COALITION to keep MICHIGAN WARM

ENERGY ASSISTANCE IN MICHIGAN

Education, Innovation, Outreach

Michigan House Families, Children & Seniors Committee
May 6, 2015

Shaun Taft, Chairperson
Monica Martinez, Spokesperson

CTKMW Membership

The Salvation Army
Michigan Community ACTION — Helping member agencies change lives
truenorth community services
eco WORKS
St. Vincent de Paul Society Detroit
Area Agencies on Aging Association of Michigan
Consumers Energy — Count on Us
DTE Energy
United Way
SEMCOENERGY GAS COMPANY
THAW The Heat and Warmth Fund — Neighbors Helping Neighbors In Need
PSC
Michigan 2-1-1 — Get Connected. Get Answers.
MICHIGAN energy options
mlpp
MEGA Michigan Electric and Gas Association

+ 7,000 other individuals and members

Our Mission

- Mission is centered on low income energy needs
- Goal is to spur innovation and dialogue
- Focused on promoting solutions to boost energy self sufficiency
- Increase greater education and awareness about low income energy assistance with the public and policy makers
- Identify ways to collaborate and share best practices

Components of Energy Assistance

Bill Payment/Offset

Energy Efficiency

Energy Literacy

Self sufficiency/wrap around services

Sources of Funding for Energy Assistance

LIHEAP
Low-Income Home Energy Assistance Program

U.S. DEPARTMENT OF ENERGY
Weatherization Assistance Program

Low Income Energy Assistance Fund

- Federal appropriations
  - Low Income Home Energy Assistance Program
    - Roughly $160 million
  - US Department of Energy Weatherization Assistance Program
    - Approximately $11.8 million
- Funds approved by the MPSC for utilities, as authorized by existing state statutes
  - Public Act 95 of 2013
    - Low Income Energy Assistance Fund, approximately $50 million
  - Public Act 295 of 2008
    - low income energy optimization, approximately $27 million

Michigan's Energy Assistance Programs

Home Heating Credit (Treasury)
- Funded via the Low Income Home Energy Assistance Program (LIHEAP)
- Operates as a Michigan Tax Credit, distributed primarily as a utility credit
- Apply January thru September

State Emergency Relief (DHHS)
- Funded primarily through the federal LIHEAP
- Operates as a crisis prevention program
- Apply November through May

Low Income Energy Optimization (Utility/MPSC)
Weatherization Assistance Program (DHHS)
- Low Income Energy Optimization is funded and operated as part of utility energy optimization programs
- Weatherization Assistance Program is funded by the federal Weatherization Assistance Program (WAP) and a portion of LIHEAP

Michigan Energy Assistance Program (DHHS/MPSC and grantees)
- Funded via the Low Income Energy Assistance Fund and LIHEAP
- Grantees selected via an RFP process operated by the MPSC/DHHS
- Grantees create programs focused on self-sufficiency and disburse funds to eligible recipients

Contact

Visit the Coalition & join as a supporter at:
www.coalitiontokeepmichiganwarm.com

COALITION to keep MICHIGAN WARM

coalitiontokeepmichiganwarm@gmail.com

Families, Children and Seniors Standing Committee

May 6, 2015

Susan Corbin, Director
Customer Service Division

1-800-292-9555
www.michigan.gov/mpsc

MICHIGAN PUBLIC SERVICE COMMISSION

Senior Citizen Protections

- MPSC rules and state Law require utilities to provide shutoff protection for senior citizens during the heating season – November 1 to March 31
- Senior Citizen customers who have been disconnected prior to the heating season must be reconnected without payment of any amount past due, deposit, reconnect fees, or other charges during the heating season

Medical Emergencies

- Shutoff due to non-payment can be postponed 21 days due to a certified medical emergency in the household, 63 days per member, not to exceed 126 days per year for household

Third Party Notification

- Customers may designate someone else to receive bills and shutoff notices

Active Military

- Shutoff protection to eligible military families for 90 days with one additional extension, past due bills paid in 12 monthly installments

