to expand LIEWR programs in many of the larger utilities EWR program plans. The utilities have made every effort to limit the disruption to these programs due to the pandemic and have seen success, which will be detailed in the January 2020 reports.

The [*Clean and Renewable Energy and Energy Waste Reduction Act*](#)¹⁷ maintains the energy efficiency goals established with the energy optimization standards developed in 2008 under Public Act 295. Electric and natural gas savings targets for utilities are based on prior years sales, set at 1% per year for electric and 0.75% per year for natural gas, all investor-owned utility providers, cooperatives, and municipals.

In 2019, all of Michigan's 65 utility providers spent a combined \$29 million in LIEWR programs. In 2020, this number is expected to increase. CE and DTE alone are expecting to spend over \$40 million. Significant amounts were spent on increasing energy efficiency and reducing bills for low and moderate-income households. There are many opportunities to leverage these programs with the energy assistance programs to achieve long-term self-sufficiency in paying energy bills for low and moderate-income households. More discussion follows below in the LIEWR collaborative section.

Rule-based Shut Off Protections

Currently, Michigan residential customers have the ability to participate in the protection programs outlined in Part 7 of the Consumer Standards and Billing Practices for Electric and Natural Gas Service ([Customer Billing Rules, R 460.101 - R 460.169](#))¹⁸. These programs are an

¹⁷ <http://www.legislature.mi.gov/documents/2015-2016/publicact/pdf/2016-PA-0342.pdf>

¹⁸ <https://ars.apps.lara.state.mi.us/AdminCode/DownloadAdminCodeFile?FileName=R%20460.101%20to%20R%20460.169.pdf>

important means by which the MPSC can protect the public. They work hand-in-hand with energy assistance and EWR programs which strive to aid customers in paying and reducing their energy bills.

Annually and when a customer receives a past-due notice from the regulated utility, they are required to inform customers about the following protection programs. These programs have been in place for several years.

Winter Protection Plan (WPP) – WPP protects enrolled seniors, age 65 and older, and low-income customers, whose annual household income is at or below 150% of the FPL, from service shut offs and high utility bill payments during the heating season starting November 1 and ending March 31. An account holder may also enroll if they receive any of the following services: Temporary Assistance to Needy Families (TANF), Supplemental Security Income (SSI), Supplemental Nutrition Assistance Program (SNAP), and Medicaid.

The WPP also functions as a payment plan for both senior and low-income households. The customer can't be shut off if they meet the following conditions: they must pay at least 7% of their estimated annual bill each month during the protection period, and, if an arrearage exists at the time of application for shut off protection, they must pay the arrearage in equal monthly installments between the application date and the start of the next heating season.

Shut off Protection Plan (SPP) – The Customer Billing Rules also allows utilities to offer a shut off protection program that meets or exceeds the requirements of the WPP above. DTE and CE are the only regulated utilities that currently offer SPP by allowing low-income customers who are under the 200% FPL to enroll in shut off protection in combination with a payment plan.

Senior Protection Plan – The account holder who is an eligible senior citizen, age 65 and older, is protected from disconnection of service during the heating season starting November 1 through March 31 at the customer's documented personal residence. The utility will restore service for the customer during the heating season without payment of the amount due, deposits, reconnection fees, or other charges. At the end of the heating season, the account will be placed on a payment plan and payment must begin immediately.

Medical Emergency Protection – A customer can receive a medical hold preventing service from being shut off for nonpayment of their natural gas and/or electric bill for up to 21 days if the customer or a member of the household has an existing medical condition that would be aggravated by the lack of utility service. The condition must be certified by a physician or public health office on the MPSC approved Medical Certification Form. The form must state the medical condition, medical equipment, and specify a time the shut off from utility service would make the medical condition worse. An extension of the medical hold and a postponement of shut off from service can be obtained for a total of 63 days, three separate medical holds, in any 12-month

period per household member. Annually, the utility is not required to grant shut off extensions totaling more than 126 days per household. Customers would be granted a three-business day grace period from utility service shut off for time to have the Medical Certification Form completed. A utility cannot require payment for an after-hours reconnect fee or a deposit as a condition of restoring service. [The Medical Certification Form](#)¹⁹ is available from each utility and on the MPSC website.

Critical Care Protection – A customer or household can receive protection from disconnection or have services restored due to the inability to pay if there is an identified critical care customer in the home and interruption of service would be immediately life threatening. A critical care customer is an individual who requires home medical equipment or a life support system that must be certified by a physician or public health office on the MPSC approved Medical Certification Form. Customers would be granted a three-business day grace period from shut off of utility service to provide time in completing the Medical Certification Form. The customer will be contacted by the utility when any scheduled service interruptions occur. The utility will also notify the customer before any remote shut offs for utility services. If critical care status changes, the customer or a person in the household must let the utility know of the status change. However, if a person's status doesn't change, an updated Medical Certification Form must be submitted to the utility on an annual basis. The Medical Certification Form is available from the utility and on the MPSC website.

Military Protection – If an active duty customer or spouse is the utility company's customer of record and are called to full-time active military service by the President of the United States or the Governor of Michigan during a national or state emergency or war, the customer may apply for shut off protection of electric or natural gas service up to 90 days. The customer may also reapply for extensions of this protection. The utility company may request verification of active duty status. In addition, the customer must notify the utility company when military service status changes. The customer must contact the utility company to set up a payment plan for all past due amounts to be paid within twelve months. The customer will still be required to pay for services used while in the program.

Extreme Weather Policy – Each utility must submit an extreme weather policy that outlines criteria for suspending shut offs under extreme heat or cold weather for MPSC approval. Additional protections for certain classes of customers or criteria in which utilities will follow in suspending disconnection of service can be included. For example, some utilities don't disconnect customers for non-payment of bills when days of extreme cold temperatures are below 15°F,

¹⁹ https://www.michigan.gov/documents/mpsc/Medical_Hold_Form_Template_Fillable_608527_7.pdf

and/or wind chills below 0°F, and extreme heat when actual temperatures are over 90°F. In July 2020, during the pandemic, MPSC Staff (Staff) reached out to the regulated utilities verifying if any had suspended disconnections using their extreme weather policy due to the increased number of consecutive extreme heat periods occurring in Michigan. As a result, the utilities were not conducting disconnections at that time due to their commitments in the affirmations.

Summary of Collaborations and Communications

To ensure the continuation and improvement of customer protection efforts through the course of the pandemic, the Commission asked Staff to continue communication and collaboration with energy and telecommunications providers and stakeholders for the purpose of identifying and addressing issues as they arise. In addition, the Commission specifically directed Staff to work with energy utilities and other stakeholders on potential improvements to APPs offered by the utilities. Many of these issues have also been raised in recent rate case proceedings, and the heightened concerns over energy affordability resulting from the pandemic added urgency to improving options for customers needing assistance or flexibility in paying utility bills.

Below is a high-level summary of ongoing collaborations with energy and telecommunications providers, and stakeholders, specifically gathering input for the purpose of understanding concerns relating to affordability and gathering creative solutions to improve APP.

Telecommunications

In response to the directive in the July 23, 2020 order in Case No. U-20757, the MPSC Telecommunications Staff has acted on several issues impacting customers of both broadband and telecommunications service.

While the issues of access, affordability, and adoption of broadband service has been a concern in Michigan, the COVID-19 pandemic has only pushed these issues to the forefront. Telehealth, remote learning, employment, and business have highlighted the importance of reliable and affordable broadband service.

On June 9, 2020, the MPSC in partnership with Connected Nation Michigan, the Department of Technology, Management and Budget (DTMB), and the Michigan Department of Education, launched an online map of free Wi-Fi hotspots to help residents who lack access to broadband internet service.²⁰ The hotspot map provides hundreds of locations where free Wi-Fi is available from the parking lots of public schools, libraries, and other locations across the state. The map also contains details on how to access the Wi-Fi hotspots' networks. While public Wi-Fi hot spots

²⁰ Wi-Fi hotspot map:

<http://cngis.maps.arcgis.com/apps/webappviewer/index.html?id=0d69accbb5ff422a82eccc2c9101b69d>

are not a replacement for home connectivity, these locations offer Michigan families the ability to access and download remote learning resources for free. As students returned to school for the 2020-2021 academic school year, the MPSC issued a press release on September 10, 2020 to remind parents and students of this free Wi-Fi hotspot map that is available to them, especially for those families that lack internet service.²¹

In addition to the Wi-Fi hotspot map, the MPSC in partnership with Connected Nation Michigan, also updated its state and county maps as it relates to broadband information. An interactive broadband map has also been updated which provides information regarding both telecommunications and broadband service. Lastly, the information regarding broadband statistics in Michigan has also been updated. The updates for all these maps, as well as broadband statistics, took place in September 2020.²²

Beginning in September 2020, Staff have been active participants on the Connecting Michigan Taskforce. This taskforce meets monthly and involves participants from several state departments, as well Staff from Connected Nation Michigan. The purpose of this taskforce is to address the issues of the lack of broadband service in unserved and underserved communities throughout Michigan, as well as addressing issues of affordability and adoption of broadband service.

Telecommunications services, especially during this pandemic, are also important, particularly for the most vulnerable populations in Michigan, such as low-income, elderly, and those who may have encountered financial hardship due to the pandemic. Understanding this need, Staff updated its Michigan Lifeline Provider list.²³ In addition to providing a list of wireless and wireline Lifeline providers and their phone numbers, Staff have now included basic Lifeline plan information for wireless providers, which includes data and direct links to Lifeline plan information. The Michigan Lifeline Providers list was also developed in a format that can be easily printed.

Both Governor Whitmer and the MPSC promoted Lifeline Awareness Week on September 14, 2020 and urged eligible Michigan residents to take advantage of the Lifeline telephone and broadband discounts.²⁴ The press announcement included Governor Whitmer's Lifeline Awareness Week proclamation, as well as the MPSC's Lifeline Consumer Tips, and also the updated Michigan Lifeline Provider list.

²¹ September 10, 2020 WiFi Hotspot MPSC press release: https://www.michigan.gov/mpsc/0,9535,7-395-93307_93313_17280-539253--,00.html

²² Information regarding broadband maps and statistics: <https://connectednation.org/michigan/mapping-analysis/>

²³ Michigan Lifeline Provider List: https://www.michigan.gov/documents/mpsc/telecomm_carriers_522698_7.pdf

²⁴ Lifeline Awareness Week Press Announcement: https://www.michigan.gov/mpsc/0,9535,7-395-93307_93313_17280-539500--,00.html

Ongoing Collaborations with Energy Providers and Stakeholders

MEAP Workgroup

The MEAP Workgroup began as an informal advisory committee to oversee the changes in energy assistance coordination in FY 2019. A group of individuals from the utilities, MEAP grantees, and the State of Michigan gathered monthly to provide important, regular feedback on the challenges and funding sources being utilized to assist while meeting a common goal of moving households to self-sufficiency.

Initially, the workgroup was primarily utilized to identify and resolve any challenges or impacts to the customer experience that were created by the implementation of the new energy assistance coordination process. It was important for all parties to work together and hear the same feedback. Once many of the initial challenges were solved, the group moved on to fine-tuning the process and working toward unifying the plans and processes offered by the utilities for affordable payment programs and setting metrics for the grantees to measure their progress toward helping clients move toward self-sufficiency.

To effectively utilize monthly meeting time and to cover a broad range of issues, the group created MEAP Workgroup Subcommittees to address specific vulnerable populations that the existing energy assistance structure did not serve effectively. During FY 2020, three subcommittees were formed to focus members' attention on these specific issues, providing the time and space to propose creative, feasible solutions. Each of the three subcommittees addressed a separate issue.

Subcommittee One: Provision of Deliverable Fuel in Times of Crisis

This subcommittee seeks to better understand MEAP customers using deliverable fuels. The subcommittee developed a proposal approved by the MEAP Workgroup, to create a pilot program for an APP for MEAP customers using propane or deliverable fuels during Fiscal Year 2021 (FY 2021). The primary goals of this pilot are to create equity within the deliverable fuels segment of MEAP and to work toward self-sufficiency with low-income clients using these fuels. Up to 175 customers on this pilot will have affordable, regular, monthly payments and will be provided self-sufficiency services.

Subcommittee Two: Supporting Self-Sufficiency and Energy Needs for Vulnerable Populations

This group seeks to understand how various MEAP clients experience crisis differently. The group looked at the vulnerabilities of each of proposed focus groups for their pilot. While they strongly believe there is an urgency to build more support for the other groups, particularly high arrears and seniors, the subcommittee's initial pilot will focus on the group of low-income customers with a FPL between 0-19%.

The group has proposed a pilot program for MEAP customers that will engage in an APP, who may not have otherwise been eligible because they are under the 20% of FPL. The goal for each client will be to work with their coordinators on lowering their energy consumption, engaging in financial and employment coaching, and utilizing referral services. Their monthly payments will be

subsidized further, and the pilot will encourage regular, on-time, monthly payments. These customers will engage in additional self-sufficiency services to help guide them toward a more sustainable energy burden. Clients enrolled in the pilot will have to engage in one of many self-sufficiency services to maintain enrollment in the pilot program.

Subcommittee Three: Monitoring and Evaluation

This subcommittee was created to work toward a common definition of self-sufficiency and ways to measure the impact of self-sufficiency services. The group proposed a few different working definitions for self-sufficiency and the MEAP Workgroup adopted the following definition: self-sufficiency is a household's ability to meet their basic needs while minimizing reliance on public assistance.

The subcommittee then developed a logic model for evaluating the impact of the interventions and has proposed a MEAP Evaluation Pilot with the goals of understanding the impact of financial counseling; whether energy efficiency education reduces consumption; whether APP enrollment impacts customer payment behaviors; and whether self-sufficiency services reduce the need for public assistance.

Overall, the MEAP Workgroup played a crucial role in education and outreach to vulnerable customers as the COVID-19 pandemic unfolded. It allowed a platform for ongoing interactions that included problem solving during these challenging times. For example, MEAP grantees worked closely with utilities to identify low-income customers with unpaid balances and urge them to seek assistance.

MDHHS SER/MEAP Study

As MDHHS and MPSC Staff worked collaboratively on the LIHEAP and MEAP programs they determined a need to better understand how the SER and MEAP programs were serving customers. Part of the problem identified was the absence of data analysis on the interaction between the two programs and how they collectively helped customers through a crisis of inability to pay for energy bills into an ongoing sustainability in paying energy bills. In addition, Staff desired to develop a metric(s) that would more clearly indicate energy security or self-sufficiency.

To remedy this deficiency, MDHHS contracted with ICF in the fall of 2019 to assess the energy security of program participants in the SER program and determine the extent to which the SER program and MEAP are effective at serving populations of highest need in the state, thereby advancing energy self-sufficiency for participating customers. A key portion of the ICF work is to conduct a needs assessment with MDHHS and MPSC leadership, refine the measures of interest and establish a baseline for measurement, and then work with MEAP grantees on collecting viable data for the analysis. ICF will complete its work by September 30, 2021. ICF needs assessment, data analysis, and recommendation of an energy security metric is critical to future refinements of the MEAP program and will inform the development of rate-based APP.

Biweekly State/MPSC Energy Assistance Meeting

MPSC's MEAP Staff meet on a biweekly basis with Staff from MDHHS who are responsible for the federal LIHEAP and MEAP. These regular meetings provide the opportunity to trouble-shoot and problem solve with both the MEAP and SER programs. During the pandemic, these meetings have been an essential component of the state's ability to anticipate and then respond to emergent issues such as: increasing numbers and amounts of unpaid bills, the need to ease the process of applying for assistance, and the issue of how to connect with customers in need of assistance who aren't seeking assistance.

Ongoing MDHHS/MPSC/Utility low-income energy assistance call

At the outset of the pandemic, utilities and Staff engaged in ongoing communications with DTE, CE, and the Michigan Electric and Gas Association (MEGA) regarding customer safety, unpaid bills and collections, and shut off policies to allow for a rapid response to the uncertain economy and the unfolding of COVID-19. These conversations allowed for informal sharing of data on growing arrearages, customer outreach and education, program changes, and anticipation of customer needs once the voluntary shut off moratorium ended.

Collaborative Statewide Education and Outreach campaign

From the onset of COVID-19, the MPSC has leveraged partnerships with other state agencies, utilities, and consumer advocacy groups to help educate utility customers across Michigan about utility customer protections, their availability, and ways to obtain energy assistance.

In addition to launching a [COVID-19 webpage](#)²⁵ that provides step by step energy assistance and utility contact information in English, Spanish, and Arabic; the MPSC has partnered with the Governor, the Attorney General, and MDHHS to issue multiple press releases urging Michiganders struggling to pay their utility bills to seek financial assistance if they have lost a job or their income has been impacted amid the COVID-19 pandemic. The utility protections and assistance messaging has been featured widely through the MPSC and other state agencies' social media channels, and additionally in traditional media including local TV stations, radio stations, newspapers, and trade press. A list of all COVID-19 related press releases is being regularly updated and can be found on the MPSC's [COVID-19 response webpage](#)²⁶.

MPSC Staff has had the opportunity to review and provide feedback on educational materials and public service announcements (PSA) that DTE and CE worked collectively to develop and record summarizing the available statewide energy assistance programs and utility information. Over 170

²⁵ https://www.michigan.gov/mpsc/0,9535,7-395-93253_99286_99470-525246--,00.html

²⁶ https://www.michigan.gov/mpsc/0,9535,7-395-93253_99286---,00.html

radio stations were solicited across the state and over 80 stations aired a PSA that ran from April 2020 through May 2020 targeting customers experiencing financial hardship due to the pandemic. The utilities also developed messaging urging customers to reach out for assistance and provided tips for EWR to be circulated through bill inserts for May 2020 and June 2020 utility bills, social media, websites, newsletters, direct mail, radio ads, and school meal distribution. Both the PSA and bill insert template were distributed to other Michigan utility associations and organizations to utilize as needed.

From a state perspective, MPSC Staff worked to establish new relationships with different state agencies to expand outreach and made recommendations for slight modifications to both the Department of Labor and Economic Opportunity (LEO) and the Michigan COVID-19 websites to ensure energy assistance information was prominent and consistent. MPSC Staff also worked with DTMB to run “on hold” energy assistance messages for the state of Michigan phone system for both the summer and winter seasons during 2020/2021. The MPSC is now working with the MDHHS Office of Faith Community and Engagement to connect with community and faith leaders on distributing information on available energy assistance.

Finally, MPSC Staff helped to widely distribute energy assistance information by circulating a summary of outreach efforts and multiple versions of an [outreach toolkit](#)²⁷ that included samples of social media posts, newsletter content, and PSA. The toolkit is intended to promote awareness for our stakeholders, including the legislature, to distribute to their members at their discretion.

The MPSC will continue to utilize the communication channels at our disposal but will also brainstorm new ways to expand accessibility of our customer education materials. Staff remains committed to working collaboratively with the utilities, other state agencies, consumer advocacy groups, and members of the legislature to verify we are providing updated and consistent energy assistance information and to do what we can to help ensure financial assistance is made available to those in need.

Coalition to Keep Michigan Warm (CTKMW)

The CTKMW is a group of energy providers, advocates, non-profit agencies, and state partners who advocate for low-income households and affordable energy services. MPSC Staff participate monthly to provide updates on the MPSC activities and specific information related to MEAP. The monthly interaction between the MPSC Customer Assistance and MEAP Staff provide a regular interface with organizations serving customers on the front lines. Throughout the first months of

²⁷ https://www.michigan.gov/documents/mpsc/Statewide_Energy_Assistance_Toolkit_709996_7.zip

the pandemic, Staff regularly shared information on the changes to SER and MEAP to enhance accessibility, and also sent the Energy Outreach toolkit and any information that might be helpful to increase knowledge of programs and assistance available for customers newly stressed because of COVID-19 or the stressed economy.

During the October 2020 CTKMW meeting, Staff with the assistance of CTKMW leadership, led a discussion to obtain input from CTKMW partners on improving customer protections and energy assistance. Questions were asked to the facilitated stakeholder group discussion such as how to build on the strengths of the system, what are concerns with the upcoming winter heating season, and what can we do in the near term to help low-income households remain connected?

Several participants stressed that the pandemic fostered increased collaboration among the state, utilities, and non-profits, and that this collaboration should continue and expand, especially to include more information on EWR and weatherization. Another strength mentioned and an action desired to continue in the near term was maintaining the increase in organizations with trained staff to assist customers in the application process for SER. All MEAP grantees are trained as navigators and work consistently to assist customers applying for both SER and MEAP. This year DTE, CE, and SEMCO had customer service representatives trained as navigators, which broadened the availability of application help for customers and removed one step in the process for customers applying for assistance.

One concern centered on the need for additional outreach and education for medical and critical care shut off protections, especially given the difficulties for low-income customers in getting to doctor appointments in the early months of the pandemic.

Another recommendation from the Food Bank Council of Michigan asked if there is any way to send HHC forms directly to SNAP recipients. According to the stakeholder, 99% of the clients that they assist through their statewide SNAP helpline still answer “no” to the question inquiring whether they have received \$20 or more in the HHC in the last 12 months. This recommendation underscores the need to work collaboratively across programs, departments, and agencies in educating customers on programs they may be eligible for.

EWR Low-Income Workgroup

To ensure progress along with greater benefits reaching low-income customers, the EWR Low-Income Workgroup has been working with the MPSC Customer Assistance Division (CAD) to develop opportunities to closely interact and develop collaboration. MEAP grantees and stakeholders of the EWR Low-Income Workgroup have similar goals and perspectives, and often consist of the same organizations, although often not the same people. The concept of using payment assistance, EWR, and weatherization with a goal of self-sufficiency, is the same between the two sectors: the opening of communication and the alignment and understanding of services and abilities.

To work towards the goals of the U-20757 order, the EWR Low-Income Workgroup has developed a focus of mutual benefit with CAD and the MEAP Workgroup. After having a utility and

weatherization program report about their progress subsequent to returning to work in July 2020, the EWR Low-Income Workgroup, August 2020 agenda, promoted the concept of developing a joint PSA on what services are available to customers beyond bill assistance. To further this, the EWR Low-Income Workgroup hosted a Virtual Services Fair where all of the service-oriented stakeholder groups, including Michigan's utilities, gave a brief, high level overview on the status of their programs and their perspectives on the challenges they anticipate going into the 2020-2021 heating season.

Recently the EWR Low-Income Workgroup hosted a discussion about energy affordability. Going forward, the Workgroup will continue the discussion on affordability through the intersection of EWR and energy assistance, while looking through a lens of diversity, equity, and inclusion, as an analysis of energy affordability reflects disparity among demographics in Michigan. The Workgroup will also be looking at energy workforce development to engage with local communities and assist with those affordability issues.

