

# **Innovations in Low-Income Customer Assistance Plans**

Utility-agency collaborations & the Michigan  
Energy Assistance Program (MEAP)

NEUAC | Fort Lauderdale  
June 26, 2017

# Agenda

- Introductions
- DTE Energy Low-Income Self-Sufficiency Plan
- Consumers Energy CARE Program
- The Salvation Army
- Michigan Agency for Energy
- Q & A

# MEAP Program

- Purpose of MEAP is to establish and administer programs statewide that provide energy assistance which must include services that will enable participants to become or move toward becoming self-sufficient including:
  - Paying their energy bills on time
  - Assisting participants in budgeting for and contributing to their ability to provide for energy expenses
  - Assisting participants in utilizing energy services to optimize on energy efficiency

# MEAP Program

- There are 14 grantees, each running a unique program with various facets
- Some offer purely one-time true crisis assistance
- Others offer only enrollment into an ongoing affordable payment plan
- Several statewide grantees offer both—one-time assistance and/or an enrollment into an ongoing payment plan



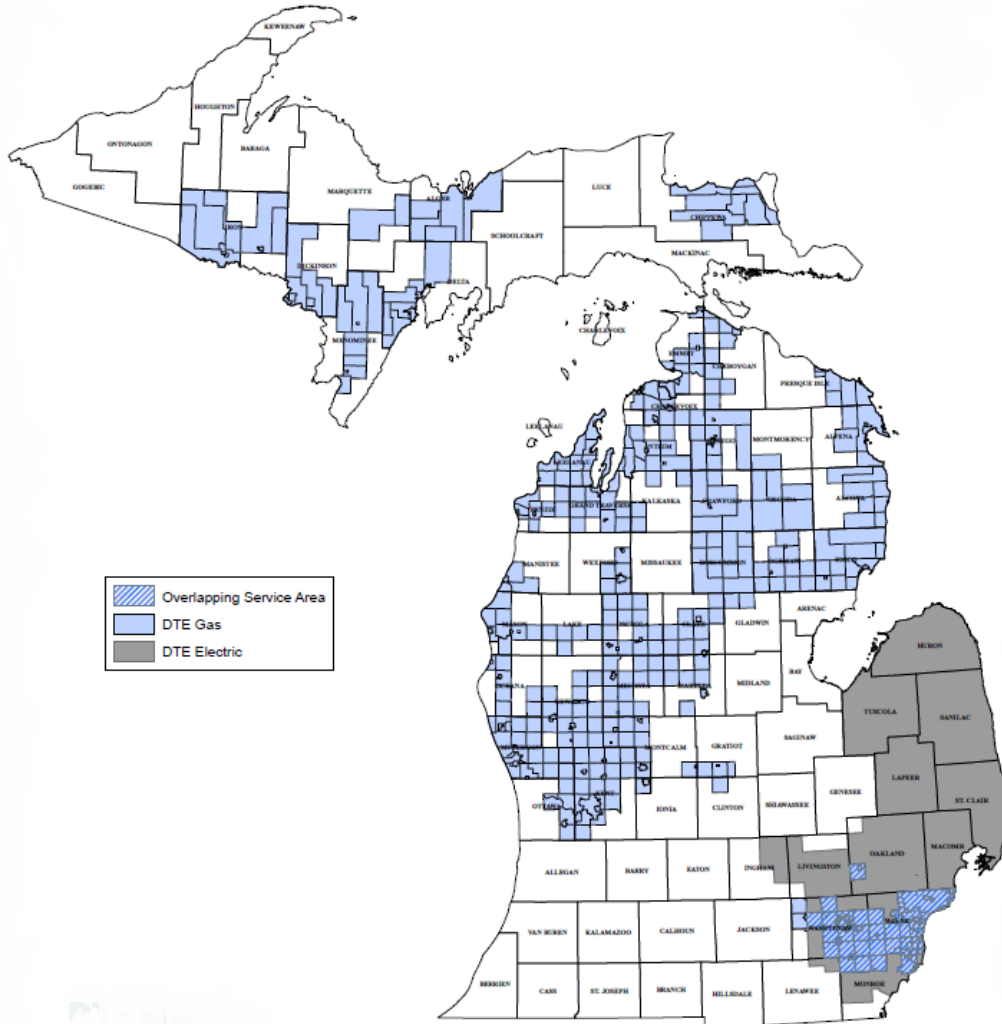
**DTE Energy®**

# **Innovations in Low Income Consumer Assistance Plans**

**John Hill - Manager**

**June 26, 2017**





- Headquarters located in Detroit, MI
- Electric Utility – 2.2M Customers
- Gas Utility – 1.2M Customers
- Regulated by the Michigan Public Service Commission (MPSC)
- Non-Utility Businesses: Gas Storage & Pipeline, Power & Industrial Projects, Energy Trading