Shutoff Rules

- Customer should receive 10-day disconnect notice with instructions on how to receive assistance
- Utilities are required to make two additional attempts to contact customer by phone, notice by mail, or notice at premise prior to shutoff
- Shutoff may only occur between 8:00 am and 4:00 pm

Winter Protection Plan (WPP)

- Utilities required to offer WPP to low income customers and senior citizens
- Delinquent accounts cannot be shutoff if customer is paying monthly estimate of 7% of annual bill

MICHIGAN PUBLIC SERVICE COMMISSION

MPSC Customer Services

- Toll Free Number and Website-Customers can contact MPSC with inquiries/complaints or file a formal complaint
- Outreach Activity-staff attends community events around the State of Michigan
- Website-Consumer Tips on variety of customer utility issues

Michigan Energy Assistance Program – FY 2014

- For households at or below 150% of Federal Poverty Level
- Funded by Low-Income Energy Assistance Fund - $50M
- LIHEAP - $40M
- 14 grantees assisted 87,647 households with energy assistance and services to move households toward self-sufficiency

2014 MEAP Grant
Households Demographics
December 13, 2013 – August 31, 2014

Household Type	Households Served
Contains at least one member age 60 or older	15,710
Contains at least one member age 2 or younger	9,911
Contains at least one member age 3, 4, or 5	14,363
Contains at least one member that is handicapped	19,693

MICHIGAN PUBLIC SERVICE COMMISSION

Michigan Energy Assistance Program – FY 2015

- Low-Income Energy Assistance Fund - $50M
- LIHEAP - $62M
- 13 grantees anticipate assisting 109,018 households

2015 MEAP Grant
Households Demographics
October 1, 2014 – March 31, 21015

Household Type	Households Served
Contains at least one member age 60 or older	10,049
Contains at least one member age 2 or younger	5,197
Contains at least one member age 3, 4, or 5	6,216
Contains at least one member that is handicapped	14,826

Unduplicated households served October 1, 2013 – March 31, 2014 = 67,018

Consumers Energy
Customer Assistance

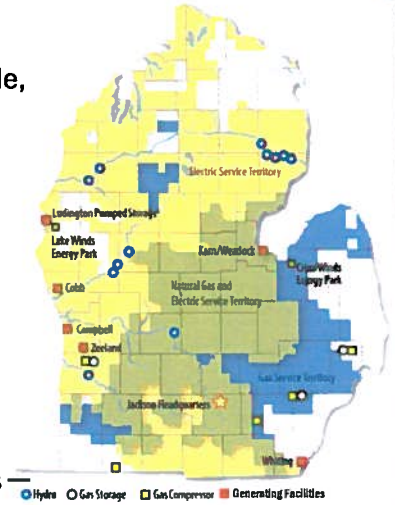
Families, Children, and Seniors Committee
May 6, 2015

Consumers Energy
Count on Us

Serving Michigan for 128 years

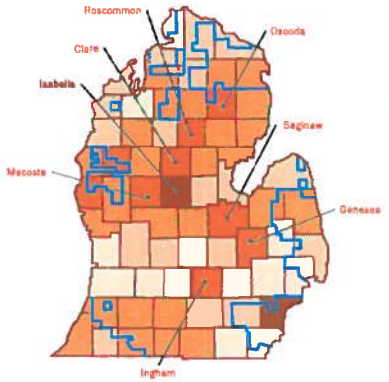
Consumers Energy is committed to the state's success

- We've supplied Michigan with affordable, reliable energy since 1886
- Michigan's largest utility and second largest investor
- Michigan's 7th largest employer — providing 7,400 jobs plus 7,500 contractor jobs
- One of the state's largest property owners and taxpayers
- Major supporter of Michigan nonprofits — donated $10 million in 2014