Staff in the EWR Section, the utility EWR programs, and the stakeholders and intervenors will continue to work toward aligning programs with WAP. Additional ways to address weatherization deferral mitigation issues are being explored with the utilities. Both DTE and CE are conducting health and safety pilot studies that are already showing meaningful impact in that area. There are also pilot studies regarding payment troubled customers with arrearages that are being conducted, which align themselves with the goals of energy assistance and self-sufficiency. More detail regarding EWR programs and the relative success of utility plans due to the implications of COVID-19 will be included in the January 2021 Staff EWR report to the MPSC to be filed in docket U-20757.

Foundation for Utility Communication and Collaboration

The April 15, 2020 order in Case No. U-20757 directed all regulated investor-owned electric and natural gas utilities and cooperatives to affirm that minimum protections were in place for vulnerable customers related to bill payment, disconnection of service, and reconnection of service by April 20, 2020. Each company detailed efforts to implement the affirmations and indicated steps for each of the following categories: 1) Protections for Michigan's low-income customers and seniors; 2) Protections for customers medically affected by COVID-19; 3) Restoration of electric and natural gas service ; 4) Offer financial and customer assistance; 5) Safeguard customers and workforce employees. All nine rate-regulated investor-owned electric and natural gas utilities, two natural gas utilities not rate-regulated by the MPSC, and nine electric cooperatives complied with the mandate, except Midwest Energy and Communications Cooperative. The rate-regulated investor-owned utilities extended the protections until June 12, 2020, except for Upper Michigan Energy Resource Corporation and Michigan Gas Utilities Corporation who extended the protections until the end of the pandemic.

The April 15, 2020 order also directed all regulated utilities to consult with Staff on the energy utilities' practices and plans to address challenges and opportunities to improve affordability for customers, including options for payment flexibility, opportunities to support energy assistance programs, and customer education and outreach. The consultation was required to address all

customer classes with an emphasis on customers impacted by governmental orders due to COVID-19 response, and those financially or medically impacted by COVID-19.

Staff engaged in these consultations with rate-regulated utilities, DTE, CE, and MEGA with its utility members, as well as with advocacy groups. These discussions focused on improving data collection on disconnected households and developing strategies to reconnect families without power with a focus on seniors and low-income customers. Staff were apprised of the varied approaches utilities developed to meet the needs of the customers through flexible payment plans, waiving late fees and deposits, waiving fees at third-party facilities, and proactively working to connect customers to resources and assistance. The large utilities also assisted businesses with accessing federal loans and grants, in addition to allowing minimum demand charges to be paid off over 6 or 12 months. Advocates brought new ideas and options to Staff on how to assist low-income customers with affordability. As a result of these collaborations, new tracking measures were implemented to help gauge the magnitude and impact of COVID-19.

The consultations served as a foundation for future communications between the utilities and Staff as well as provided an opportunity to share best-practices on reaching out to customers for reconnection and education on assistance options.

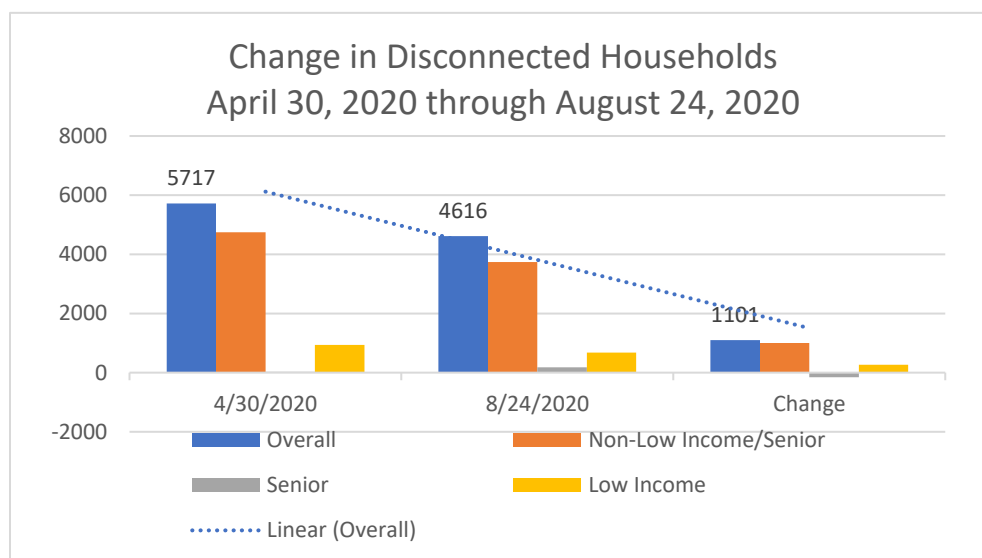
Biweekly Data on Shut off and Arrearage Trends

Along with all the previously mentioned requirements the MPSC also ordered data reporting to allow for timely understanding of the health and safety of vulnerable customers as the pandemic unfolded. Reporting began on April 30, 2020 and was submitted to the docket bi-weekly through June 30, 2020, which was subsequently extended through September 2020. The data included efforts to determine which occupied residences did not have natural gas or electric service; the number of occupied residences that did not have natural gas or electric service due to non-payment; the number of occupied residences that did not have natural gas or electric service for other reasons such as theft or safety; and an account of efforts taken to reconnect vulnerable customers, especially the elderly, low-income families, and customers impacted by COVID-19. In late May 2020, the MPSC also requested the utilities to report on numbers and amounts of arrearages of customers' unpaid bill balances enrolled in a payment plan, and those not enrolled in a plan.

The bi-weekly data submissions provided the MPSC with valuable information in a very complicated and trying time. One area where Staff found a gap in the reporting was around occupied households. Most utilities struggled to confirm if a disconnected household remained disconnected at the time of reporting. This is caused by a fluid customer base that may move to a new location after having service disconnected or move out of the service territory. Staff asked the utilities to send letters to any households that were shut off and to provide information on how to get service restored. Some utilities also performed field visits to check on disconnected residences and some placed phone calls. This was especially critical around efforts to restore senior and low-income customers.

The bi-weekly reports also helped to highlight how many customers had been shut off or were shut off during the first several months of the pandemic. The total amount of shut offs as of the first submission were 5,717 residences, during the four months of bi-weekly reporting; however, 1,101 of those shut offs were reconnected. Of the 4,616 residences that remained disconnected throughout the process only 524 were confirmed occupied.

Based on the reporting, the research and outreach efforts conducted by utilities to reconnect those customers have led to a more complete understanding of disconnected and connected customers and the reasons for disconnections. The reporting requirement also led to new policies in tracking senior customers for some utilities.



Understanding the impact of the unfolding of the pandemic on customers' ability to pay bills is quite complex. As discussed above, the utilities engaged in a voluntary shut off moratorium from April 20, 2020 through June 12, 2020. During a shut off moratorium it is expected that the number of customers with unpaid bill balances would increase along with the amount owed. In addition to the shut off data ordered in the April 15, 2020 order, the Commission asked regulated utilities for reporting on arrearage data beginning on May 25, 2020 and found that 484,850 households were reported as having unpaid bill balances over 90 days with a total amount of \$2.34 million in

unpaid bill balances.²⁸ As of October 31, 2020, the number of households reported as 90 days overdue was 451,382 with a total amount of arrearages of \$2.10 million.²⁹

During this period there was not a consistent reduction in numbers of households and totals in arrearages. Rather, the number rose and fell according to assistance programs and other relief available to customers. The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) fund, which provided \$35.1 million in LIHEAP and additional funds for essential needs as determined by Community Action Agencies, the one-time federal stimulus payments, and the extended federal unemployment benefits may all have contributed to the falling numbers of both numbers of households and amounts of unpaid bill balances as residents sought to pay essential bills. At this time the utilities, the MPSC, MDHHS, and human services agencies were also engaged in proactive education and outreach campaigns to alert customers, especially those experiencing unemployment or underemployment due to COVID-19 that energy assistance was available.

As the pandemic continued to unfold into the fall, DTE and CE implemented additional energy assistance programs through gift funds which helped reduce both the number of customers with unpaid bills and the total amounts of arrearages owed (more detail is included below).

Consultations with Utilities and Stakeholders on Shut off and Arrearage Data

On July 23, 2020, the Commission directed Staff to create an updated data reporting template and for all regulated utilities to use the approved template for monthly reporting thereafter. Staff met with the regulated utilities and customer advocates to discuss optimal data elements for the updated template that would allow for continued tracking of customer safety and bill manageability during the pandemic. Advocates brought new ideas and options to Staff on how to help low-income customers with affordability. All thoughts and concerns were taken into consideration and Staff filed the new template to the docket on September 18, 2020. This filing included the new reporting form, definitions page, and instructions for the reporting utilities to upload the completed form to a SharePoint site.

During the customer advocate stakeholder meeting, an issue regarding data accessibility was highlighted. The data that is filed to e-dockets is not in a format that is easily analyzed. Staff is

²⁸ U-20757 <https://mi-psc.force.com/s/case/500t000000UDcgYAAT/in-the-matter-on-the-commissions-own-motion-to-review-its-response-to-the-novel-coronavirus-covid19-pandemic-including-the-statewide-state-of-emergency-and-to-provide-guidance-and-direction-to-energy-and-telecommunications-providers-and-other-stak>

²⁹ U-20757 <https://mi-psc.force.com/s/case/500t000000UDcgYAAT/in-the-matter-on-the-commissions-own-motion-to-review-its-response-to-the-novel-coronavirus-covid19-pandemic-including-the-statewide-state-of-emergency-and-to-provide-guidance-and-direction-to-energy-and-telecommunications-providers-and-other-stak>

aware of this and has spent many hours analyzing this data. Moving forward Staff is exploring solutions to this issue that would allow the data to be protected and accessible to the public.

Since the first data submission on April 30, 2020, Staff provides regular updates to the Commission and meets with utilities to clarify factors that may contribute to trends. As of the writing of this report only two months of data from the updated template have been submitted. Ongoing data analysis will be critical to assisting the MPSC in shaping appropriate responses to protect the health and safety of residents from conditions arising from the pandemic.

Facilitated meetings on setting priorities

In addition to ongoing meetings with stakeholders and utilities on timely responses to the pandemic, CAD facilitated two stakeholder meetings that invited representatives from non-profits and MEAP grantees such as True North, The Heat and Warmth Fund (THAW), and United Way of Southeast Michigan; MPSC Case intervenors such as the Sierra Club, the Michigan Environmental Justice Coalition, and the Citizens Utility Board (CUB); members of the CTKMW; and representatives of the MDHHS and the Attorney General. Below are descriptions of each meeting. The presentations for each meeting are found in Appendices.

Energy Assistance and Customer Protection Primer

The first facilitated meeting was designed to provide a wholistic view of the systems on energy assistance and customer protections in Michigan, where eligible customers may receive one, all, or a combination of SER, HHC, MEAP, weatherization assistance, or rate-based low-income energy assistance credits.

The meeting started with a simple overview of the MPSC's role in protecting the public by ensuring safe, reliable, and accessible energy and telecommunications services at reasonable rates through the regulation of electric and natural gas utilities and other services. The meeting proceeded to provide an overview of energy assistance programs, utility-based credits, and customer protections such as the shut off protection programs and medical protections. A brief look at EWR programs was provided and the program finished with a review of the MPSC's work to protect residents to date during the COVID-19 pandemic.

Throughout the meeting participants were able to ask questions to ensure clarity. CAD received feedback from stakeholders that the presentation not only was educational, but also provided a foundational resource for teams in home organizations to better understand the assistance and protections systems and to use it as a resource.

Facilitated Meeting on Setting Priorities

The second facilitated meeting was designed to build on the foundation of the energy assistance and protections systems overview from the September 29, 2020 meeting and to foster a discussion based on accomplishments, concerns, and priorities of the stakeholders.

The meeting began with a quick overview of Energy Assistance and Customer Protections with the bulk devoted to discussion facilitated by Luke Shaefer of the University of Michigan's Poverty Solutions and Consultant/Counselor to the MDHHS, Director Gordon.

Mr. Shaefer reviewed the changes to the SER program made in response to the pandemic that would be made permanent in the new fiscal year starting October 1, 2021, which included removing the interview and co-payment requirements from the application process. These changes resulted in a greater application approval percentage in addition to speeding up approvals. He also spoke on the merits of the Direct Utility Assistance file exchange, LIHEAP Direct Support with DTE, CE, SEMCO and UPPCO.

Mr. Shaefer then moved into the heart of the meeting by facilitating discussion on four major topics:

1. What things are going well?
2. What can we brag about in the State of Michigan? What are areas we can strengthen or do better?
3. How can we make the programs better? i.e. opportunities for growth, change in policy, communication, etc.
4. What is your top priority for change and what does this look like?

In general, participants expressed that the COVID-19 response related to energy assistance and customer protections was sufficient and there was a great collaboration between the utilities, grantees, and community partners. However, participants provided suggestions on areas for improvement and exploration. Comments included:

- The utility rates are too high in Michigan. A lot of assistance is available, but the energy isn't affordable. There was a suggestion to change from cost of service to utility performance-based rate making.
- Utilities tend to focus on cost recovery while community partners are focusing on programs, policy, affordability, and people.
- Communities of color and the under-served are seeing affordability issues exacerbated by COVID-19.
- Comments related to APP included an interest in Percentage of Income Payment Plans (PIPP), including defining the MPSC's role in setting goals and determining what constitutes an affordable energy burden; the desire that APP be available for more utilities and for other types of energy providers including wind, solar and propane; and expanding income eligibility requirements to above 150% of the FPL.
- It was suggested that more LIHEAP money should be spent on weatherization and energy efficiency. Currently, states can spend up to 15% of LIHEAP funds on weatherization. Since 2018, Michigan allocated 3% of LIHEAP to weatherization services.
 - Several stakeholders expressed concern over confusion in communicating policy changes and provided examples of possible improvements. For example, ensuring that state employees interfacing with customers have the most up-to-date

information on policy changes such as the policy that a shut off notice isn't required to apply for MEAP or SER.

- Comments were made urging utilities to increase communication of new assistance opportunities. Several comments were related to the ease of accessing energy assistance and customer protections such as:
 - The need to make the process for receiving energy assistance less complicated. The system is overly complex for folks in crisis to be expected to navigate.
 - Consider categorical eligibility, such that when a customer is determined eligible for certain services that customer could be automatically processed for all eligible services.
 - Consider program alerts that would eliminate the need to continue searching or having to apply for other services.
 - Review Medical Shut off Protections that still contain barriers, such as the requirement to see a doctor; the frequency of renewals and the inconsistency of how these shut off protections are implemented among utilities.
- There was a discussion regarding the importance of using data to develop policy solutions and questioning most effective use of resources as presented by data. Data needs suggested were:
 - Measuring energy burden, energy affordability, and EWR.
 - Measuring direct connections between energy assistance, EWR and low-income solar.
 - The need to measure the impact of money spent on weatherization to energy costs, and healthcare spending and health outcomes.
 - Exploration other financial instruments for funding.

MPSC ordered collaborations on Percentage of Income Payment Plans

In the May 8, 2020 order in DTE Electric's rate case, U-20561, the MPSC ordered DTE to explore a new low-income pilot with Staff and stakeholders. The structure of which is to be developed based on the Attorney General's and Michigan Environmental Council's (MEC) proposals – the essence being a percentage-of-income pilot. Until that pilot's implementation, projected to begin in 2022, DTE will retain the LIA pilot. Discussions between DTE and stakeholders are currently underway to structure the pilot and project expenses in a collaborative effort.

In the September 10, 2020 order in CE's gas rate case, U-20650, the MPSC approved a settlement agreement requiring CE to propose a percentage-of-income pilot. With the assistance of Staff and stakeholders CE will submit a proposed pilot in an ex-parte filing, expected in March 2021. The structure of the pilot is projected to include a 6%-of-income payment for customers at and below 150% of the FPL, as well as an option for natural gas and electric combined service customers.

Other MPSC Collaborations and Communications

MPSC Staff presented on Customer Protections and Assistance for the Michigan Poverty Law Program. On October 1, 2020, the Michigan Poverty Law Program asked CAD to present a training for legal service attorneys in Michigan. Staff provided a presentation covering "Utility Issues – Shut offs, Billing, Arrearages, Complaints, and COVID-19 guidelines." The training provided Staff with

the opportunity to educate participants on the interwoven systems of customer shut off protections and energy assistance with additional focus on billing rules.

DTE One-time Balance Reduction Initiative – One ongoing concern made acute during the early months of the pandemic and the contraction of the economy was the build-up of unpaid bill balances while the utilities voluntarily restricted shut offs.

In response to concerns of customers with arrearages of over \$500 and especially upwards of \$3,000, DTE tested a new pilot program to pay down bills of high arrearage customers. The one-time program is comprised of three priority segments of customers who would be invited to participate in the program. The categories included customers between 150% and 250% of the FPL newly behind in their bills; low-income seniors up to 200% of the FPL; and low-income families (non-seniors) up to 200% of the FPL who are not eligible for other assistance because their arrearages are too high. Customers in each category are required to contribute to paying down the unpaid balances and participate in EWR activities to reduce consumption. DTE would then pay down a certain number of arrearages. Late fees for all participating customers are waived and absorbed by the shareholders.

Staff worked with DTE to design a process for sharing the funding to pay down the arrearages between DTE's shareholders and ratepayers. Typically, a utility claims uncollectible expenses in the rate making process, which is the estimated total of uncollected bills that is built into or recovered in rates. Utilities work with a historic average to arrive at this number. For the One-time Balance Reduction initiative, DTE will place in uncollectibles the amount of funds used to pay down customer arrearages to the historic average. Any arrears paid down on top of the average will be absorbed by shareholders.

As of mid-November 2020, a total of 1,041 customers were enrolled among the three categories, with 92% of customers making payments. As of October 31, 2020, a total of \$1.23 million of unpaid balances have been forgiven, with \$387,763 absorbed by shareholders, \$842,674 put into uncollectibles, and \$216,000 in payments made by customers.

LIHEAP Direct Support Pilot – One of the collaborative programs that grew out of the discussions between MDHHS, MPSC, and regulated utilities was the LIHEAP Direct Support Pilot. Approximately half or \$18 million of the \$35 million in the CARES Act LIHEAP funds was allocated to this program. This program was designed to address two issues: 1) growing arrearages of current low-income customers due to the voluntary shut off moratoriums and the stressed economy due to COVID-19; and 2) the anticipation of an influx of newly economically stressed customers needing assistance.

Participating utilities provided MDHHS with a list of low-income customers eligible for SER and with 90 days of unpaid bill balances. MDHHS then matched customers to enrollment in other MDHHS assistance programs such as the SNAP. If a customer was matched as receiving another form of assistance, the utility would receive a payment directly from MDHHS for that customer's account up to the SER maximum of \$1,150. The utilities committed to paying down another 25%

of arrearages on top of the direct payment. LIHEAP Direct Support assisted 41,030 households from DTE, CE, SEMCO, and UPPCO pay down unpaid bills. Approximately \$17,500,000 in direct payments were applied to customers' bills with the participating utilities forgiving approximately \$4,375,000 in arrearages. The direct payments then freed up MDHHS workers and navigator partners to assist new customers through the process of applying for assistance. MDHHS reports that the LIHEAP Direct Support achieved its goal of quickly distributing needed assistance by helping customers eliminate unpaid bills while facilitating a faster SER approval process for customers new to assistance.

DTE and CE Gift Programs – CE announced a \$12 million dollar gift program for energy assistance at the beginning of October 2020 with the goal of responding to the need of customers not eligible for traditional energy assistance, 150% of the FPL and under, but who may have been impacted by COVID-19 and the economic downturn caused by the pandemic. The funds were broken into 3 categories: 1) \$7 million for direct payment from CE to the customer; 2) \$2 million for the CARE + program, similar to CARE, an APP designed for MEAP customers ; and 3) \$1 million for good faith credits for customers at the discretion of customer service representatives. To date CE reports that over 40,000 customers including small businesses have been assisted through this program.

Staff will be reviewing the metrics of the program early in 2021 to get a better understanding of the need for assistance for households between 150% and 400% of the FPL and what impact that assistance has had on these customers staying connected and up to date on their energy bills.

DTE Gift Fund Program – DTE also announced a gift program in early October 2020 with similar goals as CE's gift program. However, DTE's gift funds will be provided to customers traditionally eligible for assistance. Staff will work closely with DTE to assess the impacts of the program, especially for households between 150% to 250% of the FPL. The \$13 million is broken down as follows: 1) \$10 million for Low-Income Self Sufficiency Plan (LSP) enrollments and one-time assistance awarded to the MEAP Grantees; 2) \$1 million ordered from a gas rate case settlement that THAW will use to support 150% to 250% of the FPL customers with past due energy bills; and 3) \$2 million for the one-time balance reduction initiative project.

Staff will be reviewing the metrics of the program early in 2021 to get a better understanding of the impact that assistance has had on these customers staying connected and up to date on their energy bills.

Utility Specific Flexible Payment Plans – As described above, in response to the April 15, 2020 order in Case No. U-20757, in the early months of COVID-19 pandemic the investor owned utilities in Michigan voluntarily agreed to waive deposits and reconnection fees for low-income customers, seniors, and customers experiencing financial hardship related to COVID-19. The utilities also agreed to seek restoration of electric and/or natural gas service to customers who had been disconnected. Under the same order, regulated utilities agreed to extend access to flexible payment plans to customers financially impacted by COVID-19 and to provide customer

assistance personnel with the resources necessary to connect customers to available financial assistance and social service agencies.

Throughout the summer and into the fall, DTE and CE continued to provide flexible options to customers including the ability to partially pay bills to avoid disconnection. The smaller regulated utilities also provided flexible payment options to customers falling behind on their energy bills through the summer and fall. All of the regulated utilities have reported that they have engaged in more intensive outreach to customers to either work with them on flexible payment options or to inform them of available assistance programs.

As the winter heating season sets in and cases of COVID-19 surge in the state, the MPSC continues to communicate with utilities on their strategies for keeping customers safe and warm.

Best Practices Review

MPSC Staff began the process of reviewing best practices and the literature around energy assistance and customer protections. While additional research into best practices is merited, a short discussion of the initial review follows below.