# The Low Income Self-Sufficiency program (LSP) was established to protect and support our most vulnerable customers



## LSP Key Attributes

- Offers an affordable fixed monthly payment option
- Arrears forgiveness as an incentive for regular payments
- Provides a pathway to self-sufficiency
- Reduces the customer disconnect cycle and utility costs
- Respectful model to assist and change customer behavior



Customer pays a fixed monthly amount based on their income

- \$95 per month for income <110% FPL
- \$130 per month for income 110% - 150% FPL

A portion of arrears are reduced each quarter as customers successfully remain on the plan

- 1/16 of pre-program arrears reduced every quarter

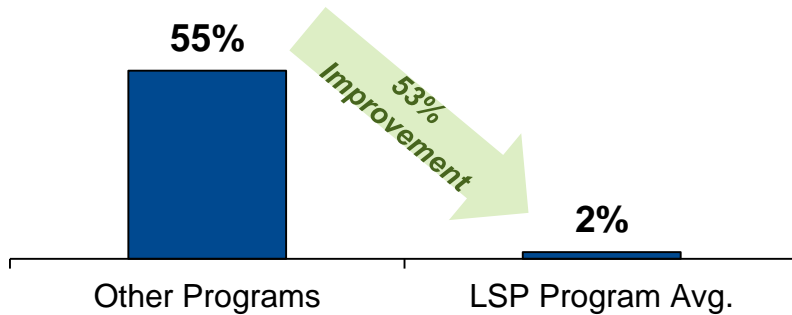
### Payment calculation example

	Yearly	Monthly
Energy bill in last 12 months	(\$2,400)	(\$200)
Customer's target payment	\$1,560	\$130
LSP program funded portion	<b>\$840</b>	<b>\$70</b>

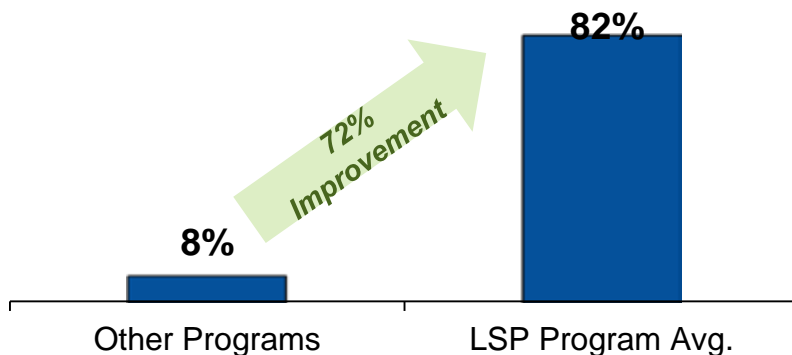
# LSP has demonstrated success in providing assistance to our most vulnerable customers



## Service Disconnection Rate



## Success Rate



## 2016 Success Metrics

- Of the 35,000 customers that enrolled in 2016, over 29,000 customers (84%) successfully stayed on the program
- Less than 1% of our 35,000 LSP customers experienced a service disconnect (54% improvement)
- The LSP program continues to have higher customer satisfaction than other programs (23% improvement)
- Over 20,000 (57%) customers returned for the 2017 program



# DTE has worked closely with community agencies to find additional innovative solutions to better serve our low income population



## Program Structure Modifications

- ü Partnered with Salvation Army to implement affordable payment plans
- ü Structured similar to our original LSP program but with an upfront arrears reduction payment and then a shorter timeframe for the remainder of arrears forgiveness
  - q 1 year arrears forgiveness in FY16
  - q 2 year arrears forgiveness in FY17



## Self-Sufficiency

- ü Partners include Salvation Army, United Way, MCA, THAW & True North
- ü Care coordination provides a critical pathway for success
- ü Customers participate in programs utilizing a triage approach to customize a self-sufficiency plan based on customer need (budgeting, education, job training, transportation needs, etc.)