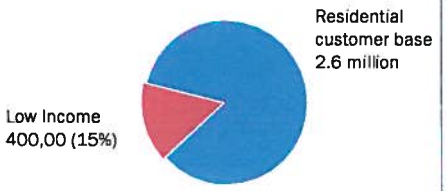
We serve 400,000 low-income customers eligible for energy assistance

Concentration of Low Income Populations



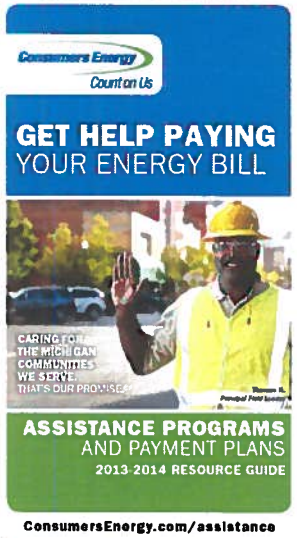
Consumers Energy serves 8 of the 10 most impoverished Michigan counties

Consumers Energy Residential Customers



- 400,000 customers, 15% of residential base, are considered low income
- 200,000 receive some form of energy assistance every year
- 130,000 are enrolled in income-qualified payment arrangements

Assistance Programs Menu



Company-Managed Programs

- **CARE Program**
  - ✓ More than 20,000 customers enrolled
- **Shut-Off Protection & Payment Plans**
  - ✓ Winter Protection Plan
  - ✓ Shut-Off Protection Plan
  - ✓ Budget Plan
  - ✓ Medical Emergency Protection
  - ✓ Active Military Duty
- **Monthly Bill Credits**
  - ✓ Seniors
  - ✓ Income Qualified
- **Energy Efficiency**
  - ✓ Helping Neighbors

Outside Programs

- **Call 2-1-1** United Way's Get Help line – the *connector*
- **Non-profit agency programs**
- **State-managed programs**
  - ✓ Home Heating Credit (Treasury)
  - ✓ State Emergency Relief (DHHS)

Senior Services and Protections

Age 65+ Customers of Record:

- **Shut-off Protection** – November 1 to March 31.
- **Medical Emergency Protection** – extended courtesy holds
- **Senior Citizen Electric Credit** – $3.50 monthly credit
- **Third-party notification** – notices to a third party acting as a liaison
- **Gatekeeper Program** – partnered with Aging and Adult Services Agency (AASA) since 1987, more than 6,000 customer referrals

Charitable Contributions, Support to Non-profit Agencies

- $4 million to four non-profit agencies in 2015
  - ✓ The Salvation Army
  - ✓ Michigan Community Action
  - ✓ The Heat and Warmth Fund (THAW)
  - ✓ TrueNorth Community Services
- $5 million to expand the 2015 CARE Program to 20,000+
- $1.5 million in energy bill credits to The Salvation Army through the PeopleCare Program since 1983
- Partnered with United Way 2-1-1 to provide direct energy assistance referrals and sustainability funding
- Partnered with THAW to implement a Flint micro-pilot to experiment on innovative ways to deliver energy assistance

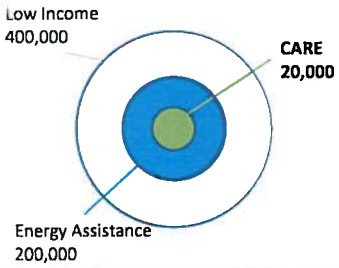
Customer Engagement and Outreach

CARE Program Leading 20,000 Low-income Families to Self-sufficiency

Consumers Affordable Resource for Energy

20,000 customers enrolled in CARE

- Provides long term, proactive, accountable and respectful assistance *before* crisis
- 40% bill credit each month
- Gradual past due balance forgiveness as a reward for regular payments
- Energy education and free in-home weatherization
- $25 gift for completing energy home visit



CARE demonstrates highly effective assistance delivery:

	CARE 1.0 (2014)	Similar customers in SPP
Success rates	84%	3-5%
Disconnection rates	4%	22%

CARE Program Success Story

TO: CONSUMERS ENERGY CARE PROGRAM 09/23/14

FROM: [redacted]

WE'RE WRITING AS WE RECEIVED THE APPLICATION FOR THE RENEWAL OF THE ENERGY CARE PROGRAM.

