

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

\* \* \* \* \*

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.	)	
<hr/>	)	

At the August 26, 2008 meeting of the Michigan Public Service Commission in Lansing,  
Michigan.

PRESENT: Hon. Orjiakor N. Isiogu, Chairman  
Hon. Monica Martinez, Commissioner  
Hon. Steven A. Transeth, Commissioner

**OPINION AND ORDER**

The Customer Choice and Electricity Reliability Act, 2000 PA 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 the utilities' securitization savings that exceeded the amount needed to achieve a 5% electric rate reduction for residential and business customers. MCL 460.10d(7) provides for the use of a portion of the savings.

The Detroit Edison Company's (Detroit Edison) interim rate relief order issued on February 20, 2004 in Case No. U-13808 rolled the LIEEF funding requirement into base rates for Detroit Edison's electric customers and continued funding the LIEEF as part of the utility's cost of service. 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 22 rounds of grants in the aggregate amount of \$427,401,701, and has administered funds specially allocated by the Legislature in the amount of \$25,000,000 from the LIEEF for a total of \$452,401,701.

On April 10, 2008, the Commission invited organizations to submit proposals to provide energy efficiency to low-income households. By the May 1, 2008 deadline, the following organizations submitted proposals seeking a total of \$39,184,451: CoolNRG USA, Inc.; D.A. Home Improvements, Inc.; Department of Human Services; Michigan Community Action Agency Association; Metro Neighborhood Housing and Community Development; Michigan GREEN; Newaygo County Community Services; Nova Development Group of Detroit, LLC; R.E. Technology, LLC; Superior Watershed Partnership; The Society of St. Vincent de Paul Detroit; United Way 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 awards the following grants:

- Department of Human Services – \$8,500,000 in total for statewide distribution to low-income households for energy efficiency upgrades, with up to 20% of the grant available for energy education.
- Newaygo County Community Services – \$500,000 for weatherization of low-income homes in the Mid-Michigan area.
- United Way Community Services for Southeastern Michigan – \$750,000 for matching grants to non-profit facilities for energy efficiency upgrades, energy efficiency audits, and energy efficiency weatherization education.
- Warm Training Center – \$250,000 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. As always, the grants are contingent upon review and approval of the State Administrative Board.

THEREFORE, IT IS ORDERED that:

A. The following grants from the Low-Income and Energy Efficiency Fund for a total of \$10,000,000 are approved for the fiscal year beginning October 1, 2008 and ending September 30, 2009:

- Department of Human Services – \$8,500,000 in total for statewide distribution to low-income households for energy efficiency upgrades, with up to 20% of the grant available for energy education.
- Newaygo County Community Services – \$500,000 for weatherization of low-income homes in the Mid-Michigan area.
- United Way Community Services for Southeastern Michigan – \$750,000 for matching grants to non-profit facilities for energy efficiency upgrades, energy efficiency audits, and energy efficiency weatherization education.
- Warm Training Center – \$250,000 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

---

Orjiakor N. Isiogu, Chairman

---

Monica Martinez, Commissioner

---

Steven A. Transeth, Commissioner

By its action of August 26, 2008.

---

Its Executive Secretary