As the pandemic unfolded Staff participated in webinars from the National Association of Regulatory Utility Commissioners (NARUC), the National Regulatory Research Institute (NRRI), and the [Low-Income Energy Issues Forum](#)³⁰ (LIEIF) to engage in national discussions on best practices during COVID-19 and understanding the impact of COVID-19 on utility services and operations. NARUC also established a [COVID-19 State Response Tracker](#)³¹ to allow utility regulators to understand the practices of their peers. In addition, Commissioner Tremaine Phillips participates on the NARUC Committee on Consumers and the Public Interest, and Staff contributes to the related Staff Subcommittee whose monthly calls allow for the discussion of ongoing state regulator responses to the pandemic.³²

Oakridge National Laboratory published [Low-Income Energy Affordability: A Literature Review](#)³³ in March 2020. The review identifies opportunities to address energy affordability including inclusive solar programs, leveraged health care benefits, behavioral economics, data analytics, advanced information and communication technologies, and grid resiliency. The study suggests

³⁰ <http://defgllc.com/about/consortia/low-income/>

³¹ <https://www.naruc.org/compilation-of-covid-19-news-resources/state-response-tracker/>

³²

<https://maxxwww.naruc.org/forms/committee/CommitteeFormPublic/viewExecCommittee?id=764000C0363>,

<https://maxxwww.naruc.org/forms/committee/CommitteeFormPublic/viewExecCommittee?id=764000C02EF>

³³ <https://info.ornl.gov/sites/publications/Files/Pub124723.pdf>

that scalable approaches require linking implementing agencies, programs, and policies to tackle the complex web of causes and impacts on low-income households with high energy burdens.

The authors cite that the underlying causes of high energy burden identified in literature can be divided into five main categories: location and geography, housing characteristics, socio-economic situation, energy prices and policies, and behavioral factors. Several broad conclusions are summarized by the authors from that literature, which are pertinent to Michigan.

- Energy burden is higher among low-income households than other income groups. The average energy burden of low-income households isn't declining, and it continues to be high in particular geographies and socio-economic groups, especially rural and urban communities with older housing.
- Low-income households in rural communities often spend as much as a quarter of their income on energy due partly to their low-density geography. Assistance from local community programs and organizations are particularly critical to success in these markets.
- Most of the low-income energy program funding focuses on short-term fixes to energy insecurity and not long-term solutions to reduce energy burden.
- Many policies and programs that promote energy efficiency and renewable energy technologies (e.g., rooftop solar) are largely inaccessible to low-income households.
- The share of utility residential energy efficiency funding that supports low-income households is lower than the percent of residential utility customers who are low-income.
- The multi-family low-income market has been difficult to reach with traditional energy efficiency programs due partly to misalignment of incentives.
- The opportunity to address the high energy burden of low-income households occupying manufactured and mobile homes have received limited analysis and policy focus.

The authors document several approaches to low-income energy programs that could be explored in Michigan:

- Active community involvement can expand participation rates and enhance the success of low-income energy programs.
- Eliminating barriers to serving rental properties could drastically lessen energy burden and insecurity for households of color while reducing health and other racial disparities. New program designs can align incentives more effectively for building owners and tenants. Strong community engagement and effective building owner and property manager partnerships can help reach multi-family markets.
- Health and safety upgrades aren't components of most low-income energy efficiency programs and they aren't fully integrated into the cost-benefit calculations of WAP or state low-income energy programs.
- Information and communication technologies, including smart thermostats and information feedback that supports low-cost behavioral approaches to improving energy efficiency, tend to not to be incorporated into low-income energy programs.

The American Council for an Energy Efficient Economy (ACEEE) published an assessment of energy burdens across the United States titled, [How High Are Household Energy Burdens? An Assessment of National and Metropolitan Energy Burden across the U.S.](#)³⁴ in September 2020 that provides an updated snapshot of U.S. energy burdens nationally, regionally, and in 25 select metropolitan areas in the United States. The report states that high energy burdens are caused by physical, economic, social, and behavioral factors, and they impact physical and mental health, education, nutrition, job performance, and community development. The authors lay out the case that energy efficiency and weatherization can reduce low-income household energy burdens by about 25%, making it an effective strategy to reduce high energy burdens for households with high energy use while also benefiting the environment.

Findings from the report include:

- Nationally 67% or 25.8 million, of low-income households \leq 200% of the FPL, face a high energy burden and 15.4 million of those low-income households face a severe energy burden, paying more than 10% of income on energy.
- Black, Hispanic, Native American, and older adult households, as well as families residing in low-income multi-family housing, manufactured housing, and older buildings experience disproportionally high energy burdens nationally, regionally, and in metro areas.
- Six metro areas have a greater percentage of households with a high energy burden than the national average (25%), including Birmingham (34%), **Detroit (30%)**, Riverside (29%), Rochester (29%), Atlanta (28%), and Philadelphia (26%).
- In five metro areas – Baltimore, Philadelphia, **Detroit**, Boston, and Birmingham – at least a quarter of low-income households have energy burdens above 18%, which is three times the high energy burden threshold of 6%.
- Leading cities and states have begun to incorporate energy burden goals into strategies and plan to create local policies and programs to achieve more equitable energy outcomes in their communities. They are pursuing these goals through increased investment in energy efficiency, weatherization, and renewable energy.

The report indicates that in the East North Central region³⁵ of which Michigan is a part, the median energy burden is 3.6%, while the median energy burden of households 200% of the FPL or under is 9.1%. For the city of Detroit, the median energy burden of all households is 3.8% and for households 200% of the FPL and under is 10.2% ([ACEEE Energy Burdens in Detroit](#)³⁶).

³⁴ <https://www.aceee.org/research-report/u2006>

³⁵ East North Central Region includes Illinois, Indiana, Michigan and Minnesota.

³⁶ <https://www.aceee.org/energy-burden>

Recommendations from the report for the Detroit area and could be applicable to other areas of Michigan are:

- Set energy burden goals and track progress as a first step to addressing energy insecurity.
- Increase funding for low-income weatherization.
- Improve program design, delivery, and evaluation through best practices and community driven planning.
- Integrate energy, health, and housing funding and resources: High energy burdens, inadequate housing, and poor health are inextricably linked. Partnerships, the pooling of resources, and establishing referral networks across sectors can stretch program budgets and make programs more accessible and streamlined for residents.

Percentage of Income Payment Plans (PIPP) were cited by stakeholders and in conversations as a best practice focusing on affordability regarding a customer's income and not on specified assistance amounts. CUB and MPSC Staff conducted a survey of National Association of State Utility Commissioners Association (NASUCA) and NARUC respectively to identify states currently implementing PIPP. Seven states currently offer PIPPs with varying requirements and funding sources to cover the gap in payment between what a household can afford per specified income percentages and the actual cost of service.

National Consumer Law Center (NCLC), the National Energy Assistance Directors Association (NEADA) and Public Utility Law Project of New York presented a webinar on July 29, 2020 titled "Protecting Consumers in the Time of COVID-19". Best practices cited in this webinar included: longer and affordable payment plans for at least 12 months; waiving of deposits, reconnection, and late fees; adoption of arrearage management, and arrearage write-offs; discount rates, and PIPPs; easier documentation of eligibility; termination protections for elderly, infants, and seriously ill; and, ensure adequate funding for low-income energy efficiency programs. Overall, the program stressed that utility service is essential to public health and safety and that utility service must be based on a customer's income and ability to pay. Many of the best practices cited in the webinar are being practiced in Michigan.

In 2019 NARUC partnered with NRRI to host a webinar series on [Disconnections and Delinquencies](#)³⁷ resulting in the adoption of a joint resolution by NARUC and NASUCA in November of 2019, titled [Resolution on Best Practices in Data Collection and Reporting for Utility Services Delinquencies in Payments and Disconnections of Service](#)³⁸. The resolution details the importance of utility service for the public health and safety, the high energy burdens of low-income families, the negative impacts of disconnections, and the insufficiency of energy assistance to fill the gaps in affordability. The resolution then calls for the development of evidence-based

³⁷<https://www.naruc.org/nrri/nrri-activities/webinar-archive/>

³⁸<https://www.naruc.org/resolutions-index/2019-annual-meeting-resolutions/>

policies and provides recommendations on best practice data consistency, collection, and protocols.

An important resource for best practices and information on peer states' energy assistance programs and policy development at the federal level is the National Energy and Utility Assistance Coalition (NEUAC). MPSC and MDHHS staff participate in meetings and roundtables for discussions on innovation with states, non-profits, and utilities. Staff met with NEUAC in the fall to look at specific state energy assistance programmatic responses to COVID-19. NEUAC also presents periodically to the Coalition to Keep Michigan Warm, providing federal and state updates on energy assistance policy.

Discussion

Because the delivery of energy assistance and customer protections in Michigan is so broad and complex, the MPSC does not have the jurisdiction to engage in wholesale changes – nor would it be prudent to do so. The MPSC does have unique regulatory tools to bring to bear on improving elements of the system, shaping data and analysis, engaging stakeholders, and hosting collaborations to develop system-wide approaches for improvement.

The following discussion encompasses programs which the MPSC may not have jurisdiction, but that impact programs and processes within the MPSC purview and are critical to protecting customers during the pandemic in the short and long term as the economic fallout continues to affect Michigan residents. Staff stresses that continued collaboration among state departments, utilities, and stakeholders is critical to the timely response for issues that arise from the pandemic. This ongoing collaboration also affords the opportunity to take lessons learned from the pandemic response to improve the overall system of assistance and protections in Michigan.

Over the course of the first eight months of the pandemic several clear themes emerged from collaborations and discussions. There are immediate and ongoing actions the MPSC can take to allow for an agile response to public safety concerns and financial stresses on customers resulting from the pandemic. Below is a discussion of immediate actions that can be taken in response to COVID-19 followed by major themes and attendant recommendations for the MPSC's consideration.

Recommendations

Ongoing COVID-19 Response

Due to the continued challenges with COVID-19, Staff believes there is still a need for ongoing collaboration with utilities, state departments, and stakeholders regarding specific issues that arise from the pandemic.

Recommendations:

- Continued collaboration: Staff recommends the MPSC continue with formal and informal collaborations to problem solve issues that arise from the pandemic.
- Ongoing data collection: Staff recommends the MPSC require utilities to continue with the monthly data reporting on shut offs and arrearages for the foreseeable future. Staff also suggests that the monthly data in aggregate be made publicly available in a protected, more easily analyzed form.
- Outreach and Education: Staff recommends engaging in intensive collaborative outreach and education, working closely with stakeholders to connect with trusted community partners to inform difficult to reach customers on the availability of energy assistance.

Equity and Affordability

Stakeholder discussions and a scan of the literature stressed that keeping the lights on and homes warm (or cool in summer) is a public health and safety concern. As ACEEE stated in its September 2020 report, "...low-income, Black, Hispanic, and Native American households all face dramatically higher energy burdens—spending a greater portion of their income on energy bills—than the average household. High energy burdens are correlated with greater risk for respiratory diseases, increased stress and economic hardship, and difficulty in moving out of poverty."³⁹ The complex interactions between energy affordability, housing, employment, and health are important to consider in any short-term responses by the MPSC to COVID-19 as well as any long-term systemic change. Equitable access to programs and services is paramount.

Recommendation: Equity should be considered when reviewing energy assistance programs, customer protections, and policy development in the work of collaboratives.

Simplify Energy Assistance and Customer Protection System

In the July 23, 2020 Order the MPSC stated: "Through the appropriate proceedings or avenues outside of this docket, and based on additional input from stakeholders, the Commission is open to changes to improve program administrative efficiencies by better aligning income thresholds, verification processes, and delivery of various programs. Importantly, this should also be done in a way that fundamentally improves the customer experience for those navigating these various program requirements, processes, paperwork, and available services. While it may not be able to be changed immediately, the Commission would support attempts to work with other agencies and stakeholders to sync up eligibility criteria for these various low-income programs through changes to state and federal requirements." (U-20757, July 23, 2020 Order, p. 43)

Indeed, Michigan has three major energy assistance payment programs (SER, MEAP, and HHC) and three rate-based credit programs (RIC, LIA, and Senior Credit or similar versions) implemented by certain utilities with two new low-income percentage of income payment plan pilots in

³⁹ <https://www.aceee.org/research-report/u2006>

development. These programs are applied for through the MDHHS, the MPSC, the Michigan Department of Treasury, or the utility, depending on the program. There are also three sources of low-income weatherization and EWR funds through LIHEAP, the federal Department of Energy Weatherization Assistance Funds, and the rate based LIEWR program funds. In addition to these programs, the regulated utilities are required to offer shut off protections that provide security from shut off with the customer enrolling in specified APP. These protection programs include WPP, SPP, Senior protection program, and Military protection program.

Not all programs have the same eligibility requirements. Some may be accessed in one place, such as through MIBridges, 211.org, or a non-profit agency such as the Salvation Army, United Way, or community action agency; however, some are accessed through different organizations and different applications. Because of the extensiveness of programs with diverse eligibility requirements, many of the organizations working with low-income households do not have the resources or time to understand all the programs and the benefits for their clients. This complexity has the potential to increase the difficulty in accessing assistance during the pandemic, especially for customers who are recently unemployed.

There is not a clear understanding of how energy assistance programs, rate-based credits, weatherization and energy efficiency programs, and customer protections impact each other. A low-income household may receive SER, HHC, MEAP, either the RIA or the LIA, and weatherization. Another household may receive one or none of these programs.

There has been a recognition among Staff across state departments, stakeholders, and the utilities for the need to understand how these programs help or detract from assisting the customer to sustainably pay their utility bills. There is also recognition that these programs can be either redesigned or strategically deployed to complement each other with more benefit to the customer and more efficient use of limited ratepayer and tax-payer resources.

An example of the complexity and overlapping of services can be illustrated in the case of a low-income household who is past due on their electric bill. The customer can apply for SER and receive a one-time bill payment. Then the customer can receive another one-time payment to reduce arrearages, or can be enrolled in an APP through MEAP, if their utility offers one, where the customer receives a monthly subsidy to their electric bill over a two year period that pays some of the bill and 1/24th of their arrearages each month. At that same time, if the utility has a utility based RIA provision, the customer may receive a credit for the monthly service charge, between \$7 and \$13, or the customer may be offered the utility based LIA for a monthly credit of \$30 to \$40 depending on the utility, eligibility requirements, and the commodity. At the end of the two years on MEAP's APP, the customer will stop receiving assistance and may stop receiving the credits, thereby transitioning from regular and significant subsidies to no subsidy. At the same time, the customer may have applied for and received the HHC, in addition to receiving either weatherization assistance services from a community action agency or EWR services from a utility. A customer may have also received only one of these benefits when accessing more would help them reach sustainability.

Through many efforts working with various stakeholders and reviewing what is currently offered, Staff asks themselves: Is there a process of utilizing the rates, credits and protections that would help ease the customer off assistance? Are there situations when the customer may only need one and not all the programs? What is the best way to determine the right combination of assistance and credits to ensure the customer moves out of crisis and can sustainably pay their bill? How are weatherization and energy efficiency programs best leveraged to move the customer toward sustainably in the long term? How can the shut off protections be used with assistance programs to best help the customer?

A pilot addressing some of these issues is currently underway. DTE's Payment Troubled program was designed by DTE, the Sierra Club, and others to coordinate low-income payment plans and energy efficiency services. Hoping a combination of bill assistance and energy efficiency will decrease consumption and reduce the energy burden on low-income customers thereby establishing long term sustainability for these households to pay their bills. Additional pilot programs that test the coordination of energy assistance programs and weatherization or energy efficiency programs in helping low-income households to a manageable energy burden are needed.

Suggestions from stakeholder discussions provided additional recommendations for simplification of accessing energy assistance and EWR benefits including:

- Exploring categorical eligibility such that if a household is eligible for one program, they will be eligible for others.
- Targeting communications so that recipients of an energy assistance program will be alerted to eligibility for energy efficiency programs.
- Exploring methods for households to receive assistance or APP when they reach a crisis.

The [UP Energy Task Force](#)⁴⁰ recommended a system simplification in April 2020 that the MPSC require one standard application for use by all regulated utilities for customers seeking EWR, weatherization, and bill payment assistance, in addition to having utilities that serve the same location harmonize their eligibility requirements and the deployment of their EWR programs. Staff is currently exploring this recommendation.

Staff notes that to standardize eligibility requirements among LIHEAP, MEAP, weatherization assistance, and LIEWR programs would require legislative changes at the state and federal level. Before advocating for such changes Staff recommends any proposed modifications such as

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[https://www.michigan.gov/documents/egle/Upper Peninsula Energy Task Force Committee Recommendations Part 1 Propane Supply with Appendices 687642 7.pdf](https://www.michigan.gov/documents/egle/Upper_Peninsula_Energy_Task_Force_Committee_Recommendations_Part_1_Propane_Supply_with_Appendices_687642_7.pdf)

expanding eligibility of the MEAP, state legislative change, and SER to 200% or below the FPL to be in line with weatherization and LIEWR programs be studied.

Recommendation: The MPSC should consider hosting a collaborative that works in connection with the EWR Low-Income Workgroup to:

- Study the alignment of income eligibility across energy assistance programs and customer protections, including studying the impacts of expanding eligibility to 200% or under the FPL; and under MPSC jurisdiction, align application processes if it is beneficial.
- Analyze the application, eligibility determination, and program design for the various assistance programs and utility-based credits, additionally making recommendations for alignment and simplification.
- 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.

Affordable Energy Bills

The concern over affordability threaded its way through nearly all the discussions over the past seven months and is intimately wound up with all work to improve APPs and other energy assistance options. Affordability can be approached in several ways. One method is evaluating energy burden by measuring how much of a household's income is devoted to energy costs and then providing a subsidy to limit the household bill to a certain percentage of income. An industry accepted percentage of income threshold for energy bills is 6%.⁴¹ According to the Home Energy Affordability Gap study, energy burdens for low-income households in Michigan can be high. The study cites an energy burden of 34% on average for households under 50% of the FPL. For households between 50% and 100% of the FPL the energy burden is cited as 18% of household income.⁴²

The second approach seeks to provide affordability through direct assistance that may be a monthly payment or one-time payment that is capped at a certain amount. The energy assistance programs in Michigan approach affordability through the assistance model. As noted previously, this year the MPSC ordered DTE (U-20561) and CE (U-20650) to develop percentage of income payment plan pilots using the 6% threshold to be implemented by 2022.

⁴¹ The 6% affordability threshold is based on Fisher, Sheehan, and Colton's Home Energy Affordability Gap Analysis. This affordability percentage is based on the assumption that an affordable housing burden is less than 30% of income spent on energy, and 20% of housing costs should be allocated to energy bills. This leads to 6% of an affordable housing burden spent on energy costs, or a 6% energy burden. For more information, see http://www.homeenergyaffordabilitygap.com/03a_affordabilityData.html

⁴² http://www.homeenergyaffordabilitygap.com/03a_affordabilityData.html

Another approach to energy affordability is to work with low-income households to reduce energy consumption through EWR and weatherization services. Earlier this year, Staff hosted a meeting with the regulated utilities that included the low-income energy assistance and EWR teams discussing methods for integrating energy assistance and EWR. The EWR Low-Income Workgroup in conjunction with CAD continues to address this integration. Stakeholder comments made clear the need to link energy assistance and EWR services, especially for low-income customers with high energy bills. This need is even more acute as the pandemic intensifies with the possibility of long-term economic repercussions.

Recommendations: The MPSC could explore adopting a common definition of energy affordability and energy self-sufficiency with the goal of reducing the number of households in Michigan with unsustainable energy burdens. Areas to consider include:

- Analyze the MDHHS Needs Assessment/Energy Security study as a possible foundation for energy affordability discussions.
- Conduct a broad stakeholder review of the MEAP Workgroup Subcommittee definition of self-sufficiency with the intent of adopting a standard definition across programs.
- Use an energy affordability definition as a foundation for refining APP and other energy assistance options.
- Define a process that systematically ties EWR and weatherization assistance to energy assistance programs.
- Study affordability as it relates to multi-family housing and landlord-tenant issues.

Streamline and Improve APPs

The MPSC specifically called on Staff to investigate utility APP and other assistance options and to make recommendation for improvements. As discussed above there are several types of APP such as utility-specific flexible payment plans, payment plans prescribed under the shut off protection rules, MEAP affordable payment plans, and the percentage of income payment plan pilots in development. The countless payment plans call out for the need to simplify offerings or at a minimum understand the efficacy of the various types of plans to enable the MPSC, MDHHS, utilities, and stakeholders to refine or develop streamlined options for customers. The recommendations below are closely tied to the discussion and recommendations on affordability.

Recommendations: Staff recommends the MPSC consider a collaborative to explore APP and assistance options in more depth. This charge could be added to the group mentioned above and should also work closely with the EWR Low-Income Workgroup. Suggested objectives include:

- Establish universal goals or expectations and metrics for APPs to enable consistent comparison across programs. For example, the Pennsylvania Public Utility Commission has stated the expectations for affordable utility payments to be improved payment behavior, reduced or static arrearages, lower termination rates, and reduced collection costs and write-offs. Such metrics could include percentage of customers completing the program with no arrearages or percentage of customers that can sustainably pay bills.

- If appropriate, evaluate and use as a foundation the MDHHS/ICF study on assessing the energy security of program participants of the SER program and MEAP to determine the extent to which they are effective at serving populations of highest need, thereby advancing energy self-sufficiency for participating customers.
- Explore models for preventative payment plans, especially for households who are on fixed incomes and may not become self-sufficient over time.
- Evaluate payment plan models based on affordability, including the DTE and CE percentage of income payment plans.
- Evaluate the success of the utility based flexible payment plans during 2020 and COVID-19 to see how they compare to previous payment plans established by rules such as the WPP and SPP, and utility specific budget plans.
- Evaluate current MEAP affordable payment plans and make recommendations for improvements, including assessing the MEAP Workgroup pilots testing APP for households under 20% of the FPL and the deliverable fuel APP pilot.
- If applicable, electric cooperatives and municipal utilities could explore expanding APPs, such as the GLE pilot.
- Explore the implications of expanding eligibility to 200% of the FPL. As described above, the LIHEAP eligibility established at 150% of the FPL to be consistent with eligibility for MEAP, which is prescribed by law.
- Study utility uncollectibles and costs of collecting ratepayer funds spent on assistance to better understand trade-offs between collections, shut offs, and assistance models.

Importance of Data, Transparency, and Analysis to Inform Program Design and Policy Changes

There is a pressing need to better understand how various energy assistance programs and credits serve customers and how they interact with each other and with shut off protection programs in impacting long term sustainability of bill payment for customers. It needs to be made clear that data collection and analysis is critical not only to immediate responses to issues arising from the pandemic, but to future program design and refinement.

As discussed above with the onset of the COVID-19 pandemic, the MPSC required the utilities to submit shut off and arrearage data as a means of understanding the impact of COVID-19 on customer safety and ability to pay. While Staff worked with utilities and stakeholders to refine the required data elements for submission after the July 23, 2020 order, there is interest in further refining the data and with the possibility of combining it with quarterly data required under [R 460.151 Reporting Requirements \(p. 37\)](#). While the current monthly reports submitted by the utilities under U-20757 are sufficient for tracking shut offs and unpaid bills trends for vulnerable customers during the pandemic, Staff recommends exploring a longer term data collection strategy that will capture these trends but also more specific demographic information and data around assessing energy burdens.