WE WOULD LIKE YOU TO KNOW THAT WE APPRECIATED YOUR ASSISTANCE IN THE INTIAL PROGRAM. IT CAME AT A TIME IN OUR LIVES WHEN WE FOUND OURSELVES IN A SITUATION WE NEVER EXPECTED. WE FEEL THAT WE SHOULD BE ABLE MANAGE IN THE UPCOMING YEAR AND THIS WILL ALLOW ANOTHER FAMILY TO BENEFIT.

THANK YOU AGAIN FOR WHAT YOU'VE DONE AND LET'S HOPE FOR A MILD WINTER!

SINCERELY,

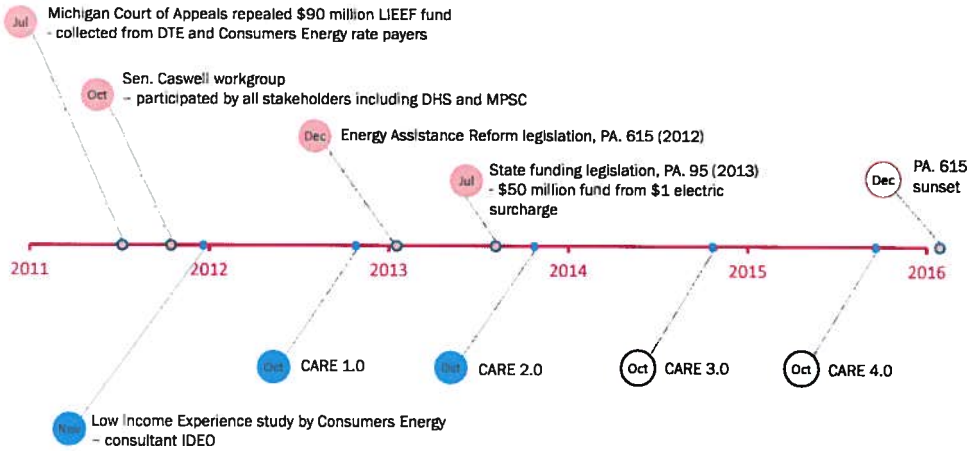
[redacted]ST

Opportunities And Next Steps

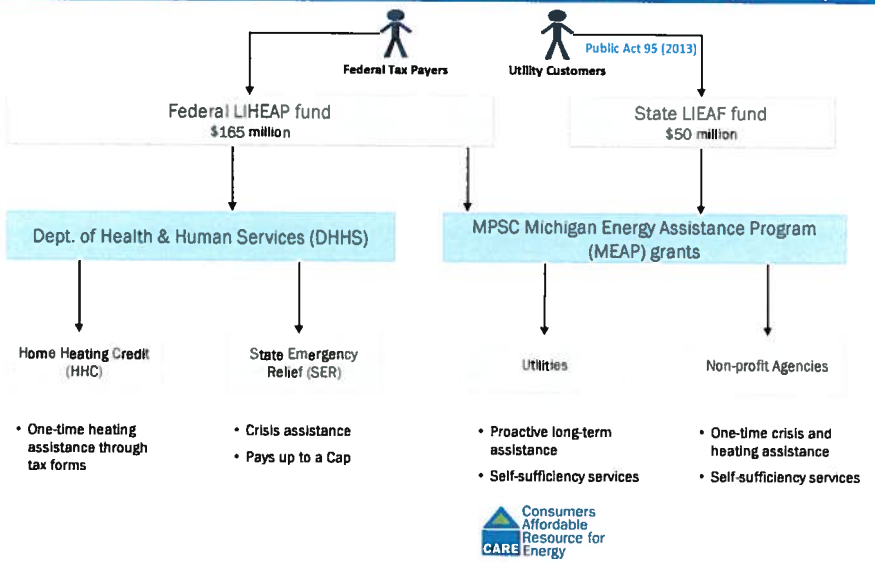
- Build upon policy framework established in PA 615 to continue toward self sufficiency
- Continue the transition from crisis toward pro-active programs that reach more eligible customers
- Improve overall low-income customer experience
- Work with non-profit agencies to assure infrastructure and capacity
- Support innovative technology and statewide database solutions

