

# Michigan Energy Assistance Program Report to the Legislature — Fiscal Year 2023

## History

On March 28, 2013, Public Act 615 of 2012 took effect creating the Michigan Energy Assistance Act that required 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 to eligible low-income households. Energy assistance programs must include services that 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 their energy efficiency. The Act requires that not more than 30% of the funds received for the program shall be spent outside the crisis season, which begins on November 1 and ends May 31 each year. Public Act 87 of 2019 extended the sunset of the Michigan Energy Assistance Program until September 30, 2023. On July 26, 2023, Public Act 105 was signed by Governor Whitmer eliminating the sunset provision for the Michigan Energy Assistance Program.

On July 1, 2013, Public Act 95 of 2013 was enacted creating the Low-Income Energy Assistance Fund (LEAF) and changing the MDHHS with expending money from the fund as provided by the Michigan Energy Assistance Act. The Act allows the Michigan Public Service Commission (MPSC) to annually approve a low-income energy assistance funding factor, not to exceed \$50,000,000, to support the LEAF. The funding factor is the same across all customer classes and the monthly customer charge shall not exceed \$1,000. The Act also tasks the MDHHS and MPSC with ensuring that all money collected for the fund from a geographic area is returned, to the extent possible, to that geographic area.

On July 27, 2022, in Case No. U-17377, the MPSC adopted a funding factor of 90 cents per meter per month for all Michigan electric utilities that have opted to participate in the funding of the LEAF, effective for the September 2022 billing month. Table 6 (page 10) provides a list of the electric utilities that chose to participate in the LEAF for fiscal year 2023, and Table 7 (page 11) provides a list of the

electric utilities that chose not to participate. The funding factor is dependent on the total number of electric meters of the utilities opting to participate in the LEAF.

Table A provides a history of the monthly LEAF surcharge and the number of participating electric utilities.

Table A LEAF Surcharge and Number of Participating Electric Utilities (Case No. U-17377, Public Act 95 of 2013)										
Fiscal Year	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016		
Monthly Surcharge Approved	\$0.90	\$0.87	\$0.91	\$0.92	\$0.93	\$0.93	\$0.96	\$0.98		
Number of Participating Utilities	28	28	28	28	27	26	22	23		

As set forth in PA 95 of 2013, "an electric utility, municipally owned electric utility, or cooperative electric utility that elects to not collect a low-income energy assistance funding factor shall not shut off service to any residential customer from November 1 to April 15 for nonpayment of a delinquent account."

### 2023 Program Overview

The 2023 budget appropriated \$50,000,000 in LEAF to MDHHS to operate the MEAP as well as additional funding for the operation of Assurance 16 (A16 funds), a portion of the Low-Income Home Energy Assistance Program (LHEAP), MDHHS and the Michigan Department of Licensing and Regulatory Affairs (LARA) entered into an Interagency Agreement charging the MPSC with the administration of a low-income energy assistance grant process on behalf of MDHHS in the amount of \$55,000,000; \$50,000,000 collected through the LEAF factor approved by the MPSC and \$5,000,000 from Federal LHEAP Assurance 16 funds. The A16 funds were included to assist grantees in providing additional in-depth self-sufficiency services for eligible low-income households, a key goal of both the MEAP and LHEAP programs.

MEAP grantees no longer provide initial crisis relief funded by the LHEAP nor determine MEAP eligibility. Rather, these functions and program operations are now managed directly by MDHHS. Collaborating State agencies established a client-centered approach in 2020 to provide a more holistic distribution of LHEAP and LEAF, allowing the State to leverage federal funding while reducing the administrative burden for the MEAP grantees. The energy assistance model ensures that crisis assistance is administered consistently throughout the state and affords MEAP grantees time to focus

on self-sufficiency and the energy security needs of the household.

Households with an energy crisis initially apply for the State Emergency Relief (SER) program funded through the federal LIHEAP, either directly with MDHHS or with assistance from a MEAP grantee or MI Bridges Navigator. MDHHS then determines eligibility for LIHEAP crisis assistance. SER recipients are eligible to receive self-sufficiency services, including case management through MEAP grantees. Households who qualify for SER energy services are also eligible for MEAP direct payment assistance, including enrollment in an affordable payment plan.