Stakeholders also have stated the need to explore zip code or census tract level data to analyze the intersection of energy burden, demographics, home ownership, and access to EWR services

and weatherization to allow for more targeted assistance and energy efficiency services with services outside of the utility sector.

Staff is sensitive to the tension between the desire to capture data to better serve and protect the customer and the expense borne by the rate payer for the utility to provide this data. Refinement of current data requirements must be developed through a collaborative process with utilities and stakeholders.

Recommendations: The MPSC could explore a long term data collection strategy, using the monthly shut off and arrearage data submissions required under the July 23, 2020 Order, the quarterly reports required under Rule 51, the NARUC Resolution on Best Practices in Data Collection and Reporting for Utility Services Delinquencies in Payments and Disconnections of Service, and the work from the various studies and collaboratives as inputs to strategy development.

Staff recommends that the MPSC engage with NARUC to explore the elements of the resolution on best practices and data collection reporting. Particularly Staff asks the MPSC to participate in the following : “....work to identify and share best practices that demonstrate promise to reduce delinquencies and disconnections, with the explicit goal of increasing customers capabilities to pay utility bills over time including best practices that identify and highlight access to helpful programs and services, including bill affordability programs such as discount rates or percentage of income payment plans, energy efficiency programs and services, weatherization, consumer education, expanding existing shut off protections, custom payment plans that reflect the ability of the customer to successfully complete the payment plan, and flexible bill due dates...”⁴³

Review of Rule-based Protections

Over the past several years, the question has been raised repeatedly on the effectiveness of WPP, SPP, and the Senior Protection Plan. There is a belief that these protection plans may indirectly result in customers accumulating high arrearages over the winter heating season when they aren’t eligible to be shut off and aren’t required to regularly pay toward their ongoing energy bills. At the end of the heating season after April 1, some customers accumulate large, deferred balances that are then rolled into a budget payment plan. However, this theory has never been tested across the regulated utilities. With the ongoing mission to protect vulnerable households during the winter, especially during an emergency such as the COVID-19 pandemic, the need to understand the efficacy of current rule-based protections is essential.

Recommendation: Staff recommends studying the efficacy of the Consumer Billing Rules, Part 7 Energy Assistance and Shut off Protection Programs for Residential Customers and provide recommendations for improvement.

⁴³ <https://www.naruc.org/resolutions-index/2019-annual-meeting-resolutions/>

Communication and Engagement

One of the most important and intense areas of response to the COVID-19 pandemic was the MPSC's work in communicating how to get assistance and what types of protections were available. As the surge in the pandemic continues at this time, Staff continue to collaborate with utilities, MDHHS, and stakeholders on another state-wide outreach effort stressing how to access energy assistance, as well as how to reduce heating bills over the winter months.

Stakeholders clearly stated the need for ongoing, clear communication of energy assistance programs and protections, and timely distribution of information on changes to eligibility or program requirements. The collaborations among MPSC, MDHHS, and the utilities that resulted in program changes, such as higher allowances for households for SER and MEAP, waiving interview requirements, and the increase in allowed cash and non-cash asset tests helped service more customers more quickly as the pandemic unfolded. However, stakeholders urged quicker and more broad communication of these types of policy changes.

Recommendations: Staff recommends the MPSC continue with formal and informal collaborations and establish regular mechanisms for stakeholders to provide input on improving communication and materials, and to broaden its outreach to groups traditionally not a part of utility communications. These could include specialized chambers of commerce, faith-based associations and organizations, and senior advocates. Any discussions should include 211.org, the state-wide hub for customers accessing all kinds of assistance.

If appropriate, Staff recommends that the MI Power Grid Workgroup on Customer Education and Participation consider the outreach and education discussion in this report in their deliberations.

Conclusion

Since October 2020, Michigan has seen an exponential growth in cases of COVID-19 with daily new cases now averaging over 6,000, and with the anticipation that a significant number of cases, hospitalizations, and deaths will continue through the winter.

According to the MPSC [Winter Energy Appraisal](#)⁴⁴, the demand for home heating fuel is expected to rise as more Michiganders continue to work from home during the COVID-19 pandemic. Current weather projections from [National Oceanic and Atmospheric Administration Climate Prediction Center](#)⁴⁵ indicate that the 2020 through 2021 winter heating season will likely be near normal with expectations of increased precipitation. Thus, while the winter weather may not be colder than normal, families most likely will be using more electricity and natural gas as they work and educate at home. Unemployment could also increase due to the uncertainty of the economic

⁴⁴ https://www.michigan.gov/mpsc/0,9535,7-395-93307_93313_17280-543696--,00.html

⁴⁵ <https://www.cpc.ncep.noaa.gov/>

impacts from COVID-19, which can also increase energy use at home for the unemployed with fewer resources to meet increased bills.

It is Staff's hope that the information contained in this report will provide the Commission with insight as it deliberates future decisions on providing safe, reliable, and accessible energy services for Michigan residents during the COVID-19 pandemic and beyond.

Filings to the Docket: On November 24, 2020 three parties filed comments to the docket concerning utility affordability. The comments were filed by: 1) Environmental Justice Coalition, National Housing Trust, Ecology Center, Eco Works, Michigan Environmental Council, Michigan Welfare Rights Organization, Natural Resources Defense Council, Sierra Club, Soulardarity, and We Want Green Too; 2) The Michigan Welfare Rights Organization; and 3) Roger Colton on behalf of CUB of Michigan, NRDC, and National Housing Trust. On December 2, 2020, the Michigan Municipal Association for Utility Issues also filed comments to the docket. Staff appreciates these suggests and will take them into consideration moving forward.

Appendices

Acronym list

- ACEEE: The American Council for an Energy Efficient Economy
- AMI: Advanced Metering Infrastructure
- APP: Affordable Payment Plan
- CAD: Customer Assistance Division of the MPSC
- CARES Act: Coronavirus Aid, Relief, and Economic Security Act
- CARE and CARE +: Consumers Affordable Resource for Energy, a Consumers Energy APP
- CUB: Citizens Utility Board
- CTKMW: Coalition to Keep Michigan Warm
- DOE: federal Department of Energy
- DTMB: Department of Technology, Management, and Budget
- EWR: Energy Waste Reduction
- FPL: Federal Poverty Level
- FY 2019: Federal/State Fiscal Year running from October 1, 2018 to September 30, 2019
- FY 2020: Federal/State Fiscal Year running from October 1, 2019 to September 30, 2020
- FY 2021: Federal/State Fiscal Year running from October 1, 2020 to September 30, 2021
- GLE: Great Lakes Energy Electric Cooperative
- HHC: Home Heating Credit
- I&M: Indiana Michigan Power Company
- LEO: Michigan Labor and Economic Opportunity Department
- LIA or LIAC: Low-Income Assistance Credit
- LIHEAP: Low-Income Home Energy Assistance Program
- LIEAF: Low-Income Energy Assistance Fund
- LIEIF: Low-Income Energy Issues Forum
- LIEWR: Low-Income Energy Waste Reduction
- LSP: Low-Income Self-Sufficiency Plan, a DTE APP
- MDHHS: Michigan Department of Health and Human Services
- MEAP: Michigan Energy Assistance Program
- MEC: Michigan Environmental Council
- MEGA: Michigan Electric and Gas Association
- MPSC: Michigan Public Service Commission
- NARUC: National Association of Regulatory Utility Commissioners
- NASUCA: National Association of State Utility Consumer Advocates

- NCLC: National Consumer Law Center
- NEADA: National Energy Assistance Directors Association
- NEUAC: National Energy and Utility Assistance Coalition
- NRDC: National Resource Defense Council
- NRRRI: National Regulatory Research Institute
- PSA: Public Service Announcement
- RIA or RIAC: Residential Income Assistance Credit
- SEMCO: SEMCO Energy Gas Company
- SER: State Emergency Relief
- SNAP: Supplemental Nutrition Assistance Program
- SPP: Shut off Protection Plan
- SSI: Supplemental Security Income
- TANF: Temporary Assistance to Needy Families
- THAW: The Heat and Warmth Fund
- UPPCO: Upper Peninsula Power Company
- WAP: Weatherization Assistance Program
- WPP: Winter Protection Plan

Presentations and Attachments:

- COVID-19 Statewide Energy Assistance Communication and Outreach Strategy
- MPSC Michigan Poverty Law Program
- U-20757 Customer Protections and Assistance Primer
- U-20757 Customer Protections and Energy Assistance Stakeholder Meeting

Bibliography:

- [LIHEAP SPECIAL STUDY OF THE 2005 RESIDENTIAL ENERGY CONSUMPTION SURVEY, DIMENSIONS OF ENERGY INSECURITY FOR LOW-INCOME HOUSES;](#) APPRISE INC., 2010
- [Low-Income Energy Affordability: A Literature Review; Oakridge National Laboratory,](#) Marilyn A. Brown, Anmol Soni, Melissa V. Lapsa, Katie Southworth, March 2020
- [How High Are Energy Burdens? An Assessment of National and Metropolitan Energy Burden across the United States,](#) Ariel Dreihobl, Lauren Ross, and Roxana Ayala, September 2020
- [Energy Burdens in Detroit,](#) ACEEE, How High Are Energy Burdens? Ariel Dreihobl, Lauren Ross, and Roxana Ayala, September 2020

COVID-19 Statewide Energy Assistance Communication and Outreach Strategy*

**Note – this document does not reflect all outreach efforts conducted during the specified time period.*

Purpose/Goal: To leverage partnerships to educate utility customers across Michigan about the availability of and ways to obtain energy assistance during the COVID-19 crisis.

Overall Timing: April 30- Dec 31, 2020

Target Audience: Natural gas, electric and propane residential customers

Key messages:

- For customers struggling to pay their utility bills as a result of COVID-19, whether because of contracting the virus, caring for someone with the virus or through a lost job, help is available.
- Provide easy steps for access to flexible payment plans, energy assistance, energy waste reduction tips and assistance with other essential needs.

Strategies and Tactics:

Communication Channels

- State officials press release
 - Lead: MPSC lead in partnership with the Governor, Attorney General, and MDHHS
 - 2020 Timing: [March 26](#), [April 15](#), [April 30](#), [May 18](#), [May 28](#), [June 1](#), [June 9](#), [July 1](#), [July 23](#), [August 26](#), [December 3](#)
 - Message: To urge Michiganders to be proactive if they're struggling to pay their utility bills by reaching out to their energy providers and seeking financial assistance if they've lost a job or their income has been impacted amid the coronavirus pandemic. Provide resources for assistance during the COVID-19 crisis.
- Outreach Toolkit
 - Lead: MPSC
 - Timing: May, July, August, December
 - Purpose: Combined energy assistance resources (including samples of social media content and infographics, newsletter writeups, PSA's, consumer tips, etc.) into a toolkit intended to promote awareness and for stakeholders to distribute to their members at their discretion.
- Provide energy assistance information and resources to other State of Michigan agencies
 - Lead: MPSC
 - Timing: Started May 2020 (ongoing through 2020 as needed)
 - Purpose: To be sure messaging is prominent and consistent throughout state agency websites
 - Department of Labor and Economic Opportunity (LEO) – Updates for COVID-19 response page for the newly unemployed
 - State of Michigan – Provide information and suggestions to call out energy assistance on main Michigan COVID-19 webpage
 - Legislature – Provide assistance information to members of the House and Senate for newsletters, social media, and constituent services
- Statewide Energy Assistance Advisory
 - Lead: DTE/Consumers Energy with review by MPSC and MDHHS
 - Distribution: MEGA, MPPA, MECA, Coalition to Keep Michigan Warm
 - Purpose: Shared document summarizing updated and available statewide energy assistance and utility information to provide consistent messaging across state utilities

- Michigan Energy Provider Radio PSAs
 - Lead: DTE/Consumers Energy with review by MPSC and MDHHS
 - Distribution: PSA provided to MEGA, MMPA, MECA, Coalition for additional local distribution
 - Timing: April 30 through May 31 (Ongoing through 2020 for some utilities)
 - Coverage: Major markets statewide with outreach to smaller markets in the UP and SW Michigan
- Utility bill insert on getting financial help/energy saving tips
 - Lead: DTE/Consumers Energy with review by MPSC and MDHHS
 - Distribution: Template provided to MEGA, MMPA, MECA, Coalition to Keep Michigan Warm. Several smaller Michigan utilities have indicated that they would be sending some type of bill insert.
 - Target: Customers with arrearages, additional focus on low-income customers
 - Timing:
 - Consumers Energy: May – December
 - DTE: May – December
- Direct customer communications
 - Warm calls to customers with arrearages
 - DTE: started mid-April and ongoing
 - Consumers Energy: started mid-April and going
 - Other smaller Michigan utilities have indicated they have been or will be contacting vulnerable customers to discuss energy assistance options
 - Wellness visits: DTE visiting residences that are shut-off to determine occupancy and assist in reconnection
 - MEAP grantee calls to low-income customers with arrearages
- Customer Assistance Day Telethon
 - Lead: DTE lead, non-profit agencies participating to assist with non-energy needs. Support from MDHHS and THAW.
 - Timing: May – December
 - Target: Any DTE customer impacted by COVID-19
 - Coverage: SE Michigan through WJLB, KISSFM and Praise Network
- Social Media
 - All Investor Owned Utilities – Facebook and Twitter posts urging customers to contact them if they are struggling.
 - MPSC – Share energy assistance resources through Twitter and LinkedIn accounts. Provide content for the Department of Licensing and Regulatory Affairs and the State of Michigan to share through social media accounts.
 - Timing: Ongoing through 2020
- Collaboration with social service agencies, community partners, utilities, and other utility associations for continued outreach ideas and developments.

Additional Protective Measures

- Modified current Medical Hold Policy so that those infected or quarantined with the virus are eligible for a 30-day medical hold

- Lead: MPSC through Case No. [U-20757](#)
 - Distribution: All Investor Owned Utilities
 - Timing: April 20 through June 12
- Winter Protection Plan extension for senior citizens and qualified low-income customers through June 1, 2020
 - Lead: DTE, Consumers Energy
- Energy Waste Reduction:
 - Consumers Energy
 - Defer Summer Peak Rate to 2021
 - Providing 100K free smart thermostats and 100K EE care packages/kits to low-income households
- Commitments from utilities to prevent shut offs, provide flexible payment plans, waive late fees, and allow for medical holds for vulnerable populations.
 - Affirmations filed by utilities in Case No. [U-20757](#).

Michigan Poverty Law Program

Anne Armstrong Cusack, Director
Chris Forist, Manager
10/01/2020



Overview

- MPSC introduction.
- Utility and Customer Responsibility.
- Overview of Customer Protections.
- Overview of Energy Assistance.
- Overview of MPSC COVID-19 response efforts.
- Questions?



Why the Michigan Public Service Commission?

Mission

To protect the public by ensuring **safe, reliable, & accessible** energy & telecom services at **reasonable rates** for Michigan's residents.

Role of Michigan Public Service Commission

- Regulates investor owned utilities such as Consumers, DTE
- Three Commissioners appointed by the Governor who are independent from State Government
- Sets utility rates, safety standards, grid stability and innovation in energy generation and distribution through contested cases
- Sets the funding factor for the Low-Income Energy Assistance Fund (LIEAF) each year to be distributed in the [Michigan Energy Assistance Program](#)
- Orders low-income assistance credits through rate cases



What Is This All About?

Customer Protections

- Protected by the [Consumer Standards & Billing Practices For Electric & Gas Service](#) (R 460.101 - R 460.169)
- Includes billing and shut-off protections; and roles and responsibilities for utilities as well as customers

Energy Assistance

- Federal energy assistance; Low-Income Home Energy Assistance Program (LIHEAP)
- State energy assistance; Michigan Energy Assistance Program (MEAP)
- Utility-based credits



MPSC Staff Role in Customer Experience

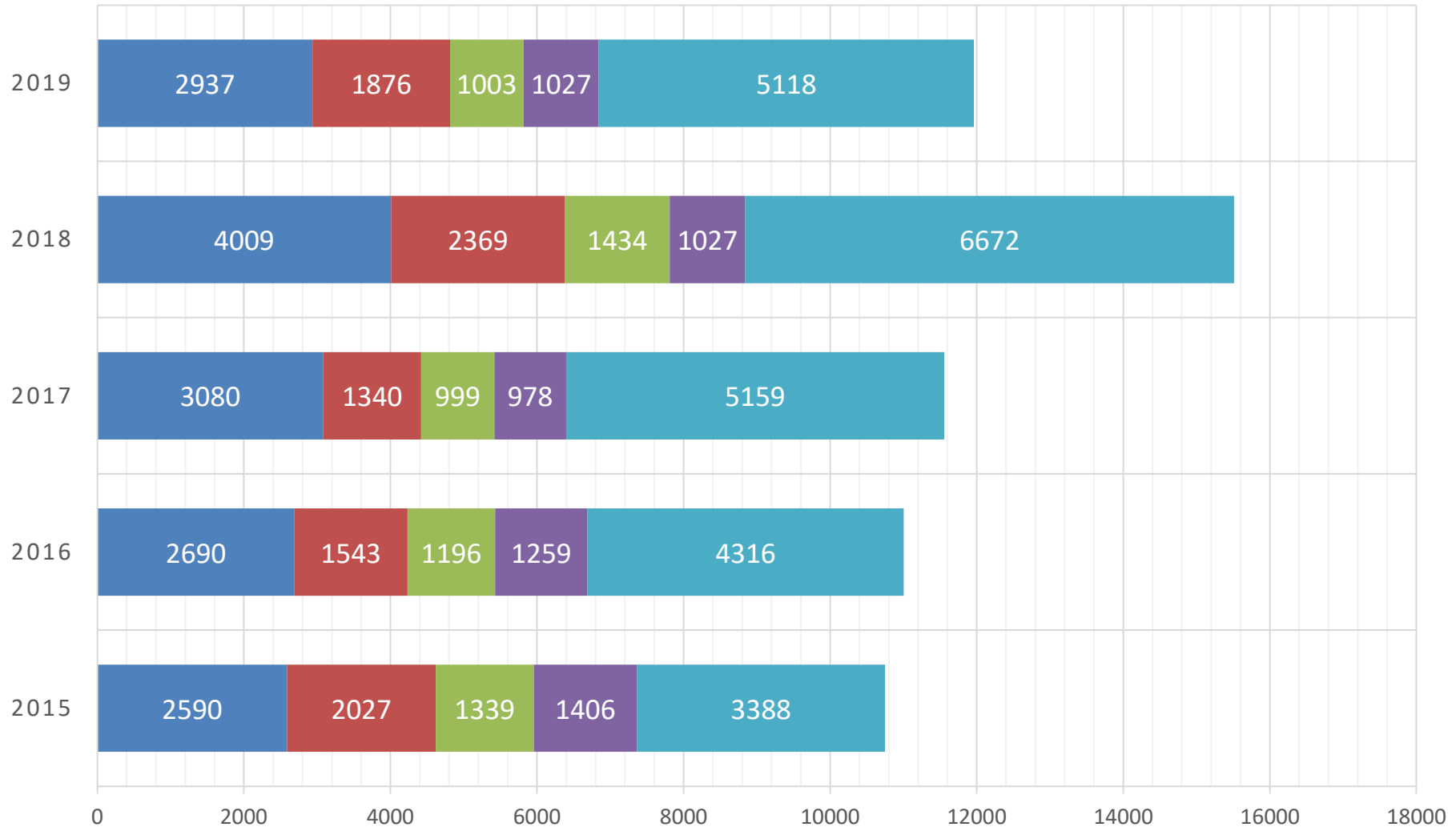
- Handles customer complaints/inquiries for gas, electric & alternative providers
- Telecommunications/cable complaints were with CAD, now moved to MPSC Telecommunications Division
- Accepts complaints through MPSC's 1-800 number, web, & from the legislature and Governor
- Escalates appropriate complaints/inquiries to providers
- Participates in the formal complaint & hearing process
- Follows trends in customer complaints & utility reporting, conducts investigations, some resulting in contested cases
- Protects customer rights/informs customers of their responsibilities
- Clarifies utility rights and responsibilities



2015-2019 MPSC Customer Contacts

SOURCE: MPSC COMPLAINTS DATA

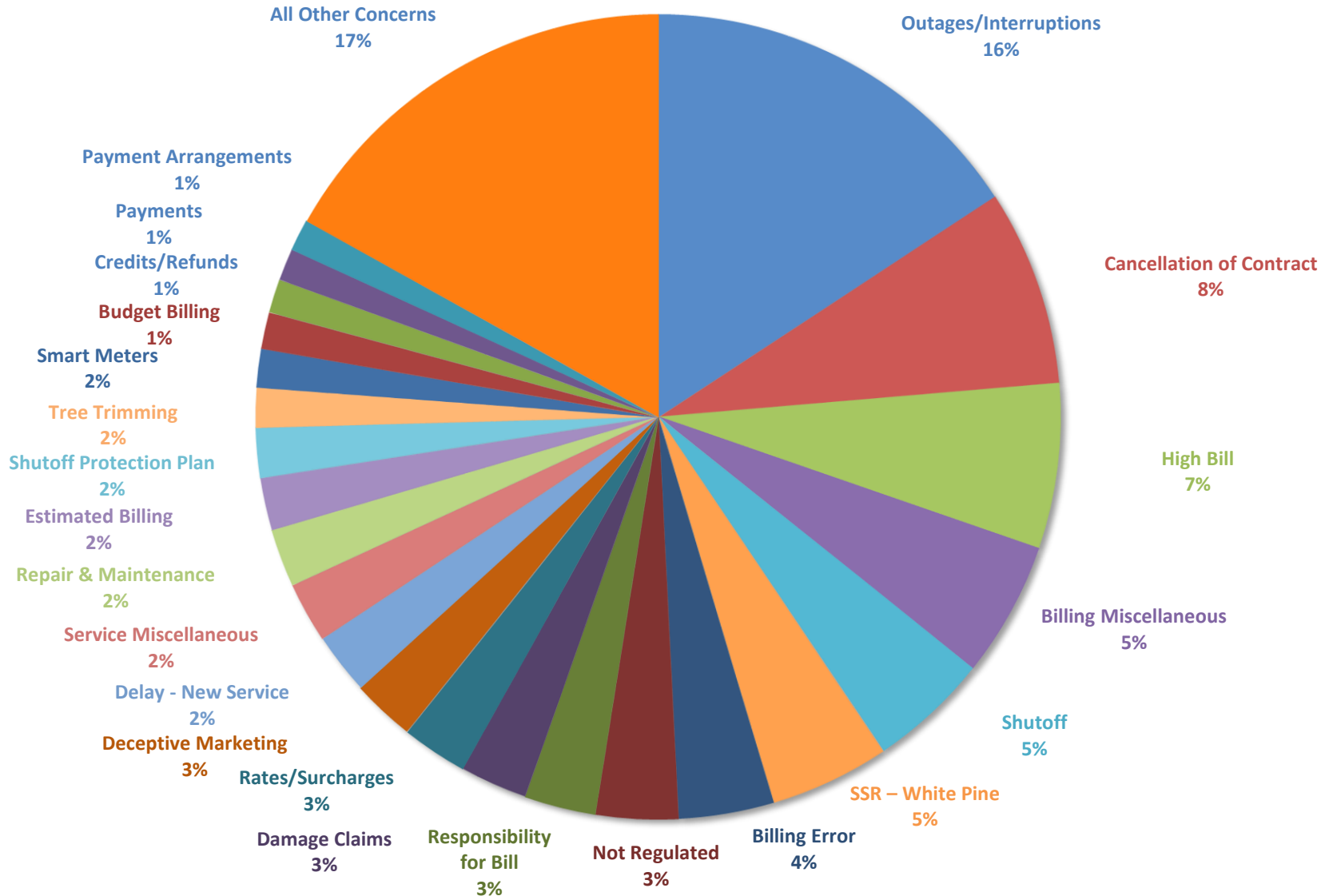
Electric Gas Gas/Electric Telecomm Disposition