APPENDIX

Consumers Energy worked with all stakeholders to reform the Energy Assistance System



Energy Assistance Landscape in Michigan – Reformed by PA 615 (2012) & funded by PA 95 (2013)



Energy Reform legislation was instrumental in creating innovative utility programs like CARE

DTE Energy®

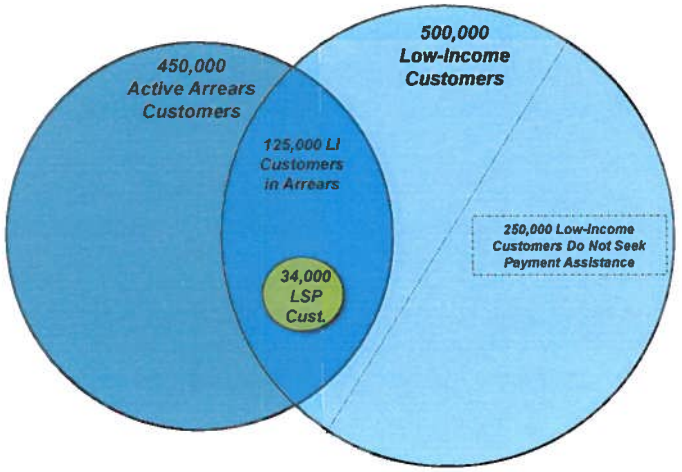
Families, Children, and Seniors Committee

Low Income Assistance Strategy

May 6, 2015

DTE's service territory has a significant unaddressed poverty issue despite growing the LSP program to 34,000 customers

DTE Energy



- Nearly 20% of DTE's service territory lives below 150% of the federal poverty line ($36k/yr for a family of four)
- Half of all low-income households that qualify for payment assistance do not apply for help
- 34,000 LSP customers leaves 91,000 low-income households (in arrears) vulnerable to disconnect

Notes:
1) *DTE's service territory has approx. 2.6M unique households.*
2) *80,000 LI customers in arrears are eligible for LSP based on consumption.*

DTE partners with several community agencies to provide assistance to vulnerable households and are exploring innovative approaches to provide services

DTE Energy

Neighborhood Energy Efficiency Day November 8, 2014

Faith based Community Support Network

WEEK OF WARMTH
Presented by
DTE Energy and THAW

Night of Warm Hearts November 12, 2014

Senior outreach

200+ events or initiatives at various venues

DTE has many efforts in place to ensure the safety of families

DTE Energy

MICHIGAN COMMUNITY ACTION

THE SALVATION ARMY

THAW

United Way
United Way for Southeastern Michigan

Community Partnerships

- Partner with THAW to host Customer Assistance Days to provide on-site assistance
- Donated $10 million to THAW and United Way in 2015
- Proactive low income and senior outreach campaigns (postcards, text, dialer, DHS & agency referrals)
- Unlimited SPP payment plans (with proper down payment)
- Holiday season moratorium for all customers (12/20 - 1/5)
- Weather restrictions (15 degrees for 48 hours)

The Low Income Self-Sufficiency program (LSP) was established to protect and support our most vulnerable customers

DTE Energy

LSP Key Attributes

- Provides assistance before reaching crisis state
- Provides affordable payment option
- Provides a pathway to self-sufficiency
- One-time enrollment for full year coverage
- Educates customers on energy efficiency
- Stops the customer disconnect cycle and O&M costs