#### 2023 Proposal and Awards – Year Two

On May 25, 2021, the MPSC invited proposals for MEAP grants from public or private entities or local units of government that will intervene in energy crisis situations and provide energy assistance program services. The Request for Proposals (RFP) offered a two-year grant program that ran through September 30, 2023. The services delivered by the grantees are designed to help eligible low-income households meet home energy costs for their primary residence to prevent future crisis situations through payment or partial payment of bills for one or more of the following: 1) electricity; 2) natural gas; 3) propane; 4) heating oil; or 5) any other deliverable fuel used to provide heat. The RFP required that proposed energy assistance programs include services that 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 savings.

The MPSC, in conjunction with the MDHHS, approved the following MEAP grants for Year Two totaling \$54,500,000 as listed below. The [State Administrative Board](#) approved the MEAP grant awards for a grant term beginning October 1, 2022, and ending September 30, 2023. The list also includes the territory served by the grantee.

- Barry County United Way: \$150,000, Barry County.
- Bureau of Community Action and Economic Opportunity: \$6.39 million, statewide.
- Society of St. Vincent de Paul of the Archdiocese of Detroit: \$4.663 million; multiple counties throughout Michigan.
- Superior Watershed Partnership: \$2.46 million, 15 Upper Peninsula counties and multiple Northern-Lower Peninsula counties.
- The Heat and Warmth Fund: \$6.724 million, statewide.

- The Salvation Army: \$11.263 million, statewide.
- TrueNorth Community Services: \$11.2 million, statewide.
- United Way for Southeastern Michigan: \$6.4 million, statewide.
- United Way of Jackson County: \$5.25 million, statewide.

Grantees may experience fluctuations in requests for assistance from year to year. In instances where requests for assistance are lower than a grantee originally anticipated, the grantee may reduce their award amount, voluntarily returning unneeded funds for distribution to other grantees that may be experiencing higher than anticipated requests for assistance. No instances of this occurred this program year.

#### 2023 Expenditures

Grant funds totaling \$54,222,021.11 (\$49,278,303.09 State LIHEAP and \$4,943,718.02 Federal LIHEAP) were spent by grantees during the term of the grant. Nine grantees are returning funds totaling \$277,978.89 (\$221,696.91 State LIHEAP and \$56,281.98 Federal LIHEAP). Grant funds totaling \$40,474,901.88 (State LIHEAP) were spent assisting low-income households with energy bills; \$9,073,147.43 (\$4,131,959.11 State LIHEAP and \$4,941,188.32 Federal LIHEAP) was spent on total energy assistance program expenses including low-income self-sufficiency programs; and \$4,383,467.58 (State LIHEAP) was spent on administrative costs, including indirect costs. These numbers may be adjusted slightly once all final reports are approved.

#### 2023 Coordination and Collaboration

Michigan customers needing assistance benefited from the joint efforts of many people and organizations working together to ensure that low-income and temporarily unemployed customers did not experience service interruptions.

During FY23, some customers were presented with high balances and MDHHS received almost 100,000 more applications than the prior year, in part due to MDHHS allowing customers to apply multiple times for SER until the household cap was reached. MEAP Grantees utilized the lessons learned during prior program years and broadened their collaborations with established community partners and established new partnerships with non-traditional partners to provide a more holistic approach to self-sufficiency and energy security services. For example, one MEAP grantee has partnered with a local health system to provide holistic care which addresses the social determinants of health to

improve the overall health and quality of life of shared participants. The MEAP Grantees and other community partners have been instrumental in helping customers complete the State Emergency Relief (SER) application. Grantees served households through providing self-sufficiency services, assisting households with SER co-payments and other one-time assistance, and enrolling customers in Affordable Payment Plans (APP).

MPPSC and MDHHS staff continue to meet regularly to coordinate and problem-solve. Additionally, the State MEAP team connects monthly with grantees and utilities through the MEAP workgroup. The MEAP workgroup implemented two new subcommittees in FY23 to focus on APP Alignment and A16 & Tiered Approach assessing household needs. The subcommittees held separate meetings throughout FY23 which increased the collaboration between the grantees, utilities, and State MEAP Team toward discovering workable solutions to new or previous identified barriers to assistance. The subcommittee work aims to continue to discover solutions to previously identified challenges. MEAP grantees and State program administrators will continue to employ the best practices learned over the last few years, in preparation for the projected FY24 including working with the grantees to minimize the negative impact of challenges of having decreased funding available from other sources and expected increases in energy costs.

**2023 Program Data**

Table 1 provides an overview of households served by various types of MEAP assistance in FY23.