2019 Customer Energy Complaints

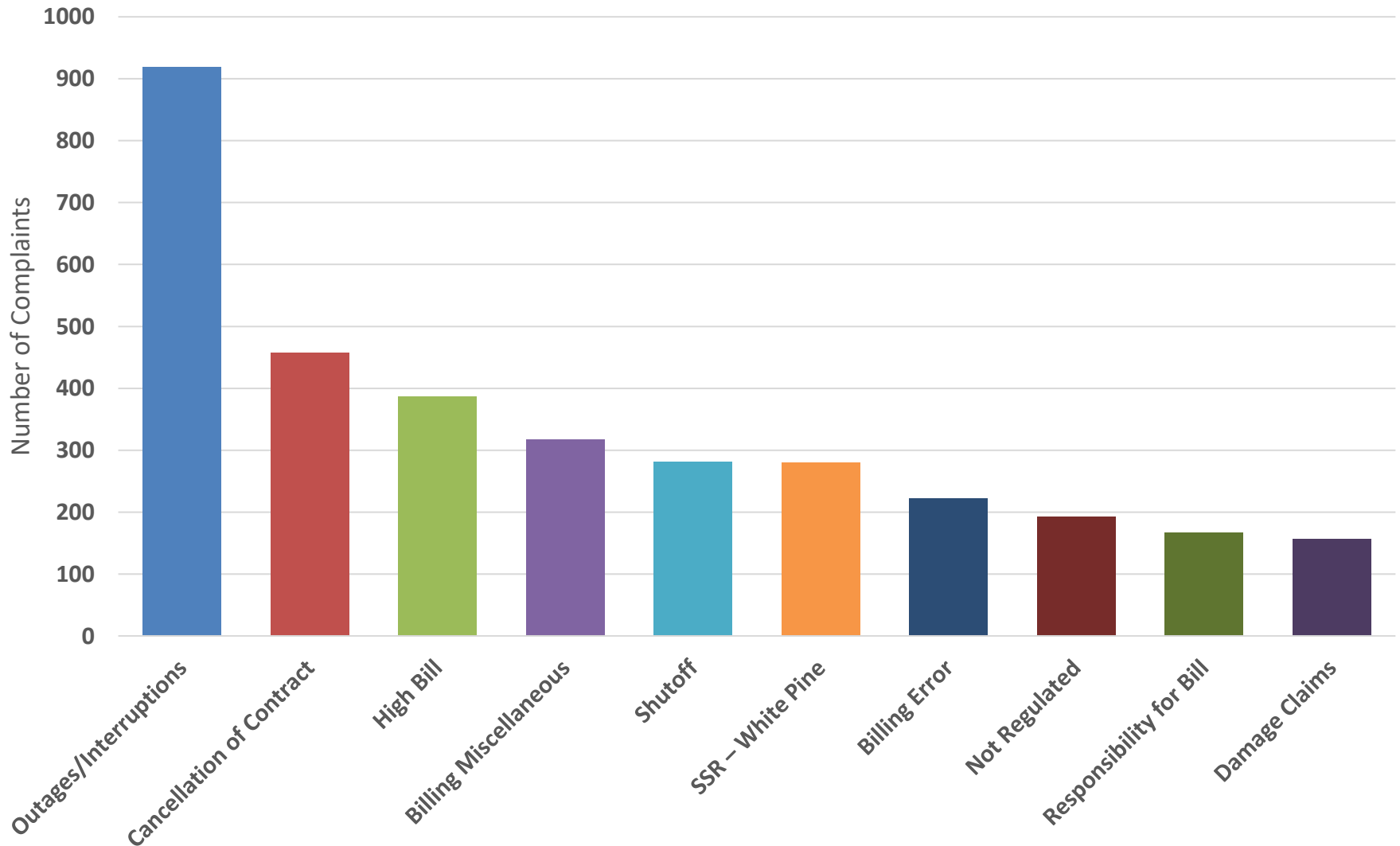
SOURCE: MPSC COMPLAINTS DATA





2019 Top 10 Customer Complaints

Source: MPSC Complaints Data





Customer Protections

- Apply to utility service by electric and natural gas utilities regulated by the MPSC
- Promote safe and adequate service to the public
- Provide standards for uniform & reasonable practices by electric & natural gas utilities for residential & nonresidential customers
- Examples of protections: shutoff protection plans, medical emergency, extreme weather policies



Utilities Responsibilities

- Provide the customer a bill for each billing month unless seasonally or another solution approved by the commission (R 460.120)
- Bill shall be transmitted not less than 21 days before the due date (R 460.120)
- Customer bill period is 26 – 35 days (R 460.102)
- Utility shall not withdraw funds from a customer's account before the due date (R 460.123)



Utilities Responsibilities continued

- When an occupant has lived with a residential customer within the last 3 years, currently resides with the customer, and the customer has a delinquent account that remains unpaid, is not in dispute, and accrued during shared residency, both are equally responsible for the unpaid bill.(R 460.123, R 461.37(2)(b))
- If bill is not paid, allocate late payment charges of 2%, unless payments are made by the DHHS.(R 460.125)
- Utility cannot shutoff services for unregulated non-energy services (R 460.126)
- Can back-bill a customer 12-months from the discovery of a billing or meter error. (R 460.126a & R 460.115)



Customer Responsibilities

- A customer is responsible for any outstanding bill that is in their name, within the Statue of Limitations of 6 years. If a utility attempts to collect an outstanding balance during that timeframe the clock restarts and the utility has another 6 years to attempt to collect the balance.(R 460.106, 600.5807)
- Require to pay by the due date (R 460.124)
- If a customer pays a deposit the utility is obligated to return the monies with a 5% interest once the customer of record makes 12 consecutive on-time payments. If the customer does not fulfill the 12-month period, the time-clock starts over. (R 460.111)



Customer Responsibilities continued

- A combination customer (someone who has both electric and natural gas with the same utility) can choose which commodity to have the payments go to, to restore services from a shutoff or keep service on. (R 460.123(7)(c))
- Customer has the option to pay at a pay station (Walmart, Kroger, party stores, etc.) but may not be credited to the account for up to 2 business days. To avoid a shutoff the customer should contact the utility and provide verification of the payment. (R 460.123 (5))
- If a utility estimates a utility bill, the customer has the right to pay over the same number of months they were estimated. (R 460.113 (11))



Utilities Can Disconnect or Deny Service For:

- Health and safety
 - Unpaid bill
 - Failed to provide a deposit
 - Engaged in unauthorized use
 - Refuses access to equipment
 - Occupant fails to establish service in their name
- Misrepresentation of identity for establishing service
 - Delinquent account for service within the past 3 years
 - Debt can be transferred if individual lived in a customer's residence when all or part of debt incurred



Utilities Cannot Disconnect Service When:

- Not paid for unregulated items: appliance plans, merchandise or other services
 - For seniors, during the heating season
 - Not paying for concurrent service at a different metering point
 - Not paid for a different type of class or service at the location
- Not paid for services by another person (such as tenant). But can shutoff service if proper notice is given
 - Eligible military customer
 - Customer has an informal complaint, customer hearing or formal hearing



Customer Protections: The Specifics

| CUSTOMER SHUT-OFF PROTECTIONS | | |
|-------------------------------|---|---|
| Medical Emergency | Provides for restoration or postponement of service shutoff for households with a medical emergency (an existing condition in the household that would be exacerbated with lack of utility service). The household must submit an MPSC certified form. Hold periods are for 21 days not to exceed 63 days in a 12 month period. If certification is provided for another household member, the hold cannot exceed 126 days in 12 months. | None |
| Critical Care | Provides for a utility to restore or refrain from shutting off service to a customer where interruption would be immediately life-threatening. The customer must submit to the utility an MPSC approved medical certification form. The customer must renew annually. The utility must keep a file of critical care customers so service is provided as long as a customer is 'critical care'. The utility must notify the customer of planned interruptions. | None |
| Winter Protection Plan (WPP) | Provides shut off protection for low-income customers during the heating season (11/1 - 3/31) under certain conditions and provides guidance for a monthly payment plan during that time. | 150% of federal poverty guidelines (FPL) or under |
| Shutoff Protection Plan (SPP) | Provides for shut-off protections for DTE and CE low-income customers that meet or exceed the WPP guidance. | CE/DTE: 200% FPL or under |
| Senior Protection Plan | Provides for a winter protection plan for seniors over 65 during the heating season (11/1 - 3/31). After the heating season the utility reconciles the account of the household, dividing the amount owed into monthly payments for a monthly payment plan. | None |
| Military Protection | Provides that the utility shall not shut off service to an eligible military customer for 90 days, with an additional 90 days under certain conditions. After this period, utility reconciles the account of the household, dividing the amount owed into monthly payments. | None |
| Extreme Weather Policy | Each utility must submit for Commission approval an extreme weather policy that outlines criteria for suspending shut-offs under extreme heat or cold. Additional protections for certain classes of customers can be included. | None |



Energy Assistance Funding Overview

- Three sources of energy assistance funding: to receive funding the eligible individual must be the account holder
- Federal Low-income Home Energy Assistance Funding (LIHEAP):
 - State Emergency Relief, Home Heating Credit, Weatherization
- Michigan Energy Assistance Program (MEAP) funded through the rate-payer funded Low Income Energy Assistance Fund (LIEAF)
- Utility-based energy credits funded through individual utility rate cases
- Three sources of energy waste reduction funding
 - LIHEAP Weatherization fund, DOE weatherization funds, Utility-based EWR programs regulated by the MPSC through individual utility rate cases



Low-Income Home Energy Assistance Program (LIHEAP)

- A federal program that provides heating and crisis assistance to households throughout the country
- In Michigan, MDHHS oversees 4 parts:
 - State Emergency Relief (SER): crisis assistance for energy
 - Home Heating Credit - heating assistance, applications through the Dept. of Treasury
 - Assurance 16 Funds – funding to help clients attain energy self-sufficiency
 - Weatherization Assistance
- Eligibility criteria
 - 150% of FPL or under
 - Up to \$15,000 in cash and material assets
- Cap of \$850 per household for gas and electric each; \$1200 for deliverable fuels such as propane



Michigan Energy Assistance Program

Public Act 95 of 2013 (July 1, 2013)

- Created the Low-Income Energy Assistance Fund (LIEAF); allows the MPSC to annually approve a low-income energy assistance funding factor, not to exceed \$50,000,000, to support the LIEAF.
- On July 23, 2020, in Case No. U-17377, the MPSC adopted a funding factor of 91 cents per meter per month for all Michigan electric utilities that have opted to participate in LIEAF for FY21
 - Electric utilities that opt-out of collecting the funding factor may not shut off service to any residential customer from November 1 to April 15 for nonpayment of a delinquent account.

Public Act 615 of 2012 (March 28, 2013)

- Created the Michigan Energy Assistance Act that requires the MDHHS) to establish and administer the Michigan Energy Assistance Program (MEAP).
- MEAP establishes & administer programs statewide that provide energy assistance & self-sufficiency services to eligible low-income households.



MEAP Components

- MEAP funds are distributed through grantees: Barry County, Jackson County & SE MI. United Ways; Community Action Agencies through the BCAEO; Salvation Army; St. Vincent de Paul; THAW, Superior Watershed; True North
- To receive MEAP, customer must have received SER
- Energy payments can be for electric, gas, & deliverable fuels.
- Program includes self-sufficiency services, one-time payments or a two-year affordable payment plan through Consumers, DTE, SEMCO & UPPCO
- Self-sufficiency services include needs assessment & referrals, vendor advocacy, budgeting, energy education, case management & energy waste reduction services
- Eligibility: must have received SER, 150% of FPL and under.
- MEAP Caps of \$2000 per household per year



Need for Energy Assistance

- Michigan households with incomes below 50% of the Federal Poverty Level pay 34% of their annual income simply for their home energy bills—with 262,604 Michigan households in this income range¹
- In 2019, 929,445 Michigan households were living with incomes at or below 150% FPL (the income criteria for energy assistance)¹
- More than half of LIHEAP recipients (201,935) in Michigan have at least one vulnerable member: elderly (over 60), disabled, and/or child under six²

Sources:

¹homeenergyaffordabilitygap.com: 2019 Michigan HEAG Fact Sheet

²FY2019 Michigan LIHEAP report



Low-Income Energy Assistance FY 2019

\$156,741,000 in Energy Assistance Payments were disbursed*

369,270

households received some type
of LIHEAP assistance



296,187

households received the
Home Heating Credit

92,000+

households received crisis-
related State Emergency Relief

56,880

households were reported as receiving
MEAP energy assistance payments**

* Does not include admin., program costs; self sufficiency services or weatherization.

**Some households receive more than one type of assistance



How To Get Energy Assistance

STEP 1

Be proactive

Contact your utility or propane supplier to ask what kind of protections, funding, flexible payment options, or energy saving tools and resources are available.

STEP 2

Get help by calling 211

Call 2-1-1 and ask how you can get help paying your utility bill or go to mi211.org to learn about agencies that may assist you with your energy bill (This includes helping apply for MEAP).

STEP 3

State Emergency Relief (SER) Program

Apply directly through [MI Bridges](https://mibridges.org) for bill payment assistance or call 855-275-6424. Information is required to verify your income so you may want to work with your utility or 2-1-1 first on tips to navigate this process.

STEP 4

Apply for a Home Heating Credit

Visit the [MI Dept. of Treasury's website](https://www.mity.com) to see if you qualify. Even though this funding is distributed by the MI Dept. of Treasury, you do not need to pay taxes or wait for a tax return to receive this credit so apply now if you are eligible.



Federal Poverty Guidelines for 2020

| Size of Household | 150% |
|-------------------|----------|
| 1 | \$18,735 |
| 2 | \$25,365 |
| 3 | \$31,995 |
| 4 | \$38,625 |
| 5 | \$45,255 |
| 6 | \$51,885 |
| 7 | \$58,515 |
| 8 | \$65,145 |



Utility-Based Credits

Low-Income Assistance Credit

- Provided in tariffs under rate cases for CE, DTE, SEMCO
- Gas = DTE, CE, SEMCO; Electric = DTE
- 150% FPL & under or participation in programs such as SER, Medicaid
- Ranges from \$30 to \$40/month

Residential Income Assistance Credit

- Same utilities, also IN-MI Power; similar eligibility
- Can be electric or gas
- Ranges from \$7.25 to \$12.75/month

Senior Residential Service Charge Credit

- Provided in tariffs under rate cases for CE, DTE
- Electric only
- Above 65 years or older; \$3.75 per month



COVID-19 Response: U-20757 (4/15/20)

Provision of Critical Services

- Obtaining data related to utility disconnections
- Consultations with utilities regarding customer affordability
- Accounting treatment for COVID-19 related expenses and revenue
- Modifying certain non-urgent regulatory and compliance deadlines during emergency
- Monitoring the response of voice, internet and data services providers across the state
- EWR/DR Program Continuity Plans



COVID-19 Response: Payment Flexibility

| What is Offered | Residential | Commercial | Industrial |
|--|-------------|------------|------------|
| Payment flexibility plans (varies by utility) | ✓ | ✓ | ✓ |
| Utilities waiving late fees and deposits | ✓ | | |
| Utilities waiving payment fees at 3rd party facilities | ✓ | | |
| Proactively working to connect customers to resources and assistance | ✓ | ✓ | |
| Large utilities assisting businesses with accessing federal loans and grants | | ✓ | |
| Allowing minimum demand charges to be paid off over 6 or 12 months (CE, DTE) | | | ✓ |
| Utilities waiving power factor charges, allowing deferred CIAC payments, and/or waiving load balancing and withdrawal limits for large customers (CE, DTE) | | | ✓ |



COVID 19: Restoration of Service & Data Reporting

- MPSC Staff working with providers to find and reconnect families that don't have power, with a focus on seniors and low-income customers
- Regulated utilities required to submit shut-off data every 2 weeks
- Utilities taking action to determine which occupied residences within their service territory do not have natural gas and/or electric service:
 - phone calls, emails, mailings, wellness checks/site checks
- These actions are being completed with the last customer of record at the time of the disconnect and/or landlord of the address

| MPSC | | U-20757 Reporting Form | |
|---|----------|------------------------|-------------|
| Michigan Public Service Commission | | | |
| Utility Name | | | |
| Report Submission Date | | Reporting Time Frame | |
| The information requested below should reflect data from November 1, 2019 to current. | | | |
| 1. An account of efforts made to determine which occupied residences within the utility's service territory do not have natural gas and/or electric service. | | | |
| Please enter account in the space provided below. If needed, attach additional documents with this form. | | | |
| | | | |
| 2. The number of occupied residences within the utility's service territory that do not have natural gas and/or electric service as a result of a shutoff due to non-payment. | | | |
| | Electric | | Natural Gas |
| A. Overall total | | | |
| B. Non low-income/household* | | | |
| C. Senior* | | | |
| D. Low-income* | | | |
| 3. The number of occupied residences within the utility's service territory that do not have natural gas and/or electric service as a result of any reason other than non-payment broken down into the following categories: | | | |
| | Electric | | Natural Gas |
| A. Unauthorized use | | | |
| B. Safety | | | |
| C. Access | | | |
| D. Other - Please explain the reasons households are in this category in the space provided below. This includes households that cannot be confirmed occupied or unoccupied. | | | |
| If needed, attach additional documents with this form. | | | |
| 4. What actions the utility has taken to reconnect natural gas and/or electric service for occupied residences, particularly those involving low-income or elderly individuals, or individuals impacted by the COVID-19 pandemic. | | | |
| Please explain actions in the space provided below. If needed, attach additional documents with this form. | | | |
| | | | |



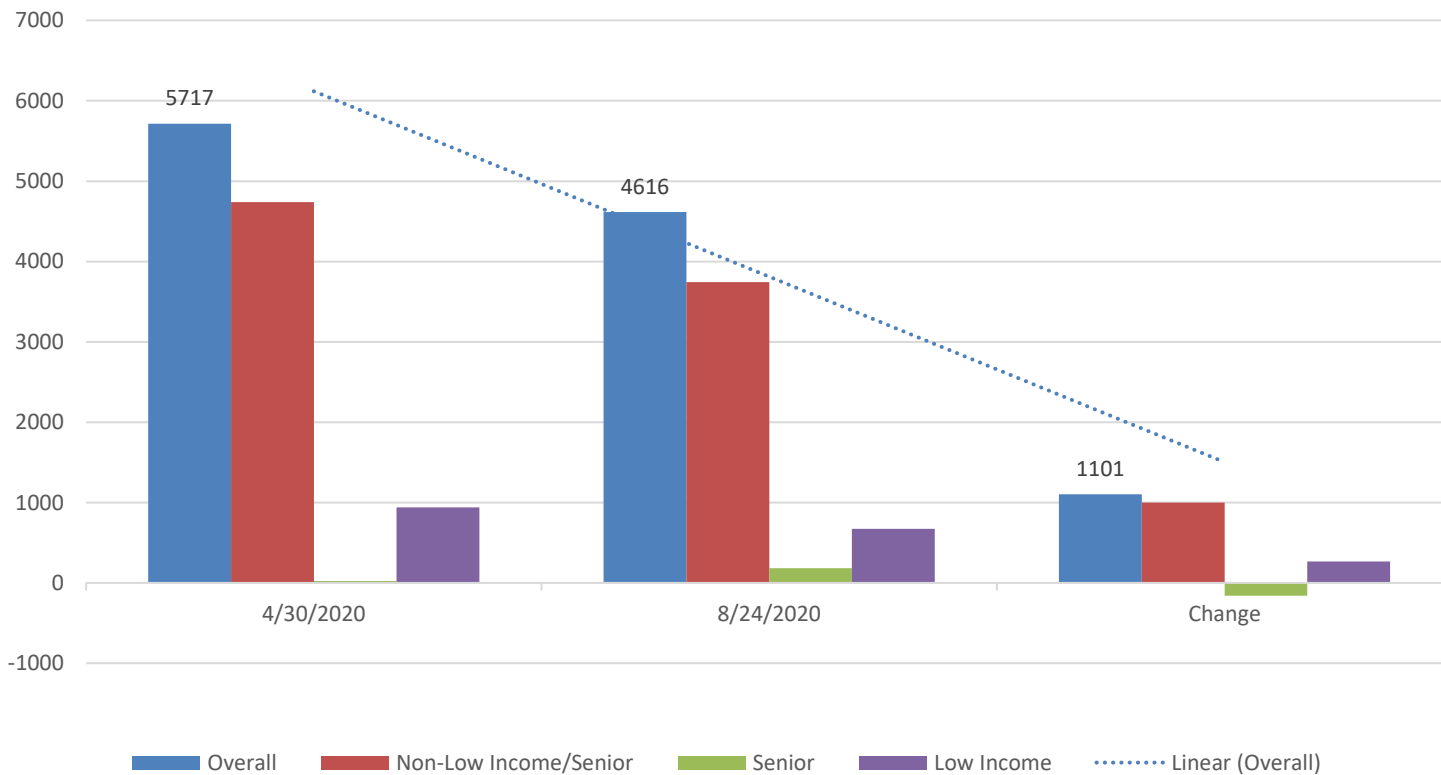
COVID-19 Response: U-20757 (7/23/2020)

