

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,)	
regarding administration and operation of the)	Case No. U-13129
Low-Income and Energy Efficiency Fund.)	
_____)	

At the October 14, 2003 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. J. Peter Lark, Chair
Hon. Robert B. Nelson, Commissioner
Hon. Laura Chappelle, Commissioner

OPINION AND ORDER

Section 10d(6) of the Customer Choice and Electricity Reliability Act (the Act), 2000 PA 141, MCL 460.10d(6), requires a portion of the cost savings from the issuance of securitization bonds to be used as a source of funding for the Low-Income and Energy Efficiency Fund (Fund). In prior orders in this docket, the Commission has established a procedural framework for administering the Fund and procedures for considering specific proposals. On February 21, 2002, the Commission issued an order awarding energy assistance grants totaling up to \$27.4 million to seven organizations. On July 23, 2002, the Commission issued an order awarding energy efficiency grants totaling nearly \$12.2 million to nine organizations. On August 20 and September 16, 2002, the Commission issued orders awarding low-income energy efficiency grants totaling more than \$5 million to seven organizations. On December 20, 2002, the Commission issued an order awarding energy assistance grants totaling \$20 million to four organizations. On

February 27, 2003, the Commission issued an order approving grants totaling \$20 million to four organizations to provide emergency energy assistance.

On August 29, 2003, the Commission Staff (Staff) issued a Request for Proposal for low-income energy efficiency grants. By the September 24, 2003 deadline, proposals were submitted by nine organizations seeking a total of more than \$17 million. Proposals were submitted by Habitat for Humanity of Michigan, Nova Development Group of Detroit, L.L.C., d/b/a Nova Development Group-Michigan (HEAT) Home Energy Analysis Team, Urban Options, Inc., United Way Community Services/Nonprofit Facilities Center, Michigan Community Action Agency Association, Metro Neighborhood Housing & Community Development, Community Economic Development Association of Michigan, WARM Training Center, and Sordal Inc.

The Commission expresses its appreciation to the applicants for providing thoughtful proposals. In awarding the grants, the Commission gave significant consideration to organizations with previous experience conducting low-income energy efficiency programs with an existing administrative structure to handle distribution activities and to organizations capable of offering services statewide.

Based on its review of the applications, the Commission is awarding the following grants:

- Habitat for Humanity of Michigan -- \$327,200 for energy efficient upgrades to homes scheduled for construction in 2004 for low-income families in Michigan;
- Nova Development Group of Detroit, L.L.C., d/b/a Nova Development Group-Michigan (HEAT) Home Energy Analysis Team -- \$1.5 million to provide energy conservation improvements and energy education for low-income families living in affordable multi-family housing units;
- Michigan Community Action Agency Association -- \$1.5 million to provide weatherization inspections and services, and weatherization and client education programs;

- Metro Neighborhood Housing & Community Development -- \$1.5 million for home inspections to demonstrate Energy Star appliances, efficient lighting, construction up-grades, and heating/cooling products, and increase low-income homeowners' awareness about energy wise appliance and lighting usage;
- Community Economic Development Association of Michigan -- \$652,000 for education of nonprofit housing managers, financial incentives for nonprofit housing groups to build more efficient homes, pre-certification and certification of new construction to 5-star energy ratings, and distribution of homeowner handbooks to occupants of certified homes;
- United Way Community Services/Nonprofit Facilities Center -- \$865,000 for energy efficiency audits, energy efficiency/weatherization education, and grants and matching grants to non-profit facilities for energy efficiency upgrades;
- Urban Options, Inc. -- \$244,490 for energy education, audits, and low interest loans to homeowners for efficiency upgrades and purchase of Energy Star appliances;
- WARM Training Center -- \$209,000 for energy education to consumers who receive energy assistance.

For those grantees receiving less than requested in their proposals, the proportion of funds for direct assistance to indirect costs and overhead will remain the same as in their original requests, if such a ratio was provided. The Commission directs the Staff to complete the necessary grant agreement documents with the grantees.

The Commission FINDS that:

- a. Jurisdiction is pursuant to 1909 PA 106, as amended, MCL 460.551 et seq.; 1919 PA 419, as amended, MCL 460.51 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1999 AC, R 460.17101 et seq.
- b. Grants from the Fund should be distributed as described above.

THEREFORE, IT IS ORDERED that:

- A. The following grants for a total of \$6,797,690 are approved:

- Habitat for Humanity of Michigan -- \$327,200 for energy efficient upgrades to homes scheduled for construction in 2004 for low-income families in Michigan;
- Nova Development Group of Detroit, L.L.C., d/b/a Nova Development Group-Michigan (HEAT) Home Energy Analysis Team -- \$1.5 million to provide energy conservation improvements and energy education for low-income families living in affordable multi-family housing units;
- Michigan Community Action Agency Association -- \$1.5 million to provide weatherization inspections and services, and weatherization and client education programs;
- Metro Neighborhood Housing & Community Development -- \$1.5 million for home inspections to demonstrate Energy Star appliances, efficient lighting, construction upgrades, and heating/cooling products, and increase low-income homeowners' awareness about energy wise appliance and lighting usage;
- Community Economic Development Association of Michigan -- \$652,000 for education of nonprofit housing managers, financial incentives for nonprofit housing groups to build more efficient homes, pre-certification and certification of new construction to 5-star energy ratings, and distribution of homeowner handbooks to occupants of certified homes;
- United Way Community Services/Nonprofit Facilities Center -- \$865,000 for energy efficiency audits, energy efficiency/weatherization education, and grants and matching grants to non-profit facilities for energy efficiency upgrades;
- Urban Options, Inc. -- \$244,490 for energy education, audits, and low interest loans to homeowners for efficiency upgrades and purchase of Energy Star appliances;
- WARM Training Center -- \$209,000 for energy education to consumers who receive energy assistance.

B. The Commission Staff shall complete the necessary grant agreement documents with the grantees.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ J. Peter Lark
Chair

(S E A L)

/s/ Robert B. Nelson
Commissioner

/s/ Laura Chappelle
Commissioner

By its action of October 14, 2003.

/s/ Robert W. Kehres
Its Acting Executive Secretary

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MICHIGAN PUBLIC SERVICE COMMISSION

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By its action of October 14, 2003.

Its Acting Executive Secretary

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Suggested Minute:

“Adopt and issue order dated October 14, 2003 approving low-income energy efficiency grants from the Low-Income and Energy Efficiency Fund, as set forth in the order.”