## Energy Optimization

- ü Home energy consultations (HEC) for energy efficiency evaluation, education, and weatherization
- ü Energy Efficiency Assistance (EEA) which provides more extensive services including furnace tune-ups and in some cases furnace replacements
- ü Over \$6.0M EO dollars spent on 15,000+ LSP/APP customers over the last four years (all customers on the programs receive educational and referral material)

# The LSP program is making a difference in people's lives



*"This program was a blessing to my family and I"*

**- Trisica, Detroit**

*"I can't tell you how appreciative we are of this low income self-sufficiency plan. I really made the difference in just thousands of lives"*

**- Local Community Leader**

*"It's not always been like this...reflects a change; a change in thinking, a change in sensitivity, a change in programs, and a change in policy"*

**- Local Faith Based Leader**

*"I am part of the DTE fan club! They really care about people. Somehow, they knew I wanted to pay my bills but that I was struggling. The LSP program gives me the chance to make regular, consistent payments that I can budget for."*

**- Carol, Clinton Township**

*"Instead of getting shut off notices, I am paying my bills and feeling really good!"*

**- Leslie, Detroit**



## Challenges and Next Steps

- Streamline the validation process to improve the customer experience and reduce the administrative burdens
- Develop a screening mechanism to ensure the right fit for customers (one-time assistance vs affordable payment plan enrollment)
- Perform a comprehensive analysis to develop the next iteration of programs to sustain and build upon the successes

# Revenue Management & Protection



## John Hill

- Manager of Customer Advocacy Strategy/ Low Income Programs
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# Consumers Energy CARE Program

NEUAC, Ft. Lauderdale | June 26, 2017



**CARING FOR MICHIGAN COMMUNITIES.  
THAT'S OUR PROMISE.**



Consumers  
Affordable  
Resource for  
Energy

**Consumers Energy**

*Count on Us*



# Poverty & Business Impact

## Michigan Families Continue to Struggle

1 in 6 (15.8%) Michiganians and more than 1 in 5 (22.4%) Michigan children lived below the poverty threshold\* in 2015.

485,920

children



19% of families with children

19% of families with children under age 5



Full-Time, Year-Round Workers Living in Poverty

91,569

\*The poverty threshold is \$24,257 a year for a family of four and \$18,871 for a family of three.

- 1 in 6 live in poverty
- 19% of families with children

Michigan League for Public Policy, Sept. 2016

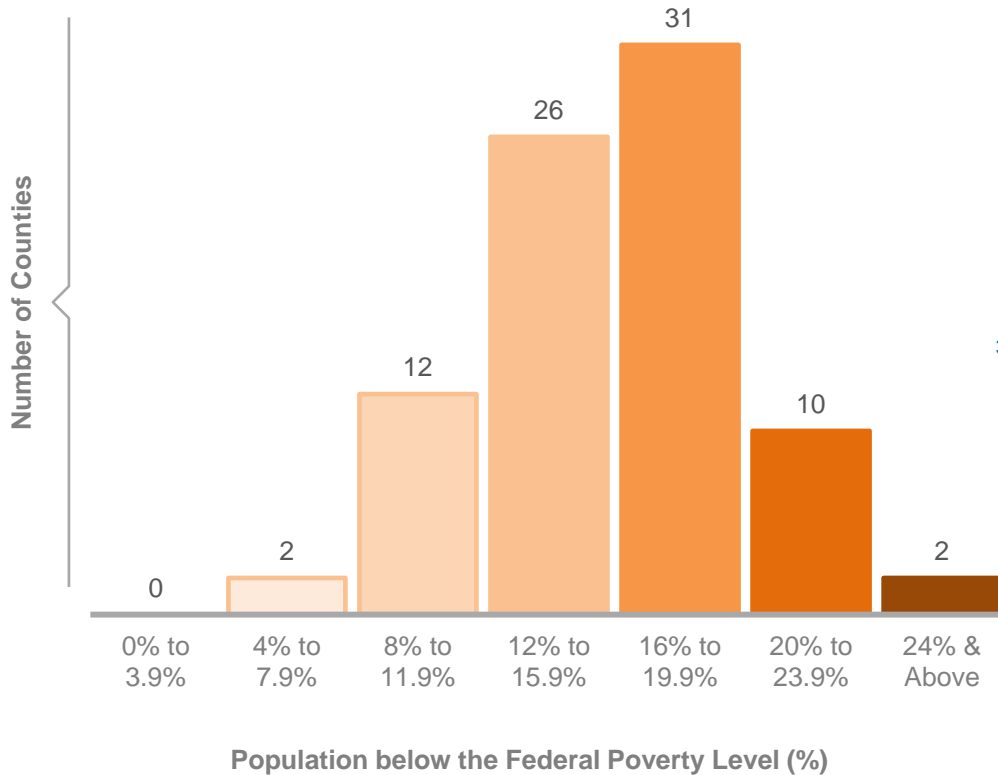
## What does poverty mean for Consumers Energy?