- Reiterated the support available to help customers in need with bill payment assistance and flexibility payment terms
- Called on its staff, regulated utilities and stakeholders to continue customer outreach, data collection, and program enhancements to provide adequate safeguards in an uncertain future
- Shutoff and unpaid bill (arrearage) data to be collected monthly starting October 10
- Directs Utilities to file reports on efforts to better align energy waste reduction programs with other assistance for low- and moderate-income households



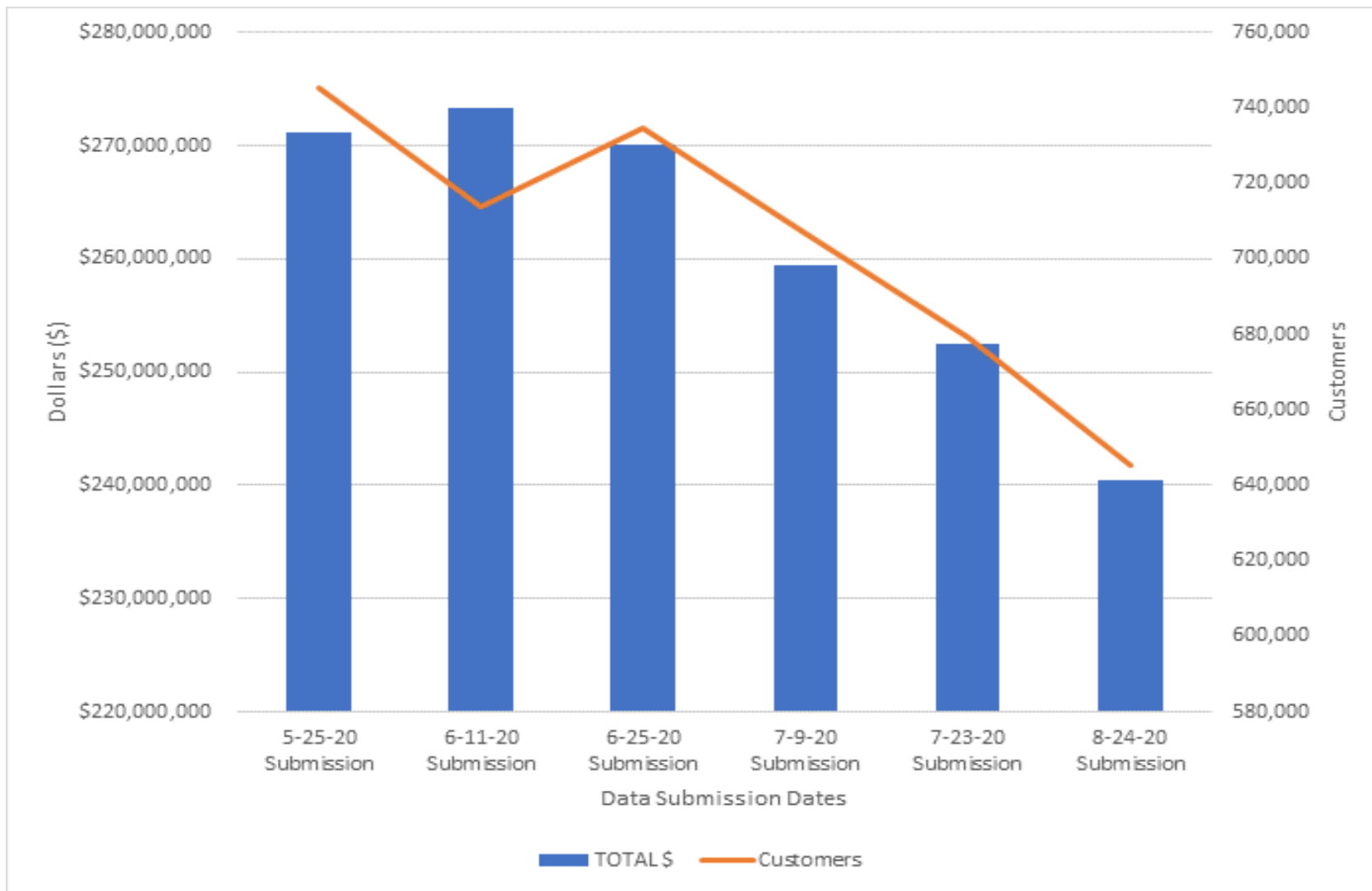
Reconnecting Customers

Change in Disconnected Households 4/30 - 8/24 2020





Shut-Off Data





Energy Assistance Outreach & Education

Leveraged partnerships with other state agencies, utilities, and consumer advocacy groups to help educate utility customers

- State agency communications
 - Press releases, media and social media
 - MPSC COVID-19 response webpage
 - Provide ongoing energy assistance information and resources to members of the legislature and other state agencies
- Michigan energy providers PSA campaign
- Utility bill inserts





Where are we now?

- Utilities required to submit shutoff and arrearage data on a monthly basis to allow for tracking of vulnerable households
 - First submission on October 10
- Staff tasked with continuing communication & collaboration with energy & telecommunications providers to identify issues as they arise & discuss best practices for customer protection & affordability measures moving forward. Staff will file a summary of these efforts & any recommendations to improve utility affordable payment plans & other assistance options on 12/15/20
- Directs utilities to file reports on efforts to better align energy waste reduction programs with other assistance for low- and moderate-income households



Where Are We Now?

1 →

Utilities required to submit shutoff and arrearage data on a monthly basis to allow for tracking of vulnerable households.

First submission on October 10

2 →

Staff tasked with the following:

- ✓ Continue communication and collaboration with energy and telecommunications providers
- ✓ Identify issues as they arise
- ✓ Discuss best practices for customer protection and affordability measures moving forward.
- ✓ File a summary of efforts and recommendations to improve utility affordable payment plans & other assistance options on 12/15/20.

3

Directs Utilities to file reports on efforts to better align energy waste reduction programs with other assistance for low- and moderate-income households.



Any Questions



Anne Armstrong Cusack
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Michigan Public Service
Commission

1-800-292-9555

www.michigan.gov/mpsc





Resources

- LIHEAP State Plan: michigan.gov/documents/mdhhs/Proposed-LIHEAP-State-Plan-FY2021_700012_7.pdf
- MEAP Webpage: michigan.gov/energygrants
- Coalition to Keep Michigan Warm: coalitiontokeepmichiganwarm.org
- National Energy & Utility Affordability Coalition: neuac.org
- [State Map of Weatherization Operators](#)
- MDHHS MI Bridges: newmibridges.michigan.gov
- MI Department of Treasury (Home Heating Credit): https://www.michigan.gov/taxes/0,4676,7-238-43513_66852-330928--,00.html
- Michigan 211: dial 211 or visit mi211.org

Customer Protections and Assistance in Michigan

Primer

9/29/2020



Agenda

- Why the MPSC on energy assistance and protections?
- Overview of Customer Protections
- Overview of Energy Assistance
- Overview of Low-Income Energy Waste Reduction
- Overview of MPSC COVID-19 response efforts
- Questions?



Why the Michigan Public Service Commission?

Mission

To protect the public by ensuring **safe, reliable, & accessible** energy & telecom services at **reasonable rates** for Michigan's residents.

Role of Michigan Public Service Commission

- Regulates investor owned utilities such as Consumers, DTE
- Three Commissioners appointed by the Governor and confirmed subject to advice & consent of the Michigan Senate
- Sets utility rates, safety standards, grid stability and innovation in energy generation and distribution through contested cases
- Sets the funding factor for the Low-Income Energy Assistance [Fund \(LIEAF\) each year to be distributed in the Michigan Energy Assistance Program](#)
- Orders low-income assistance credits through rate cases



What Is This All About?

Customer Protections

- Protected by the [Consumer Standards & Billing Practices For Electric & Gas Service](#) (R 460.101 - R 460.169)
- Includes billing and shut-off protections; and roles and responsibilities for utilities as well as customers

Energy Assistance

- Federal energy assistance funding; Low-Income Home Energy Assistance Program (LIHEAP)
- State energy assistance funding; Michigan Energy Assistance Program (MEAP)
- Utility-based credits



Customer Protections

- Apply to utility service by electric and natural gas utilities regulated by the MPSC
- Promote safe and adequate service to the public
- Provide standards for uniform & reasonable practices by electric & natural gas utilities for residential & nonresidential customers
- Examples of protections: shutoff protection plans, medical emergency, extreme weather policies



Customer Protections: The Specifics

| CUSTOMER SHUT-OFF PROTECTIONS | | |
|-------------------------------|---|---|
| Medical Emergency | Provides for restoration or postponement of service shutoff for households with a medical emergency (an existing condition in the household that would be exacerbated with lack of utility service). The household must submit an MPSC certified form. Hold periods are for 21 days not to exceed 63 days in a 12 month period. If certification is provided for another household member, the hold cannot exceed 126 days in 12 months. | None |
| Critical Care | Provides for a utility to restore or refrain from shutting off service to a customer where interruption would be immediately life-threatening. The customer must submit to the utility an MPSC approved medical certification form. The customer must renew annually. The utility must keep a file of critical care customers so service is provided as long as a customer is 'critical care'. The utility must notify the customer of planned interruptions. | None |
| Winter Protection Plan (WPP) | Provides shut off protection for low-income customers during the heating season (11/1 - 3/31) under certain conditions and provides guidance for a monthly payment plan during that time. | 150% of federal poverty guidelines (FPL) or under |
| Shutoff Protection Plan (SPP) | Provides for shut-off protections for DTE and CE low-income customers that meet or exceed the WPP guidance. | CE/DTE: 200% FPL or under |
| Senior Protection Plan | Provides for a winter protection plan for seniors over 65 during the heating season (11/1 - 3/31). After the heating season the utility reconciles the account of the household, dividing the amount owed into monthly payments for a monthly payment plan. | None |
| Military Protection | Provides that the utility shall not shut off service to an eligible military customer for 90 days, with an additional 90 days under certain conditions. After this period, utility reconciles the account of the household, dividing the amount owed into monthly payments. | None |
| Extreme Weather Policy | Each utility must submit for Commission approval an extreme weather policy that outlines criteria for suspending shut-offs under extreme heat or cold. Additional protections for certain classes of customers can be included. | None |



Utilities Can Disconnect or Deny Service For:

- Health and safety
 - Unpaid bill
 - Failed to provide a deposit
 - Engaged in unauthorized use
 - Refuses access to equipment
 - Occupant fails to establish service in their name
- Misrepresentation of identity for establishing service
 - Delinquent account for service within the past 3 years
 - Debt can be transferred if individual lived in a customer's residence when all or part of debt incurred



Utilities Cannot Disconnect Service When:

- Not paid for unregulated items: appliance plans, merchandise or other services
 - For seniors, during the heating season
 - Not paying for concurrent service at a different metering point
 - Not paid for a different type of class or service at the location
- Not paid for services by another person (such as tenant). But can shutoff service if proper notice is given
 - Eligible military customer
 - Customer has an informal complaint, customer hearing or formal hearing



Energy Assistance Funding Overview

- Three sources of energy assistance funding: to receive funding the eligible individual must be the account holder
- Federal Low-income Home Energy Assistance Program Funding (LIHEAP):
 - State Emergency Relief, Home Heating Credit, Weatherization
- Low Income Energy Assistance Fund (LIEAF) funds the Michigan Energy Assistance Program (MEAP)
- Utility-based energy credits funded through individual utility rate cases
- Three sources of energy waste reduction funding
 - LIHEAP Weatherization fund, DOE Weatherization Assistance Program, Utility-based EWR programs regulated by the MPSC through individual utility rate cases



Energy Assistance: The Specifics

| PAYMENT & ASSISTANCE PROGRAMS | | |
|--|--|--|
| Michigan Energy Assistance Program (MEAP) | MEAP distributes the Low-Income Energy Assistance Program funds to provide energy assistance to low-income households, including services that help participants move toward self-sufficiency. Households must receive State Emergency Relief before receiving MEAP. Funds can be used for electricity, gas, and deliverable fuels with a cap of \$2000 per household. Self-sufficiency services include budgeting, energy waste reduction, affordable payments plans and advocacy with the utilities. MEAP is appropriated to DHHS and managed by MPSC. | 150% of FPL or under |
| Assurance 16 | Part of the LIHEAP, allocated yearly by DHHS to be distributed by MEAP grantees for self-sufficiency services. Not all MEAP recipients receive A16 services. Self-sufficiency services include budgeting, energy waste reduction, affordable payments plans and advocacy with the utilities. Managed by MPSC. | |
| State Emergency Relief (SER) | SER is a crisis intervention program administered by MDHHS using the Low-Income Home Energy Program (LIHEAP). Households must apply for crisis assistance for energy-related services to be eligible for Assurance 16 funds and must receive an energy-related SER payment to receive additional payment assistance through MEAP. ** LIHEAP is broken into 40% Home Heating Credit; 42% State Emergency Relief; 5% Assurance 16; 3% Weatherization; 10% admin. | Fiscal Year 21 eligibility being finalized |
| Weatherization Assistance Program & Weatherization Funds | Funded by the Dept. of Energy and LIHEAP; administered by MDHHS Bureau of Community Action & Economic Opportunity; distributed by Community Action Agencies; includes services to make qualified homes more energy efficient | 200% of FPL or under |
| Home Heating Credit | LIHEAP component for heating assistance in Michigan. Eligibility is determined by the Dept. of Treasury, as outlined in state law and varies by household. | under 110% of FPL with adjustments |



Utility-based Credits 2019: The Specifics

| Utility Rate Credits | | |
|--|--|---|
| Low Income Assistance Credit (LIA) | Eligible customers receive \$40 per month with a maximum enrollment of 32,000 customers. Customers are put in LIA automatically if enrolled in the Low-Income Service Plan (LSP), an affordable payment plan through MEAP. | 150% of FPL or under |
| | Eligible customers receive \$30 per month with a maximum enrollment of 33,000 customers. Households will be enrolled in LIA automatically if enrolled in LSP. | 150% of FPL or under |
| | Eligible customers receive \$30.27 per month with a maximum enrollment of 12,000. Priority on critical care customers, lowest income, highest arrears. | 150% of FPL or under |
| | Eligible customers receive \$30 per month with a maximum enrollment of 2,000 customers. Customers selected by company. The FPL must be verified by DHHS or be enrolled in another assistance program. | 150% FPL or under |
| Residential Income Assistance Credit (RIA) | Eligible customers receive \$7.5 per month with an estimated enrollment of 56,800 estimated. | 150% FPL or under |
| | Eligible customers receive \$7.5 per month for an estimated enrollment of 60,000. | 150% FPL or under; applied to LSP customers |
| | Eligible customers receive \$11.75 per month for an estimated enrollment of 71,500. | 150% FPL or under |
| | Eligible customers receive \$11.25 per month for an enrollment of 55,000. | 150% FPL or under |
| | Under the 'Low Income Service Charge Provision' eligible customers receive \$7.25 service charge credit each month, estimated customers at approx. 2200. | 150% FPL or under |
| | Eligible customers receive \$12.25 per month with an estimated enrollment of 10,500. | 150% FPL or under |
| Senior Residential Service Charge Credit | Customers over 65 years can receive \$3.75 monthly. Cannot be taken with RIA. | Account holder over 65 years |



Need for Energy Assistance

- Michigan households with incomes below 50% of the Federal Poverty Level pay 34% of their annual income simply for their home energy bills—with 262,604 Michigan households in this income range¹
- In 2019, 929,445 Michigan households were living with incomes at or below 150% FPL (the income criteria for energy assistance)¹
- More than half of LIHEAP recipients (201,935) in Michigan have at least one vulnerable member: elderly (over 60), disabled, and/or child under six²

Sources:

¹homeenergyaffordabilitygap.com: 2019 Michigan HEAG Fact Sheet

²FY2019 Michigan LIHEAP report



FY 2019 Energy Assistance Funding & Low-Income Credits

Rate-Payer Funded

LIA

Low Income Assistance Credit*

| | |
|--|--|
| Consumers Gas \$30.27/mo. (U-20322) Priority on critical care, lowest income, highest arrears Max. enrollment = 12,000 Max. \$4,358,880 | SEMCO Gas \$30/mo. (U-20479) Customers selected by company Max. enrollment = 2,000 Max. \$720,000 |
| DTE LSP customers automatically enrolled | |
| Gas \$30/mo. (U-18999) Max. enrollment = 33,000 Max. \$11,880,000 | Electric \$40/mo. (U-20162) Max. enrollment = 32,000 Max. \$15,360,000 |

LIEAF

Low Income Energy Assistance Fund
\$50,000,000

MEAP Payments
Energy assistance for households ≤ 150% FPL and receiving SER; for use on electricity, gas, & deliverable fuels
Receiving SER is a prerequisite for MEAP grantees

MEAP Self-Sufficiency Services
Budgeting, energy waste reduction, affordable payments plans & advocacy with utilities

RIA

Residential Income Assistance Credit*

| | | |
|--|---|---|
| DTE | | SEMCO Gas \$12.25/mo. (U-20479) Est. enrollment = 10,500 Est. \$1,543,500 |
| Gas \$11.25/mo. (U-18999) Est. enrollment = 55,000 Est. \$7,425,000 | Electric \$7.50/mo. (U-20162) Est. enrollment = 60,000 Est. \$5,400,000 | |
| Consumers Energy | | |
| Gas \$11.75/mo. (U-20322) Est. enrollment = 71,500 Est. \$10,081,500 | Electric \$7.50/mo. (U-20134) Est. enrollment = 56,800 Est. \$5,112,000 | |

Federally Funded

LIHEAP

Low Income Home Energy Assistance Program
\$165,260,871

Assurance 16
Allocated yearly by DHHS and distributed to MEAP grantees for self-sufficiency services; Managed by MPSC
\$5,000,000

Crisis Assistance
State Emergency Relief (SER): administered by local DHHS offices
\$78,700,000

Heating Assistance
Home Heating Credit (HHC)*: administered by Dept. of Treasury
\$60,000,000

Weatherization
Administered by Community Action Agencies statewide*
\$8,900,000

FPL: Federal Poverty Level

LSP: DTE's Low Income Self-Sufficiency Plan – a payment plan for eligible low income families

* LIHEAP weatherization program eligibility is ≤ 200% FPL. HHC eligibility is < 110% of FPL with adjustments. Eligibility for LIA, RIA, and all other credits and programs listed is ≤ 150% FPL.



Low-Income Energy Assistance FY 2019

\$156,741,000 in Energy Assistance Payments were disbursed*

369,270

households received some type
of LIHEAP assistance



296,187

households received the
Home Heating Credit

92,000+

households received crisis-
related State Emergency Relief

56,880

households were reported as receiving
MEAP energy assistance payments**

* Does not include admin., program costs; self sufficiency services or weatherization.

**Some households receive more than one type of assistance



Federal Poverty Guidelines for 2020

| Size of Household | 150% |
|-------------------|----------|
| 1 | \$18,735 |
| 2 | \$25,365 |
| 3 | \$31,995 |
| 4 | \$38,625 |
| 5 | \$45,255 |
| 6 | \$51,885 |
| 7 | \$58,515 |
| 8 | \$65,145 |



Low-Income Home Energy Assistance Program (LIHEAP)

- A federal program that provides heating assistance to households throughout the country
- MI Dept. of Health & Human Services (MDHHS) oversees 4 components:
 - State Emergency Relief (SER): crisis assistance for residential energy cost & repair/replacement of non-working furnaces. Eligibility:
 - 150% of FPL or under;
 - Up to \$15,000 in cash and non-cash assets;
 - Cap of \$850 per household for gas and electric each; \$1200 for deliverable fuels such as propane.
 - Assurance 16 Services – funding to help clients attain energy self-sufficiency, including – same eligibility as SER
 - Assisting with paying their energy bills on time; budgeting for & contributing to the ability to provide for energy expenses, which may include enrollment into an affordable payment plan (APP);
 - Utilizing energy services to optimize on energy efficiency.



Low-Income Home Energy Assistance Program (LIHEAP) – continued

- MDHHS Components of LIHEAP continued
 - Home Heating Credit: heating assistance benefits, applications & eligibility processed through the MI. Dept. of Treasury
 - Weatherization Funds: are allocated to MDHHS' Bureau of Community Action and Economic Opportunity who also administer the Weatherization Assistance Program from the Dept. of Energy. Programs include:
 - Funding to make qualified homes more energy efficient.
 - Wall Insulation, Attic Insulation and Ventilation, Foundation Insulation, Air Leakage Reduction, Smoke Detectors, Dryer Venting



MEAP Foundation

Public Act 615 of 2012 (March 28, 2013)

- Created the Michigan Energy Assistance Act that requires the Michigan Department of Health and Human Services (MDHHS) to establish and administer the Michigan Energy Assistance Program (MEAP)
- The purpose of the MEAP is to establish and administer programs statewide that provide energy assistance and self-sufficiency services to eligible low-income households
 - Michigan Public Service Commission(MPSC)-MEAP Section performs administrative duties through an Inter-Agency Agreement with the MDHHS

Senate Bill 451(August 20, 2019)

- Extends the Michigan Energy Assistance Act that established the MEAP until Sept. 30, 2023
 - Passed with immediate effect; awaiting Governor's signature

*Low-income is defined as a household at or below 150% of the Federal Poverty Guidelines which for FY19 was roughly \$25,000 of annual income for a household of four



Continued: MEAP Foundation

Public Act 95 of 2013 (July 1, 2013)

- Created the Low-Income Energy Assistance Fund (LIEAF), charging MDHHS with expending money from the fund as provided by the Michigan Energy Assistance Act
- The Act allows the MPSC to annually approve a low-income energy assistance funding factor, not to exceed \$50,000,000, to support the LIEAF
 - On July 23, 2020, in [Case No. U-17377](#), the MPSC adopted a funding factor of 91 cents per meter per month for all Michigan electric utilities that have opted to participate in the funding of the LIEAF, effective for the September 2020 billing month
 - Electric cooperatives, municipal electric utilities, & investor-owned electric utilities are able to participate in funding LIEAF
 - Electric utilities that opt-out of collecting the funding factor may not shut off service to any residential customer from November 1 to April 15 for nonpayment of a delinquent account



MEAP Components

- MEAP funds are distributed through grantees: Barry County, Jackson County & SE MI. United Ways; Community Action Agencies through the BCAEO; Salvation Army; St. Vincent de Paul; THAW, Superior Watershed; True North
- To receive MEAP, customer must have received SER
- Energy payments can be for electric, gas, & deliverable fuels
- Program includes self-sufficiency services, one-time payments or a two-year affordable payment plan through Consumers, DTE, SEMCO & UPPCO
- Self-sufficiency services include needs assessment & referrals, vendor advocacy, budgeting, energy education, case management & energy waste reduction services
- Eligibility: must have received SER, 150% of FPL and under
- MEAP Caps of \$2000 per household per year



Utility-Based Credits - 2019

Low-Income Assistance Credit

- Provided in tariffs under rate cases for CE, DTE, SEMCO
- Gas = DTE, CE, SEMCO; Electric = DTE
- 150% FPL & under or participation in programs such as SER, Medicaid
- Ranges from \$30 to \$40/month

Residential Income Assistance Credit

- Same utilities, also IN-MI Power; similar eligibility
- Can be electric or gas
- Ranges from \$7.25 to \$12.75/month

Senior Residential Service Charge Credit

- Provided in tariffs under rate cases for CE, DTE
- Electric only
- Above 65 years or older; \$3.75 per month



Weatherization

- The Weatherization Assistance Program runs through local Community Action Agencies provides free home energy conservation services to low-income Michigan homeowners and renters. Funding comes through the federal Department of Energy (DOE) and LIHEAP
- Services typically include:
 - Wall Insulation, Attic Insulation and Ventilation, Foundation Insulation, Air Leakage Reduction, Smoke Detectors, Dryer Venting
- For DOE funding under 200%FPL; for LIHEAP funding now aligned with DOE at 200% FPL and under



How To Get Energy Assistance

STEP 1

Be proactive

Contact your utility or propane supplier to ask what kind of protections, funding, flexible payment options, or energy saving tools and resources are available.