Table 1 MEAP Assistance by Type (FY23)		
Assistance Type	Households Served*	Direct Payments Issued
Self-Sufficiency Services	41,675	N/A
Affordable Payment Plan	30,874	\$24,202,211.06
One-time/Other Payment Assistance	18,944	\$16,272,690.82
Any Type*	56,948	\$40,474,901.88

\*Households may have received more than one type of assistance.

Table 2 provides Households Served with Assurance 16 services.

Table 2 Assurance 16 – Self-sufficiency Services (FY23)		Households Served*
Service Type		
Needs Assessment (includes referrals)		27,604
Vendor Advocacy		25,272
Energy Education		27,961
Financial Counseling		19,496
Short-term Case Management		20,651
Long-term Case Management		4,635

\*Households may have received more than one service.  
A total of 41,675 households received some type of Assurance 16 service.

Table 3 provides the number of unduplicated households served and MEAP funds spent broken down by Affordable Payment Plan Enrollment.

Table 3** Affordable Payment Plan Assistance (FY23)			
Program	Households Served	New Enrollments FY23	Total MEAP Funds Spent
Consumers Energy – CAE	11,270	4,806	\$10,476,358.16
DTE Energy – LSP	16,767	8,788	\$11,581,017.29
SEMCO Energy - MAP	3,739	2,194	\$1,638,167.30
UPPCO – EASE	332	195	\$258,857.13
Great Lakes Energy	286	181	\$247,811.18

\*\*Table 3 may omit additional payments which are still being processed for reporting.

Table 4 provides the total energy assistance payments (any type) and MEAP funds spent by energy type.

Table 4***		
Energy Type	Number of Households	Total MEAP Funds Spent (FY23)
Non-Heat Electricity	39,227	\$23,490,727.96
Natural Gas	34,528	\$14,636,680.86
Propane/ LP Gas	1,382	\$1,374,824.14
Wood	324	\$413,178.76
Fuel Oil	158	\$203,193.18
Coal	-	0
Other	365	\$344,307.17

\*\*\*Table 4 may omit additional payments which are still being processed for reporting.

Table 5 provides the number of unduplicated households receiving an energy assistance payment and the MEAP funds spent by county.

Table 5		
County	Households Served	Total MEAP Funds Spent (FY23)
Alcona	34	\$35,871.54
Alger	65	\$74,606.43
Allegan	304	\$263,072.63
Alpena	65	\$63,239.79
Antrim	74	\$73,041.20
Arenac	114	\$130,073.26
Baraga	64	\$70,161.62
Barry	135	\$129,913.83
Bay	349	\$238,496.02
Benzie	47	\$49,017.00
Berrien	339	\$164,291.38
Branch	75	\$51,445.58
Calhoun	1,624	\$963,042.84
Cass	155	\$74,606.65
Charlevoix	72	\$37,084.93
Cheboygan	107	\$86,296.07
Chippewa	85	\$56,425.06

Clare	281	\$288,643.19
Clinton	160	\$124,614.36
Crawford	58	\$36,996.93
Della	154	\$178,631.83
Dickinson	55	\$28,916.55
Easton	222	\$154,357.57
Emmet	80	\$51,580.73
Genesee	4,488	\$3,572,936.13
Gladwin	186	\$167,931.63
Gogebic	109	\$107,239.42
Grand Traverse	93	\$65,308.71
Gratiot	214	\$188,919.64
Hillsdale	222	\$165,003.39
Houghton	262	\$264,828.03
Huron	77	\$58,461.72
Ingham	677	\$321,330.83
Ionia	181	\$128,272.17
Iosco	157	\$130,868.51
Iron	116	\$134,548.79
Isabella	201	\$152,735.76
Jackson	1,278	\$793,165.24
Kalamazoo	1,390	\$927,240.64
Kalkaska	70	\$60,072.49
Kent	2,363	\$1,212,710.38
Keweenaw	19	\$20,331.70
Lake	146	\$148,153.74
Lapeer	137	\$80,164.78
Leelanau	10	\$8,273.26
LeNawee	245	\$173,216.32
Livingston	121	\$68,426.86
Luce	48	\$48,076.05
Mackinac	19	\$14,617.16
Macomb	2,643	\$1,328,784.24
Manistee	99	\$115,389.17
Marquette	408	\$354,333.76
Mason	207	\$167,826.26
Mecosta	191	\$173,603.07
Memphisee	56	\$61,546.20
Midland	463	\$334,698.77