- We serve 8 of the 10 highest poverty counties in Michigan
- 400,000 (15% residential base) are “income-qualified” (150% FPL or less)
- 130,000 enroll in income-qualified payment arrangements / protection plans
- 200,000 households receive some form of bill assistance annually
- Of these, 25,000 (14%) seniors and critical care
  - § Roughly 30% repeat year on year

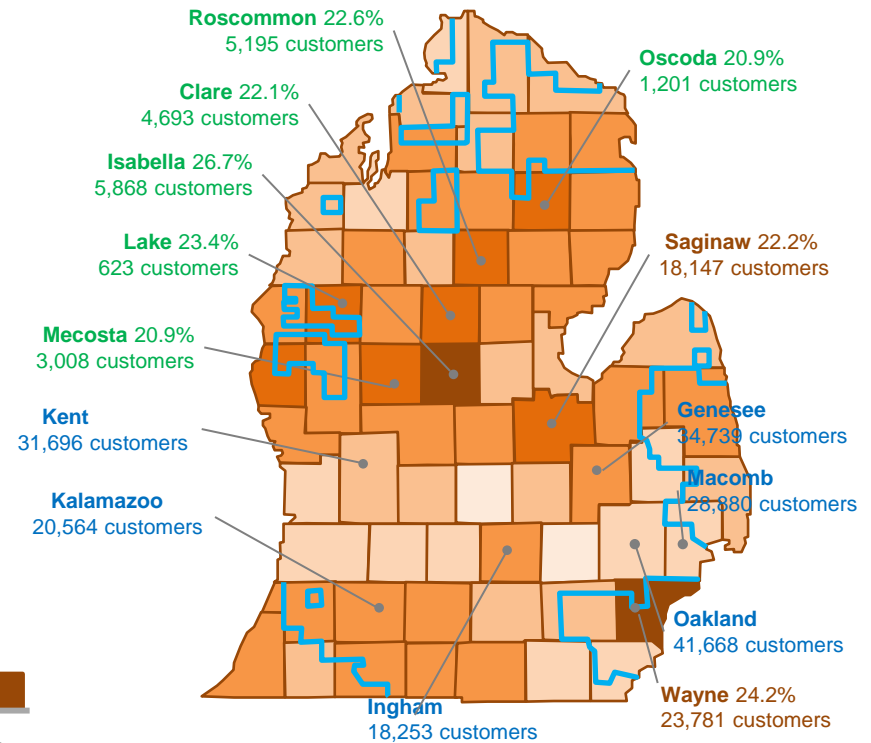
400,000 Consumers Energy customers live in poverty.

# Distribution of Poverty

## Consumers Energy Residential Customers



## Highest Percentage and Concentrations of Low Income Populations below Federal Poverty



**Consumers Energy serves 8 of the 10 most impoverished Michigan counties**

Not just urban.