STEP 2

Get help by calling 211

Call 2-1-1 and ask how you can get help paying your utility bill or go to mi211.org to learn about agencies that may assist you with your energy bill (This includes helping apply for MEAP).

STEP 3

State Emergency Relief (SER) Program

Apply directly through [MI Bridges](https://mibridges.org) for bill payment assistance or call 855-275-6424. Information is required to verify your income so you may want to work with your utility or 2-1-1 first on tips to navigate this process.

STEP 4

Apply for a Home Heating Credit

[Visit the MI Dept. of Treasury's website](https://www.michigan.gov/treasury) to see if you qualify. Even though this funding is distributed by the MI Dept. of Treasury, you do not need to pay taxes or wait for a tax return to receive this credit so apply now if you are eligible.



Low-Income Energy Waste Reduction

- Energy Waste Reduction (EWR) is also known as Energy Efficiency (EE)
- [PA 295 of 2008, modified in PA 342 of 2016](#)
- Applies to rate regulated utilities
- Utilities are required to utilize a minimum 1% of total program sales on EWR programs
- Low Income (LI) programs do not have to be cost effective
- LI programs are mentioned in legislation, but they have evolved in significance and program spend
- Commission Orders, Staff, and Intervenors work with utilities to develop continuously more robust LI programs
- LI performance now tied to incentive earnings



Low-Income EWR Programs & Process

- DTE:
 - Pilots: Health and Safety Pilot, Payment Troubled/Arrearage
 - Home Energy Consultation started back up in June
 - Energy Efficiency Assessments started back in July
 - Implemented safety measures playbook that met or exceeded Executive Orders
 - Working with trade allies
- Consumers:
 - In Home and Virtual assessments – started up in June; with high participation in single family homes
 - Also implemented safety playbook
 - Running similar pilots to DTE, smaller scale
 - Increased eligibility requirements to 80% AMI



Low-Income EWR Weatherization

- Aligning Commission COVID-19 response with BCAEO* Weatherization Assistance Program standards
- Utility trade allies are often community action agencies who are implementing the Weatherization Assistance Program in conjunction with LI EWR Utility Programs
- PPE standards
- Contractor issues
- Eligibility flexibility
- Leveraging pilot programs
- Connecting payment assistance with EWR programs
- Agency program alignment

*MDHHS Bureau of Community Action & Economic Opportunity



COVID-19 Response: U-20757 (4/15/20)

Provision of Critical Services

- Obtaining data related to utility disconnections
- Consultations with utilities regarding customer affordability
- Accounting treatment for COVID-19 related expenses and revenue
- Modifying certain non-urgent regulatory and compliance deadlines during emergency
- Monitoring the response of voice, internet and data services providers across the state
- EWR/DR Program Continuity Plans



COVID-19 Response: Payment Flexibility

| What is Offered | Residential | Commercial | Industrial |
|--|-------------|------------|------------|
| Payment flexibility plans (varies by utility) | ✓ | ✓ | ✓ |
| Utilities waiving late fees and deposits | ✓ | | |
| Utilities waiving payment fees at 3rd party facilities | ✓ | | |
| Proactively working to connect customers to resources and assistance | ✓ | ✓ | |
| Large utilities assisting businesses with accessing federal loans and grants | | ✓ | |
| Allowing minimum demand charges to be paid off over 6 or 12 months (CE, DTE) | | | ✓ |
| Utilities waiving power factor charges, allowing deferred CIAC payments, and/or waiving load balancing and withdrawal limits for large customers (CE, DTE) | | | ✓ |



COVID 19: Restoration of Service & Data Reporting

- MPSC Staff working with providers to find and reconnect families that don't have power, with a focus on seniors and low-income customers
- Regulated utilities required to submit shut-off data every 2 weeks
- Utilities taking action to determine which occupied residences within their service territory do not have natural gas and/or electric service:
 - phone calls, emails, mailings, wellness checks/site checks
- These actions are being completed with the last customer of record at the time of the disconnect and/or landlord of the address

| MPSC | | U-20757 Reporting Form | |
|---|----------|------------------------|-------------|
| Michigan Public Service Commission | | | |
| Utility Name | | | |
| Report Submission Date | | Reporting Time Frame | |
| The information requested below should reflect data from November 1, 2019 to current. | | | |
| 1. An account of efforts made to determine which occupied residences within the utility's service territory do not have natural gas and/or electric service. | | | |
| Please enter account in the space provided below. If needed, attach additional documents with this form. | | | |
| | | | |
| 2. The number of occupied residences within the utility's service territory that do not have natural gas and/or electric service as a result of a shutoff due to non-payment. | | | |
| | Electric | | Natural Gas |
| A. Overall total | | | |
| B. Non low-income/household* | | | |
| C. Senior* | | | |
| D. Low-income* | | | |
| 3. The number of occupied residences within the utility's service territory that do not have natural gas and/or electric service as a result of any reason other than non-payment broken down into the following categories: | | | |
| | Electric | | Natural Gas |
| A. Unauthorized use | | | |
| B. Safety | | | |
| C. Access | | | |
| D. Other - Please explain the reasons households are in this category in the space provided below. This includes households that cannot be confirmed occupied or unoccupied. | | | |
| If needed, attach additional documents with this form. | | | |
| 4. What actions the utility has taken to reconnect natural gas and/or electric service for occupied residences, particularly those involving low-income or elderly individuals, or individuals impacted by the COVID-19 pandemic. | | | |
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| | | | |



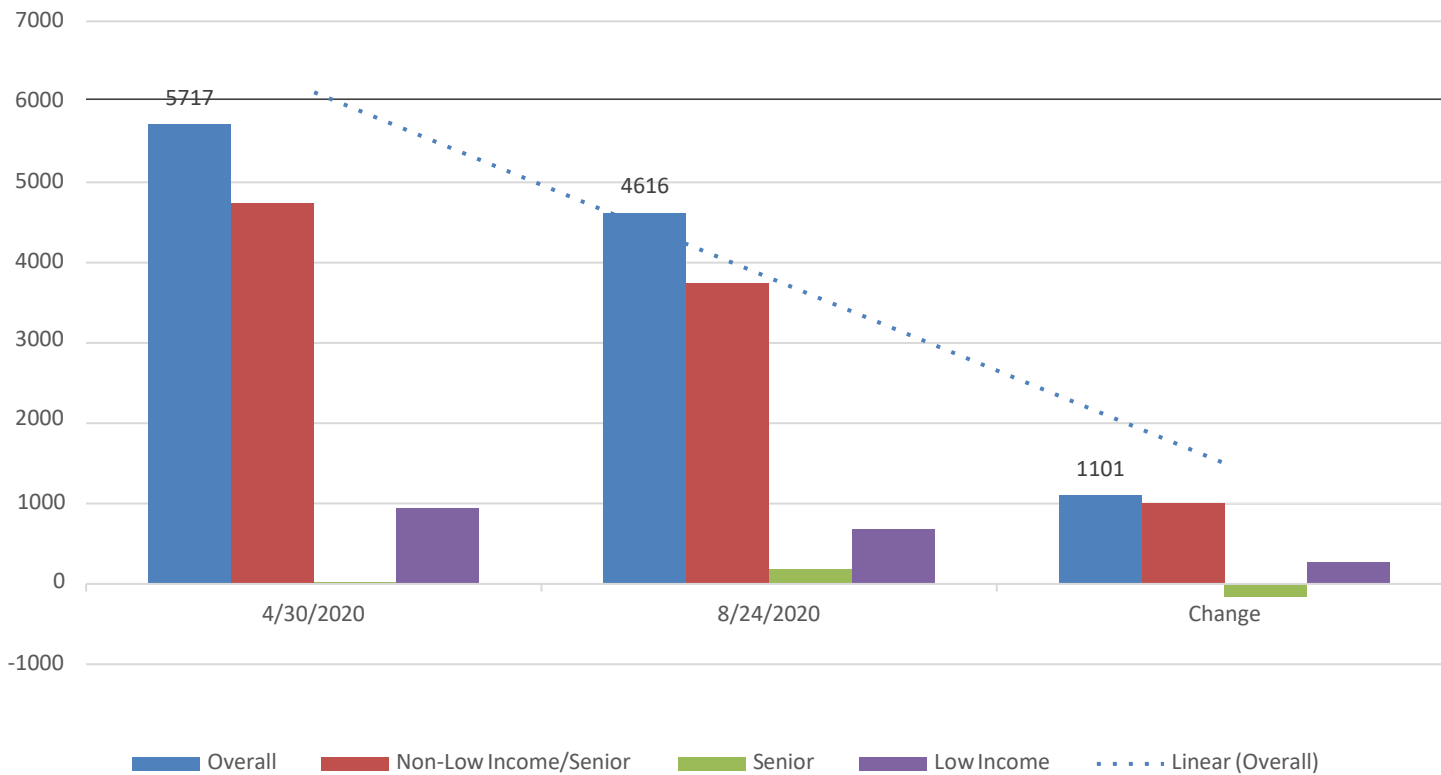
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- Reiterated the support available to help customers in need with bill payment assistance and flexibility payment terms
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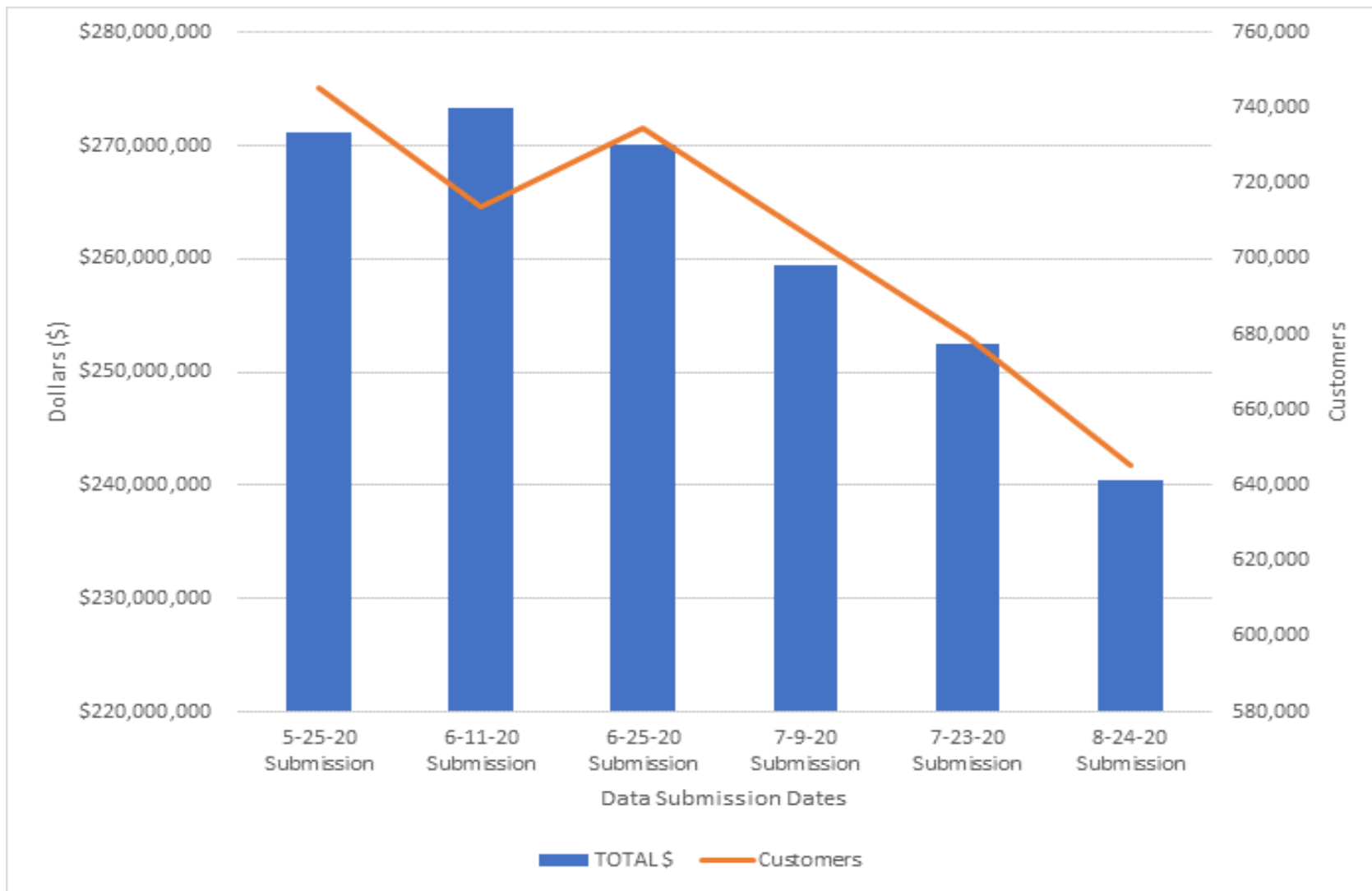
Reconnecting Customers

Change in Disconnected Households 4/30 - 8/24 2020





Shut-Off Data





Energy Assistance Outreach & Education

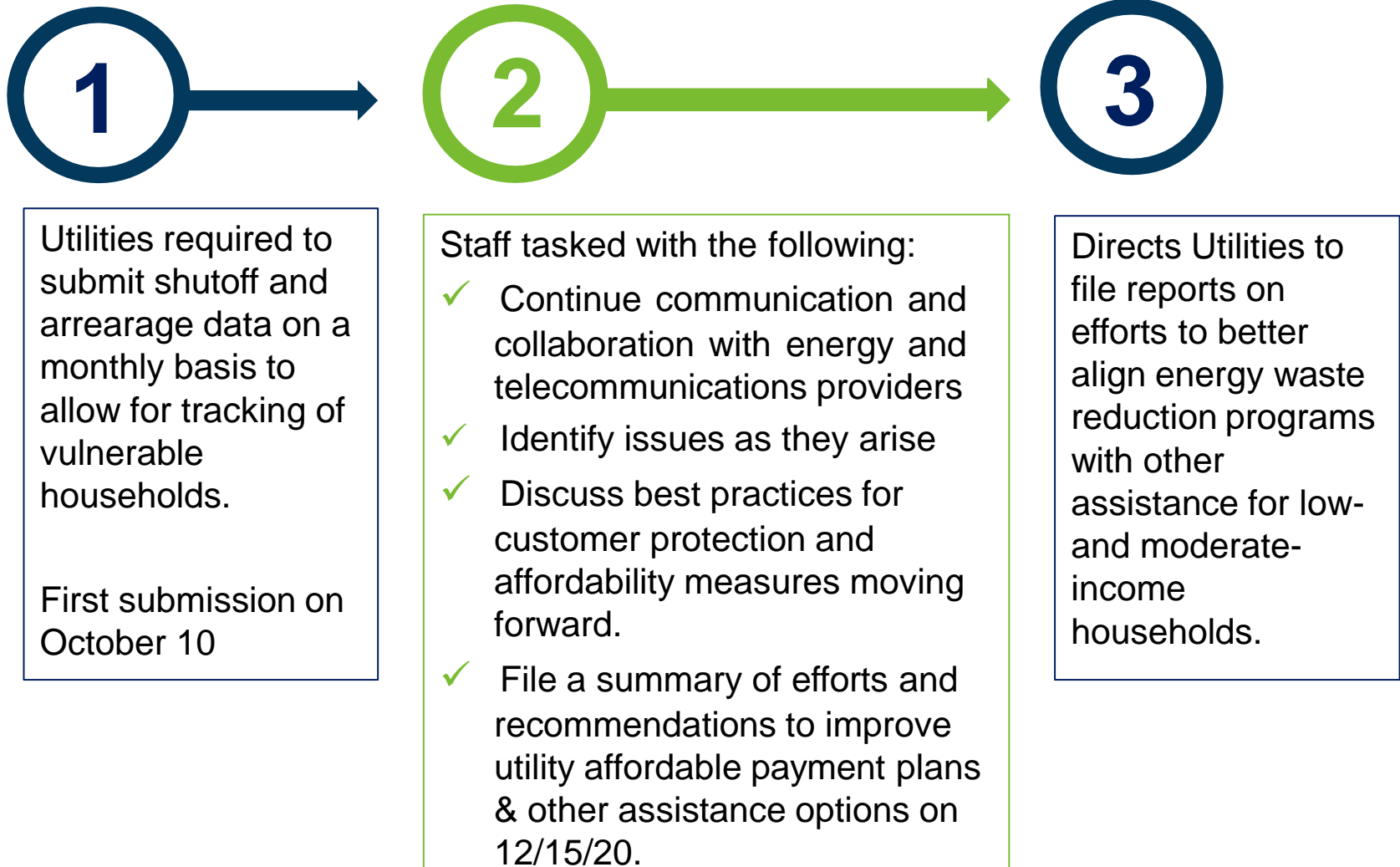
Leveraged partnerships with other state agencies, utilities, and consumer advocacy groups to help educate utility customers

- State agency communications
 - Press releases, media and social media
 - MPSC COVID-19 response webpage
 - Provide ongoing energy assistance information and resources to members of the legislature and other state agencies
- Michigan energy providers PSA campaign
- Utility bill inserts





Where Are We Now?





Any Questions



Anne Armstrong Cusack
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Michigan Public Service
Commission

1-800-292-9555

www.michigan.gov/mpsc



Michigan Public Service Commission



Resources

- LIHEAP State Plan: michigan.gov/documents/mdhhs/Proposed-LIHEAP-State-Plan-FY2021_700012_7.pdf
- MEAP Webpage: michigan.gov/energygrants
- Coalition to Keep Michigan Warm: coalitiontokeepmichiganwarm.org
- National Energy & Utility Affordability Coalition: neuac.org
- [State Map of Weatherization Operators](#)
- MDHHS MI Bridges: newmibridges.michigan.gov
- MI Department of Treasury (Home Heating Credit): https://www.michigan.gov/taxes/0,4676,7-238-43513_66852-330928--,00.html
- Michigan 211: dial 211 or visit mi211.org

U-20757 Stakeholder Meeting Two: Customer Assistance

Anne Armstrong Cusack
Director Customer Assistance Division

10/07/2020



AGENDA

- Welcome
- Setting the Context
 - U-20757
 - Charge/Purpose
 - Customer Protections & Energy Assistance Overview
- Facilitated Discussion
- Discussion Summary
- Next Steps



Setting the Context: U-20757

- Two orders from the MPSC in response to COVID-19
- Purpose to:
 - Keep residents safe and with power
 - Address the need for customers to continue to access utility services and to assist those struggling with utility bills after abrupt disruptions to households and businesses
 - Ensure utilities have the resources, authorizations, and guidance to operate effectively during the Stay Home Stay Safe Order and subsequent States of Emergency
 - Ensure continuity of service



Charge to Staff

- In the 7/23/20 U-20757 COVID-19 response order Staff were tasked with continuing communication & collaboration with energy & telecommunications providers for the purpose of identifying and addressing issues as they arise and discussing best practices for customer protection and affordability measures moving forward
- Staff will file a summary of these efforts and any recommendations to improve utility affordable payment plans and other assistance options by 12/15/20
- An opportunity to provide input on enhancing energy assistance and customer protections for the Michigan Public Service Commissioners to consider through the lens of their unique set of regulatory tools



What Is This All About?

