

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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

At the December 12, 2006 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. J. Peter Lark, Chairman
Hon. Laura Chappelle, Commissioner
Hon. Monica Martinez, Commissioner

OPINION AND ORDER

Section 10d(6) of the Customer Choice and Electricity Reliability Act, 2000 PA 141, MCL 460.10d(6), requires a portion of the cost savings resulting from electric utility securitization financing to be used as a source for funding for the Low-Income and Energy Efficiency Fund (LIEEF). Revenues generated under The Detroit Edison Company's interim rate relief order issued on February 20, 2004 in Case No. U-13808, the Commission's final order issued on November 23, 2004 in the same case, the Consumers Energy order issued on December 22, 2005 in Case No. U-14347 and the Consumers Energy order issued on November 21, 2006 in Case No. U-14547 have also been devoted to this fund. In prior orders in the docket, the Commission established a framework for administering the LIEEF and procedures for considering specific proposals.

Previously, the Commission has awarded grants to 7 organizations totaling \$27.4 million on February 21, 2002; to 9 organizations totaling \$12.2 million on July 23, 2002; to 7 organizations totaling more than \$5 million on August 20 and September 16, 2002; to 4 organizations totaling more than \$5 million on August 20 and September 16, 2002; to 4 organizations totaling up to \$20 million on December 20, 2002; to 4 organizations totaling up to \$20 million on February 27, 2003; to 8 organizations totaling nearly \$6.8 million on October 14, 2003; to 4 organizations totaling \$13 million on October 29, 2003; to 8 organizations totaling \$20 million on October 14, 2004; to 8 organizations totaling \$8 million on October 22, 2004; to 6 organizations totaling \$15 million on January 2005; to 8 organizations totaling \$5 million on February 24, 2005; and to 11 organization totaling \$6 million on June 30, 2005; to 7 organizations on October 18, 2005 totaling \$41 million; to 8 organizations on December 20, 2005 totaling \$10 million; to 7 organizations totaling \$25 million on February 21, 2006, and to 10 organizations totaling \$45 million on October 24, 2006.

On September 15, 2006, the Commission invited organizations to submit proposals to provide energy efficiency services to low-income households. By the October 13, 2006 deadline, the following organizations submitted proposals seeking a total of more than \$38 million: the Department of Human Services (DHS); Habitat for Humanity; Bay de Noc Community College (M-TEC); Newaygo County Community Services; Nova Development Group of Detroit, L.L.C.; United Way Community Services for Southeastern MI, d/b/a Nonprofit Facilities Assistance Center; Warm Training Center; Urban Options, Inc.; Home Energy Analysis Team/MI Heat L.L.C.; Michigan Community Action Agency Association; Ferris State University; Metro Neighborhood Housing and Community Development; YMCA of Lansing Oak Park, Energy Use Solutions Group; and the Energy Maintenance Agency.

The Commission expresses its appreciation to the applicants for providing thoughtful proposals. In awarding the grants, the Commission gave preference to organizations with a proven record with previous experience conducting low-income and energy efficiency programs with an existing administrative structure to handle additional distribution activities, to organizations that offer services statewide, and to organizations that have the ability to coordinate activities with other service providers and to serve multiple counties.

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

- Department of Human Services - \$9,000,000 in total for statewide distribution to low-income households for energy efficiency upgrades, with up to 20% of the grants available for energy education.
- Bay de Noc Community College (M-TEC) - \$700,000 for purchase and distribution of energy savings kits to low-income rural households in Michigan.
- Habitat for Humanity - \$279,000 for energy efficiency upgrades to low-income homes in Michigan, scheduled for construction in 2007.
- Newaygo County Community Services - \$450,000 for weatherization of low-income homes in the Mid-Michigan area.
- Nova Development Group of Detroit, L.L.C. - \$1,450,000 for energy efficiency upgrades and installations for low-income multi-family dwellings throughout Michigan.
- United Way Community Services for Southeastern MI, d/b/a Nonprofit Facilities Center - \$500,000 for matching grants to non-profit facilities for energy efficiency upgrades, energy efficiency audits, and energy efficiency weatherization education.
- Warm Training Center - \$200,000 for energy education for customers who receive energy assistance.
- Urban Options, Inc. - \$421,000 for weatherization of low-income clients' homes, with a focus on heating systems, energy kits, and energy education throughout Michigan.

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. The Commission directs the Commission Staff to complete the necessary grant agreement documents with the grantees. The Commission expects that, following approval by the appropriate agencies, the grant recipients will make these additional funds available to low-income customers as soon as possible.

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.*; 1982 PA 304, as amended, MCL 460.6h *et seq.*; and the Commission's Rules of Practice and Procedure, as amended, 1999 AC, R 460.17101 *et seq.*
- b. Grants from the LIEEF should be distributed as described above.

THEREFORE, IT IS ORDERED that:

A. The following Grants for a total of \$13,000,000 are approved:

- Department of Human Services - \$9,000,000 in total for statewide distribution to low-income households for energy efficiency upgrades, with up to 20% of the grants available for energy education.
- Bay de Noc Community College (M-TEC) - \$700,000 for purchase and distribution of energy savings kits to low-income rural households in Michigan.
- Habitat for Humanity - \$279,000 for energy efficiency upgrades to low-income homes in Michigan, scheduled for construction in 2007.
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- United Way Community Services for Southeastern MI, d/b/a Nonprofit Facilities Center - \$500,000 for matching grants to non-profit facilities for energy efficiency upgrades, energy efficiency audits, and energy efficiency weatherization education.
- Warm Training Center - \$200,000 for energy education for customers who receive energy assistance.
- Urban Options, Inc. - \$421,000 for weatherization of low-income clients' homes, with a focus on heating systems, energy kits, and energy education throughout Michigan.

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 E A L)

/s/ J. Peter Lark
Chairman

By its action of December 12, 2006.

/s/ Laura Chappelle
Commissioner

/s/ Mary Jo Kunkle
Its Executive Secretary

/s/ Monica Martinez
Commissioner

- Nova Development Group of Detroit, L.L.C. - \$1,450,000 for energy efficiency upgrades and installations for low-income multi-family dwellings throughout Michigan.
- United Way Community Services for Southeastern MI, d/b/a Nonprofit Facilities Center - \$500,000 for matching grants to non-profit facilities for energy efficiency upgrades, energy efficiency audits, and energy efficiency weatherization education.
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By its action of December 12, 2006.

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Its Executive Secretary

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