

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.	)	
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At the August 21, 2007 meeting of the Michigan Public Service Commission in Lansing,  
Michigan.

PRESENT: Hon. Monica Martinez, Commissioner  
Hon. Steven A. Transeth, Commissioner

**OPINION AND ORDER**

The Customer Choice and Electricity Reliability Act, 2000, Public Act 141, authorized the creation of the Low-Income and Energy Efficiency Fund (LIEEF), administered by the Commission via grants to qualifying organizations. The purpose of the fund is to provide shut-off and other protection for low-income customers and to promote energy efficiency by all customer classes. The fund's original source of funding was utilities' securitization savings that exceeded the amount needed to achieve a 5% electric rate reduction for residential and business customers. MCL 460.10d(7) specifies the use of a portion of the savings.

The Detroit Edison Company's interim rate relief order issued on February 20, 2004 in Case No. U-13808 rolled LIEEF funding requirements into base rates for Detroit Edison's electric customers and continued funding the LIEEF as part of the utility's cost of service. The Consumers Energy Company's orders issued on December 22, 2005 in Case No. U-14347 and November 21, 2006 in Case No. U-14547, have also made provisions for funding the LIEEF. In prior orders in

this docket, the Commission established a framework for administering the LIEEF and procedures for considering specific proposals.

The Commission has issued orders approving 17 rounds of grants from the Low-Income and Energy Efficiency Fund totaling \$317,422,675.

On June 8, 2007, the Commission invited organizations to submit proposals to provide energy efficiency to low-income households. By the June 22, 2007 deadline, the following submitted proposals seeking a total of nearly \$59 million: Community Action Agency of South Central Michigan, the Department of Human Services (DHS), EightCAP, Inc., Greater Lansing Housing Coalition, Habitat for Humanity Detroit, Habitat for Humanity of Michigan, Honeywell Utility Solutions, Jasper III Corporation, Metro Neighborhood Housing and Community Development, Michigan Community Action Agency Association (MCAAA), Michigan GREEN, Michigan State Housing Development Authority, Newaygo County Community Services (NCCS), Northeast Michigan Community Service Agency, Inc., Nova Development Group of Detroit, L.L.C., The Heat and Warmth Fund, United Way Community Services for Southeastern Michigan, Urban Options, Inc., and Warm Training Center.

The Commission expresses its appreciation to the applicants for providing thoughtful proposals. In awarding the grants, the Commission used the selection criteria outlined in the request for proposals.

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

- Department of Human Services - \$13,925,000 in total for statewide distribution to low-income households for energy efficiency upgrades, with up to 20% of the grant available for energy education.
- Habitat for Humanity of Michigan - \$275,000 for energy efficiency upgrades to low-income homes in Michigan, scheduled for construction in 2008.

- Michigan Community Action Agency Association - \$2,000,000 in total for statewide distribution to provide weatherization upgrades for low-income households, with up to 20% to be spent on client weatherization education.
- Michigan GREEN - \$500,000 for purchase and distribution of energy saving kits to low-income multi-unit facilities throughout Michigan.
- Newaygo County Community Services - \$600,000 for weatherization of low-income homes in the Mid-Michigan area.
- Nova Development Group of Detroit, L.L.C. - \$1,400,000 for energy efficiency upgrades and installations for low-income multi-family dwellings throughout Michigan.
- United Way Community Services for Southeastern Michigan - \$500,000 for matching grants to non-profit facilities for energy efficiency upgrade, energy efficiency audits, and energy efficiency weatherization education.
- Urban Options, Inc. - \$600,000 for weatherization of low-income client's homes, with a focus on heating systems, energy kits, and energy education throughout Michigan.
- Warm Training Center - \$200,000 for energy education for customers 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. 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. These grants are contingent upon enactment of necessary appropriations for the fiscal year beginning October 1, 2007 and ending on September 30, 2008. As always, the grants are contingent upon review and approval of the State Administrative Board.

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 from the Low-Income and Energy Efficiency Fund for a total of \$20,000,000 are approved contingent upon enactment of necessary appropriations for the fiscal year beginning October 1, 2007 and ending September 30, 2008:

- Department of Human Services - \$13,925,000 in total for statewide distribution to low-income households for energy efficiency upgrades, with up to 20% of the grant available for energy education.
- Habitat for Humanity of Michigan - \$275,000 for energy efficiency upgrades to low-income homes in Michigan, scheduled for construction in 2008.
- Michigan Community Action Agency Association - \$2,000,000 in total for statewide distribution to provide weatherization upgrades for low-income households, with up to 20% to be spent on client weatherization education.
- Michigan GREEN - \$500,000 for purchase and distribution of energy saving kits to low-income multi-unit facilities throughout Michigan.
- Newaygo County Community Services - \$600,000 for weatherization of low-income homes in the Mid-Michigan area.
- Nova Development Group of Detroit, L.L.C. - \$1,400,000 for energy efficiency upgrades and installations for low-income multi-family dwellings throughout Michigan.
- United Way Community Services for Southeastern Michigan - \$500,000 for matching grants to non-profit facilities for energy efficiency upgrade, energy efficiency audits, and energy efficiency weatherization education.

- Urban Options, Inc. - \$600,000 for weatherization of low-income client's homes, with a focus on heating systems, energy kits, and energy education throughout Michigan.
- Warm Training Center - \$200,000 for energy education for customers 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 E A L )

/s/ Monica Martinez

Commissioner

/s/ Steven A. Transeth

Commissioner

By its action of August 21, 2007.

/s/ Mary Jo Kunkle

Its Executive Secretary

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MICHIGAN PUBLIC SERVICE COMMISSION

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Commissioner

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By its action of August 21, 2007.

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Its Executive Secretary