Customer Protections

- Protected by the [Consumer Standards & Billing Practices For Electric & Gas Service](#) (R 460.101 - R 460.169)
- Includes billing and shut-off protections; and roles and responsibilities for utilities as well as customers

Energy Assistance

- Federal energy assistance; Low-Income Home Energy Assistance Program
- State energy assistance; Michigan Energy Assistance Program
- Utility-based credits
- Energy Waste Reduction Programs



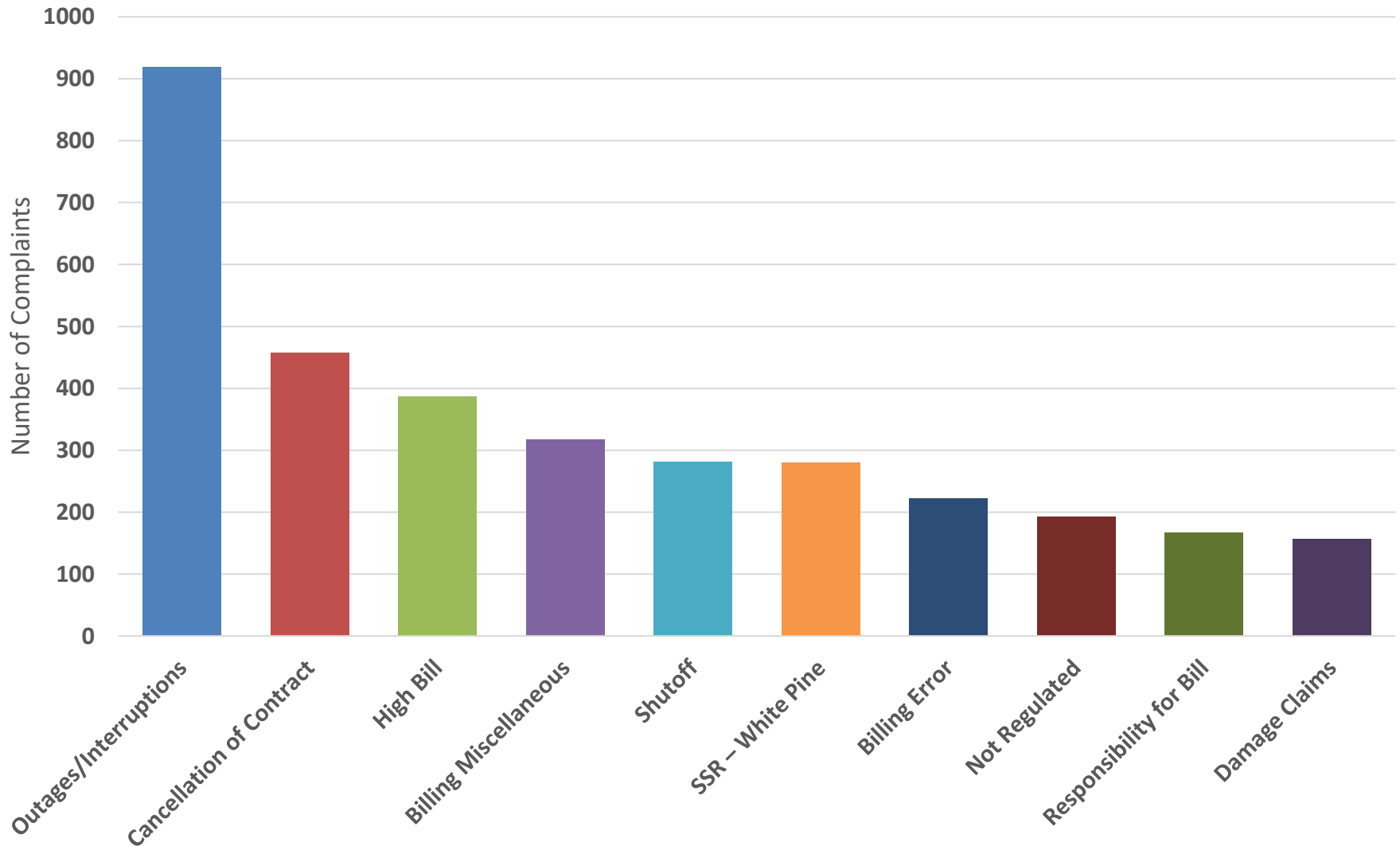
Customer Protections

- Apply to utility service by electric and natural gas utilities regulated by the MPSC
- Promote safe and adequate service to the public
- Provide standards for uniform & reasonable practices by electric & natural gas utilities for residential & nonresidential customers
- Examples of protections: shutoff protection plans, medical emergency, extreme weather policies



2019 Top 10 Customer Complaints

Source: MPSC Complaints Data





Energy Assistance Funding Overview

- Three sources of energy assistance funding: to receive funding the eligible individual must be the account holder
- Federal Low-income Home Energy Assistance Program (LIHEAP):
 - State Emergency Relief, Home Heating Credit, Weatherization
- Michigan Energy Assistance Program (MEAP) funded through the rate-payer funded Low Income Energy Assistance Fund (LIEAF)
- Utility-based energy credits funded through individual utility rate cases
- Three sources of energy waste reduction funding
 - LIHEAP Weatherization fund, DOE weatherization funds, Utility-based EWR programs regulated by the MPSC through individual utility rate cases



Need for Energy Assistance

- Michigan households with incomes below 50% of the Federal Poverty Level pay 34% of their annual income simply for their home energy bills—with 262,604 Michigan households in this income range¹
- In 2019, 929,445 Michigan households were living with incomes at or below 150% FPL (the income criteria for energy assistance)¹
- More than half of LIHEAP recipients (201,935) in Michigan have at least one vulnerable member: elderly (over 60), disabled, and/or child under six²

Sources:

¹homeenergyaffordabilitygap.com: 2019 Michigan HEAG Fact Sheet

²FY2019 Michigan LIHEAP report



Low-Income Energy Assistance FY 2019

\$156,741,000 in Energy Assistance Payments were disbursed*

369,270

households received some type
of LIHEAP assistance



296,187

households received the
Home Heating Credit

92,000+

households received crisis-
related State Emergency Relief

56,880

households were reported as receiving
MEAP energy assistance payments**

* Does not include admin., program costs; self sufficiency services or weatherization.

**Some households receive more than one type of assistance



How To Get Energy Assistance

STEP 1

Be proactive

Contact your utility or propane supplier to ask what kind of protections, funding, flexible payment options, or energy saving tools and resources are available.

STEP 2

Get help by calling 211

Call 2-1-1 and ask how you can get help paying your utility bill or go to mi211.org to learn about agencies that may assist you with your energy bill (This includes helping apply for MEAP).

STEP 3

State Emergency Relief (SER) Program

Apply directly through [MI Bridges](https://mibridges.org) for bill payment assistance or call 855-275-6424. Information is required to verify your income so you may want to work with your utility or 2-1-1 first on tips to navigate this process.

STEP 4

Apply for a Home Heating Credit

Visit the [MI Dept. of Treasury's website](https://www.mity.com) to see if you qualify. Even though this funding is distributed by the MI Dept. of Treasury, you do not need to pay taxes or wait for a tax return to receive this credit so apply now if you are eligible.



Energy Assistance Outreach & Education

Leveraged partnerships with other state agencies, utilities, and consumer advocacy groups to help educate utility customers

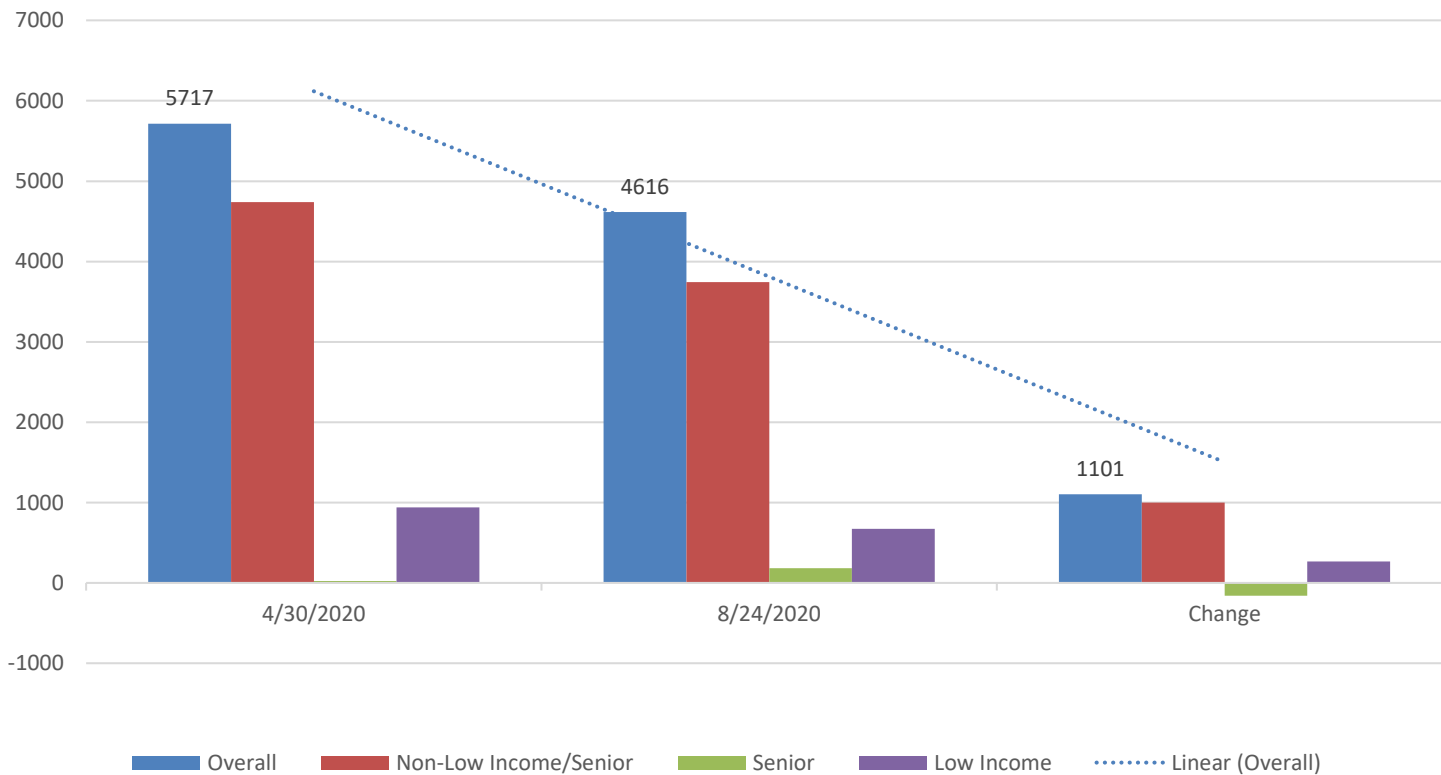
- State agency communications
 - Press releases, media and social media
 - MPSC COVID-19 response webpage
 - Provide ongoing energy assistance information and resources to members of the legislature and other state agencies
- Michigan energy providers PSA campaign
- Utility bill inserts





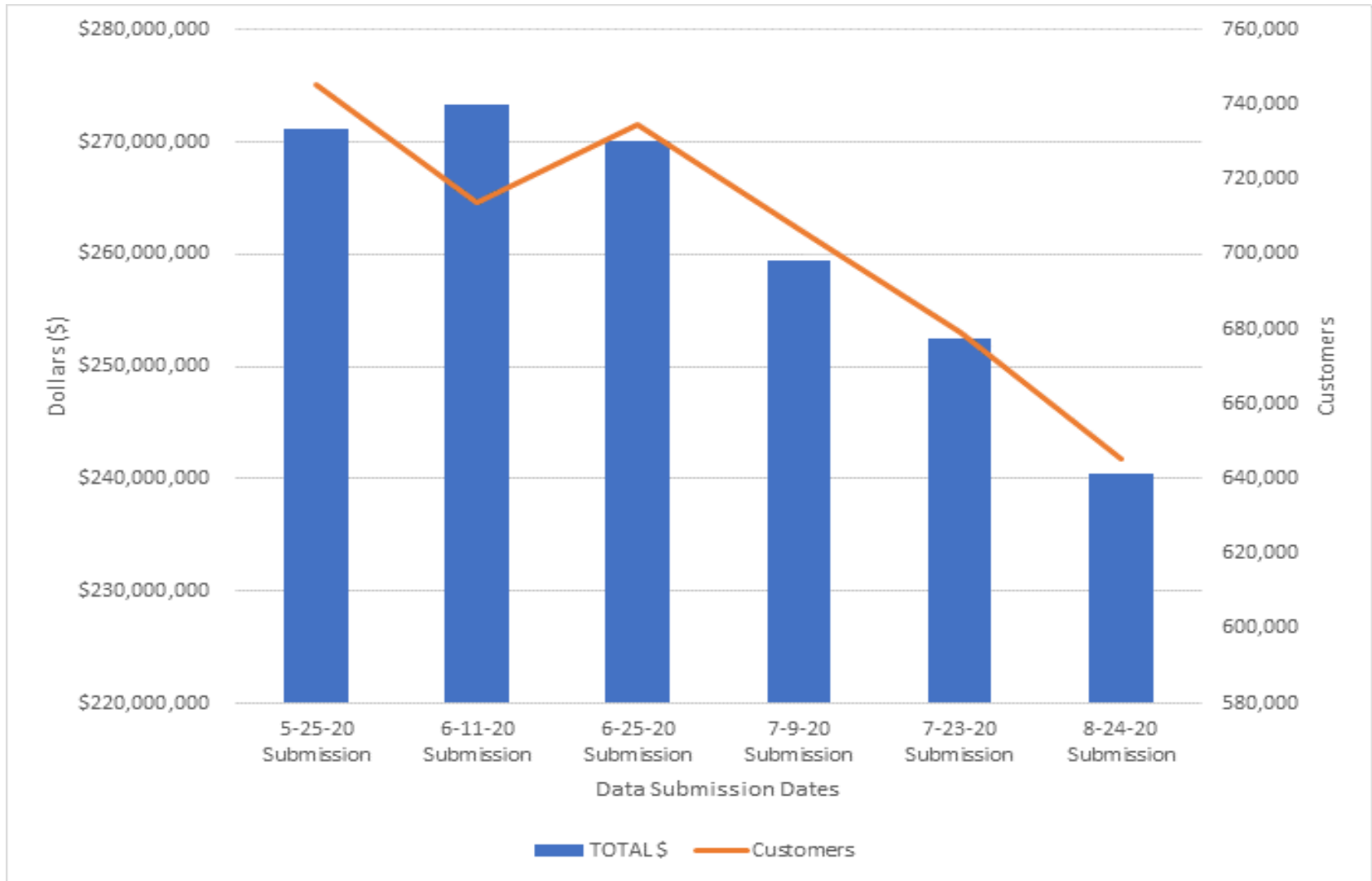
Reconnecting Customers

Change in Disconnected Households 4/30 - 8/24 2020





Unpaid Bill Balances (Arrearages)





Where Are We Now?

1 →

Utilities required to submit shutoff and arrearage data on a monthly basis to allow for tracking of vulnerable households.

First submission on October 10

2 →

Staff tasked with the following:

- ✓ Continue communication and collaboration with energy and telecommunications providers
- ✓ Identify issues as they arise
- ✓ Discuss best practices for customer protection and affordability measures moving forward.
- ✓ File a summary of efforts and recommendations to improve utility affordable payment plans & other assistance options on 12/15/20.

3

Directs Utilities to file reports on efforts to better align energy waste reduction programs with other assistance for low- and moderate-income households.



Any Questions



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Michigan Public Service
Commission

1-800-292-9555

www.michigan.gov/mpsc



Michigan Public Service Commission



Resources

- LIHEAP State Plan: michigan.gov/documents/mdhhs/Proposed-LIHEAP-State-Plan-FY2021_700012_7.pdf
- MEAP Webpage: michigan.gov/energygrants
- Coalition to Keep Michigan Warm: coalitiontokeepmichiganwarm.org
- National Energy & Utility Affordability Coalition: neuac.org
- [State Map of Weatherization Operators](#)
- MDHHS MI Bridges: newmibridges.michigan.gov
- MI Department of Treasury (Home Heating Credit): https://www.michigan.gov/taxes/0,4676,7-238-43513_66852-330928--,00.html
- Michigan 211: dial 211 or visit mi211.org



Customer Protections: The Specifics

| CUSTOMER SHUT-OFF PROTECTIONS | | |
|-------------------------------|---|---|
| Medical Emergency | Provides for restoration or postponement of service shutoff for households with a medical emergency (an existing condition in the household that would be exacerbated with lack of utility service). The household must submit an MPSC certified form. Hold periods are for 21 days not to exceed 63 days in a 12 month period. If certification is provided for another household member, the hold cannot exceed 126 days in 12 months. | None |
| Critical Care | Provides for a utility to restore or refrain from shutting off service to a customer where interruption would be immediately life-threatening. The customer must submit to the utility an MPSC approved medical certification form. The customer must renew annually. The utility must keep a file of critical care customers so service is provided as long as a customer is 'critical care'. The utility must notify the customer of planned interruptions. | None |
| Winter Protection Plan (WPP) | Provides shut off protection for low-income customers during the heating season (11/1 - 3/31) under certain conditions and provides guidance for a monthly payment plan during that time. | 150% of federal poverty guidelines (FPL) or under |
| Shutoff Protection Plan (SPP) | Provides for shut-off protections for DTE and CE low-income customers that meet or exceed the WPP guidance. | CE/DTE: 200% FPL or under |
| Senior Protection Plan | Provides for a winter protection plan for seniors over 65 during the heating season (11/1 - 3/31). After the heating season the utility reconciles the account of the household, dividing the amount owed into monthly payments for a monthly payment plan. | None |
| Military Protection | Provides that the utility shall not shut off service to an eligible military customer for 90 days, with an additional 90 days under certain conditions. After this period, utility reconciles the account of the household, dividing the amount owed into monthly payments. | None |
| Extreme Weather Policy | Each utility must submit for Commission approval an extreme weather policy that outlines criteria for suspending shut-offs under extreme heat or cold. Additional protections for certain classes of customers can be included. | None |



Energy Assistance: The Specifics

| PAYMENT & ASSISTANCE PROGRAMS | | |
|--|--|--|
| Michigan Energy Assistance Program (MEAP) | MEAP distributes the Low-Income Energy Assistance Program funds to provide energy assistance to low-income households, including services that help participants move toward self-sufficiency. Households must receive State Emergency Relief before receiving MEAP. Funds can be used for electricity, gas, and deliverable fuels with a cap of \$2000 per household. Self-sufficiency services include budgeting, energy waste reduction, affordable payments plans and advocacy with the utilities. MEAP is appropriated to DHHS and managed by MPSC. | 150% of FPL or under |
| Assurance 16 | Part of the LIHEAP, allocated yearly by DHHS to be distributed by MEAP grantees for self-sufficiency services. Not all MEAP recipients receive A16 services. Self-sufficiency services include budgeting, energy waste reduction, affordable payments plans and advocacy with the utilities. Managed by MPSC. | |
| State Emergency Relief (SER) | SER is a crisis intervention program administered by MDHHS using the Low-Income Home Energy Program (LIHEAP). Households must apply for crisis assistance for energy-related services to be eligible for Assurance 16 funds and must receive an energy-related SER payment to receive additional payment assistance through MEAP. ** LIHEAP is broken into 40% Home Heating Credit; 42% State Emergency Relief; 5% Assurance 16; 3% Weatherization; 10% admin. | Fiscal Year 21 eligibility being finalized |
| Weatherization Assistance Program & Weatherization Funds | Funded by the Dept. of Energy and LIHEAP; administered by MDHHS Bureau of Community Action & Economic Opportunity; distributed by Community Action Agencies; includes services to make qualified homes more energy efficient | 200% of FPL or under |
| Home Heating Credit | LIHEAP component for heating assistance in Michigan. Eligibility is determined by the Dept. of Treasury, as outlined in state law and varies by household. | under 110% of FPL with adjustments |



Utility-based Credits 2019: The Specifics

| Utility Rate Credits | | |
|--|--|---|
| Low Income Assistance Credit (LIA) | Eligible customers receive \$40 per month with a maximum enrollment of 32,000 customers. Customers are put in LIA automatically if enrolled in the Low-Income Service Plan (LSP), an affordable payment plan through MEAP. | 150% of FPL or under |
| | Eligible customers receive \$30 per month with a maximum enrollment of 33,000 customers. Households will be enrolled in LIA automatically if enrolled in LSP. | 150% of FPL or under |
| | Eligible customers receive \$30.27 per month with a maximum enrollment of 12,000. Priority on critical care customers, lowest income, highest arrears. | 150% of FPL or under |
| | Eligible customers receive \$30 per month with a maximum enrollment of 2,000 customers. Customers selected by company. The FPL must be verified by DHHS or be enrolled in another assistance program. | 150% FPL or under |
| Residential Income Assistance Credit (RIA) | Eligible customers receive \$7.5 per month with an estimated enrollment of 56,800 estimated. | 150% FPL or under |
| | Eligible customers receive \$7.5 per month for an estimated enrollment of 60,000. | 150% FPL or under; applied to LSP customers |
| | Eligible customers receive \$11.75 per month for an estimated enrollment of 71,500. | 150% FPL or under |
| | Eligible customers receive \$11.25 per month for an enrollment of 55,000. | 150% FPL or under |
| | Under the 'Low Income Service Charge Provision' eligible customers receive \$7.25 service charge credit each month, estimated customers at approx. 2200. | 150% FPL or under |
| | Eligible customers receive \$12.25 per month with an estimated enrollment of 10,500. | 150% FPL or under |
| Senior Residential Service Charge Credit | Customers over 65 years can receive \$3.75 monthly. Cannot be taken with RIA. | Account holder over 65 years |



FY 2019 Energy Assistance Funding & Low-Income Credits

Rate-Payer Funded

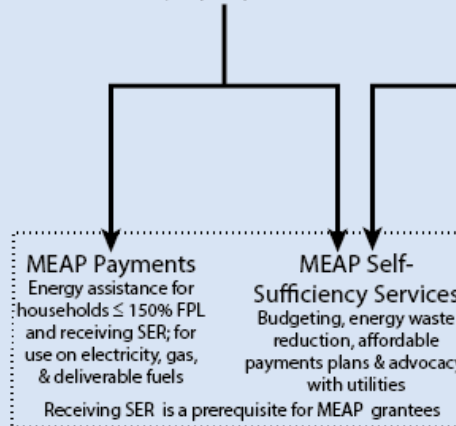
LIA

Low Income Assistance Credit*

| | |
|--|--|
| Consumers Gas \$30.27/mo. (U-20322) Priority on critical care, lowest income, highest arrears Max. enrollment = 12,000 Max. \$4,358,880 | SEMCO Gas \$30/mo. (U-20479) Customers selected by company Max. enrollment = 2,000 Max. \$720,000 |
| DTE LSP customers automatically enrolled | |
| Gas \$30/mo. (U-18999) Max. enrollment = 33,000 Max. \$11,880,000 | Electric \$40/mo. (U-20162) Max. enrollment = 32,000 Max. \$15,360,000 |

LIEAF

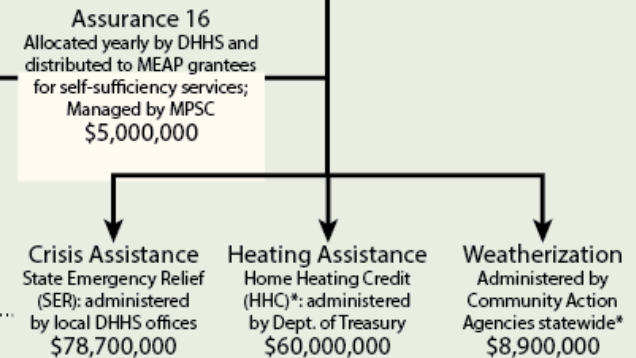
Low Income Energy Assistance Fund
\$50,000,000



Federally Funded

LIHEAP

Low Income Home Energy Assistance Program
\$165,260,871



RIA

Residential Income Assistance Credit*

| | | |
|--|---|---|
| DTE | | SEMCO Gas \$12.25/mo. (U-20479) Est. enrollment = 10,500 Est. \$1,543,500 |
| Gas \$11.25/mo. (U-18999) Est. enrollment = 55,000 Est. \$7,425,000 | Electric \$7.50/mo. (U-20162) Est. enrollment = 60,000 Est. \$5,400,000 | |
| Consumers Energy | | |
| Gas \$11.75/mo. (U-20322) Est. enrollment = 71,500 Est. \$10,081,500 | Electric \$7.50/mo. (U-20134) Est. enrollment = 56,800 Est. \$5,112,000 | |

FPL: Federal Poverty Level

LSP: DTE's Low Income Self-Sufficiency Plan – a payment plan for eligible low income families

* LIHEAP weatherization program eligibility is ≤ 200% FPL.
HHC eligibility is < 110% of FPL with adjustments.
Eligibility for LIA, RIA, and all other credits and programs listed is ≤ 150% FPL.