Missaukee	109	\$107,547.61
Monroe	431	\$250,124.43
Montcalm	320	\$321,357.53
Montmorency	20	\$15,959.97
Mustegon	1,155	\$758,718.72
Newaygo	361	\$383,394.94
Oakland	2,402	\$1,252,599.96
Oceana	190	\$195,684.92
Ogemaw	161	\$124,699.57
Ontonagon	59	\$56,683.46
Osceola	128	\$109,778.48
Oscoda	69	\$50,503.65
Otsego	96	\$53,649.16
Ottawa	462	\$225,628.65
Presque Isle	21	\$17,753.58
Roscommon	120	\$114,618.08
Saginaw	2,550	\$2,070,320.92
Saint Clair	1,255	\$654,843.62
Saint Joseph	168	\$125,544.13
Sanilac	244	\$171,447.63
Schoolcraft	69	\$53,795.98
Shiawassee	290	\$256,596.80
Tuscola	130	\$100,592.85
Van Buren	92	\$113,085.05
Washtenaw	797	\$398,869.67
Wayne	23,982	\$17,482,526.81
Wendell	294	\$235,133.90

Table 6 provides the list of Participating Electric Service Providers for FY2023.

Table 6		
FY2023 Participating Electric Service Providers	Estimated LEAF Remittance	Number of Years Participating
Alger Delta Cooperative Electric Association	\$110,732.63	11
Alpena Power Company	\$181,343.50	10
City of Bay City	\$217,068.21	11
City of Crystal Falls	\$16,728.15	6
City of Dowagiac	\$28,403.46	4
City of Gladstone	\$31,177.15	8
City of Hart	\$14,857.52	7
City of Norway	\$24,748.21	11
City of Petoskey	\$54,291.24	11
City of St. Louis	\$21,361.72	11
Consumers Energy	\$20,051,776.75	11
Crosswell Light & Power Department	\$14,728.52	4
DTE Energy	\$24,141,239.60	11
Great Lakes Energy Cooperative	\$1,303,065.06	7
Hillsdale Board of Public Utilities	\$64,149.67	11
HomeWorks Tri-County Electric Cooperative	\$287,098.54	7
Indiana Michigan Power Company (AEP)	\$1,404,939.08	11
Marshall Electric Department	\$51,883.09	11
Midwest Energy Cooperative	\$357,849.16	11
Negaunee Department of Public Works	\$21,146.71	11
Newberry Water & Light Board	\$15,864.85	11
Niles Utilities Department	\$77,319.33	11
Northern States Power Company - Wisconsin (Nce)	\$96,014.87	11
Presque Isle Electric & Gas Co-op	\$363,031.02	11
Thumb Electric Cooperative	\$136,932.19	11
Union City Electric Department	\$16,534.64	11
Upper Peninsula Power Company	\$572,057.68	7
Village of Baraga	\$8,439.33	11

Table 7 provides the list of Non-Participating Electric Service Providers for FY2023.

<b>Table 7</b>		<b>Number of Years Participating</b>
<b>FY2023 Non-Participating Electric Service Providers</b>		
Bayfield Electric Cooperative		0
Chelsea Department of Electric & Water		0
Cherryland Electric Cooperative		1
City of Charlevoix		0
City of Eaton Rapids		0
City of Escanaba		0
City of Harbor Springs		0
City of Portland		0
City of Sebewaing		0
City of South Haven		0
City of Stephenson		0
City of Sturgis		0
City of Wakefield		0
Cloverland Electric Cooperative		0
Coldwater Board of Public Utilities		0
Daggert Electric Department		0
Grand Haven Board of Light & Power		0
Holland Board of Public Works		0
Lansing Board of Water & Light		0
Lowell Light & Power		6
Marquette Board of Light & Power		0
Ontonagon County Rural Electrification Association		0
Traverse City Light & Power		0
Upper Michigan Energy Resources Corporation (UMERC)		0
Village of Clinton		4
Village of L'Anse		0
Village of Paw Paw		0
Wisconsin Electric Power Company (We Energies)		0
Wyandotte Department of Municipal Services		0
Zeeland Board of Public Works		0

**Conclusion**

In FY23, more than 50,000 households engaged in some type of MEAP assistance with more than half of those households receiving longer term assistance that helps make their monthly payments more affordable. Nearly 75% of households receiving MEAP assistance engaged with a grantee on

services to help the household become more self-sufficient. The average household received \$702 in payment assistance. Rural households required higher amounts of assistance on average, with three of the five highest household assistance averages being in the Upper Peninsula. The MEAP program continues to work to serve Michigan residents where they are throughout the State.