Customer pays a fixed monthly amount based on their income	• $95 per month for income <110% FPL • $120 per month for income 110% - 150% FPL
A portion of arrears are reduced each quarter as customers successfully remain on the plan	• 1/16 of pre-program arrears reduced every quarter

Payment calculation example

	Yearly	Monthly
Energy bill in last 12 months	($2,400)	($200)
Customer's target payment	$1,140	$95
LSP program funded portion	**$1,260**	**$105**

The LSP program has demonstrated success in providing assistance to low income customers

DTE Energy

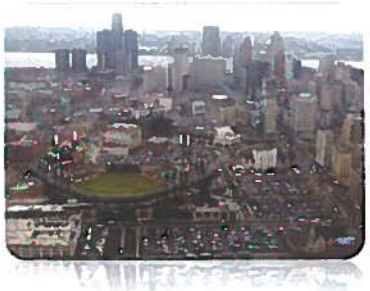
Metrics	Target	2013-14 Program Results	2012-13 Program Results	Normal collection flow / Other Plans
Service disconnection rate after termination (%)	30%	2%	1%	55%
Plan success rate (%)	80%	81%	67%	30% @ 90 days 8% @ full plan
Customers' usage within limit (%)	90%	96%[1]	88%	50%

1 Weather normal

- Nearly 18,000 customers completed the 2014 LSP program and 5,900 have successfully remained on the program since inception (2+ years)
- During 2014 the LSP program created nearly 12,000 fewer disconnects of our most vulnerable customers
- The LSP program continues to have a high customer satisfaction rate (95%) as compared to other programs
- Customers that fall outside of the consumption limits are referred for a Home Energy Consultation

The LSP Program is making a difference in people's lives

DTE Energy



"I am part of the DTE fan club! They really care about people. Somehow, they knew I wanted to pay my bills but that I was struggling. The LSP program gives me the chance to make regular, consistent payments that I can budget for."
– Carol, Clinton Township

"This has freed up some of my time so I can spend time with my family"
– Jerome, Detroit

"I just smile every month now when my bill comes, I know it is going to be ok "
– Rosalie, Detroit

"Instead of getting shut off notices, I am paying my bills and feeling really good!"
– Leslie, Detroit

DTE is joining efforts with agency partners to enhance services to customers by placing them on affordable payment plans

DTE Energy

THE SALVATION ARMY

THAW THE HEAT AND WARMTH FUND
Neighbors Helping Neighbors In Need

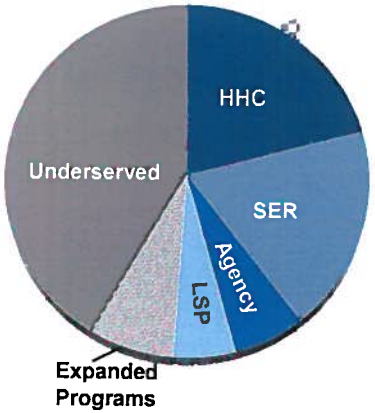
DTE Energy

How it Works

- ❑ Customers are placed on a fixed affordable monthly plan amount
- ❑ Past due balance forgiveness upfront and as an incentive for regular payments
- ❑ Agencies allocate a portion of their grant dollars to support customers on an affordable payment plan
- ❑ Same amount of dollars will be distributed to customers, but in a different way
- ❑ Agencies screen customers to determine the best option
- ❑ Model aligns with agencies providing customers a path to self-sufficiency
- ❑ Expect success metrics to be consistent with DTE's LSP program

Our aspiration is to provide assistance in the most effective and efficient way with dignity to our low income customers

DTE Energy



- Our aspiration to assist more customers is driven by:
  - ✓ The desire to support our most vulnerable customers to become self-sufficient in a dignified way
  - ✓ Fewer disconnects, restores, calls/ visits, and higher customer payment rates
  - ✓ Cost benefits that will be cascaded to all utility customers