# Assistance Programs



Emergency, Senior, &  
Income Qualified  
Programs


Call 2-1-1. United Way's Get Help line – the *connector*  
State-managed programs:

- Home Heating Credit (Treasury) - shut-off not required
- State Emergency Relief (DHS) - past-due notice
- Federal and State Earned Income Credits (EITC)


Other-agency programs (MEAP): THAW, Salvation Army, Community Action, **CARE** and others with state grants

Company Programs:

- Shut-Off Protection: Seniors (65+), Winter Protection Plan, Shut-Off Protection Plan, Third-party Notification, Medical Emergency Protection, Active Military Duty
- Rate discounts: Seniors & Income-Qualified
- Income-Qualified Weatherization: Helping Neighbors
- Special programs: PeopleCare, Gatekeeper, Homeless Shelter Discount Program



**GET HELP PAYING  
YOUR ENERGY BILL**



CARING FOR  
THE MICHIGAN  
COMMUNITIES  
WE SERVE.  
THAT'S OUR PROMISE.

Thomas H.  
Principal Field Leader

**ASSISTANCE PROGRAMS  
AND PAYMENT PLANS**  
2013-2014 RESOURCE GUIDE

[ConsumersEnergy.com/assistance](http://ConsumersEnergy.com/assistance)

Caring for the Michigan Communities we serve. That's Our Promise to Michigan.





Collaborative enrollment model  
Statewide service territory  
Meaningful assistance

Since 2013 – currently in our 4<sup>th</sup> program year.  
Funded by State of Michigan grant.  
Eligibility: 150% FPL, no theft/fraud, past due balance, single metered.

October 2016 – September 2017  
16,000 customer enrollments

In collaboration with:



Summary of Provisions:

- 30-50% CARE credit on monthly energy charges
- Arrearage forgiveness as reward for consistent pay
- Free in-home weatherization through *Helping Neighbors* (priority gas and combo customers)
- Assistance agency to support energy account management and other self-sufficiency services

Learn more at: [ConsumersEnergy.com/care](http://ConsumersEnergy.com/care)

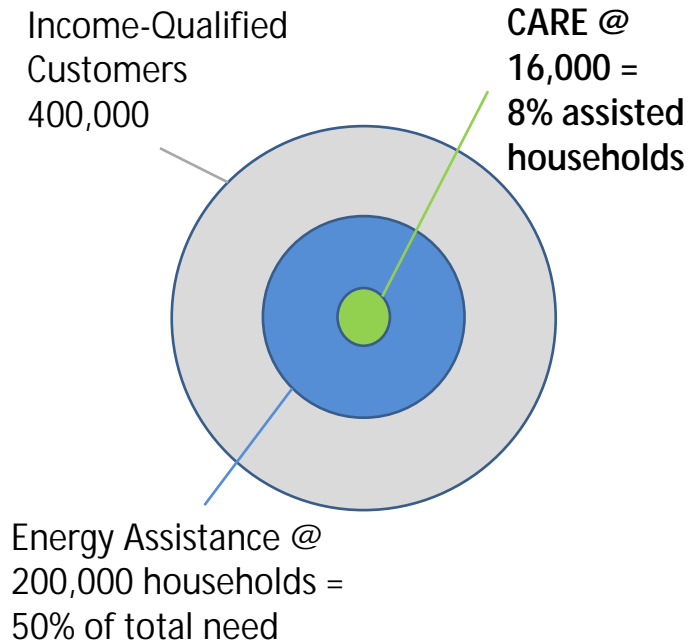
# Where we've come – Successes

- Provides long term, proactive assistance *before* crisis
- Leverages customer accountability, goal setting, and partnership
- Growth from 12K to 21,000 customer program
- At least 10% of participants each year also receive energy efficiency
- Wide-scale company awareness, interest, & employee engagement

**CARE demonstrates highly effective assistance delivery:**

CARE Performance (Oct 2013-Jun 2017)	4-year average	Similar customers on IQ- payment plans
Success rates	84%	3-5%
Disconnection rates	<5%	22%

# Where we've come – Challenges & Opportunities



- Not appropriate to all customers
- Complex intake processes and revalidation requirements
- Competition in the “marketplace” of options
- Competition with agency partners for grants
- Administratively tedious:
  - ü Managing program to budget
  - ü Compliance
  - ü Reporting
- Uncertainty of future funding – LIHEAP
- Integration with new modes of customer communication
- Integration with new metering technology

# Measuring Success

“Energy self-sufficiency” is the goal.

Measuring the success of pilot participants:

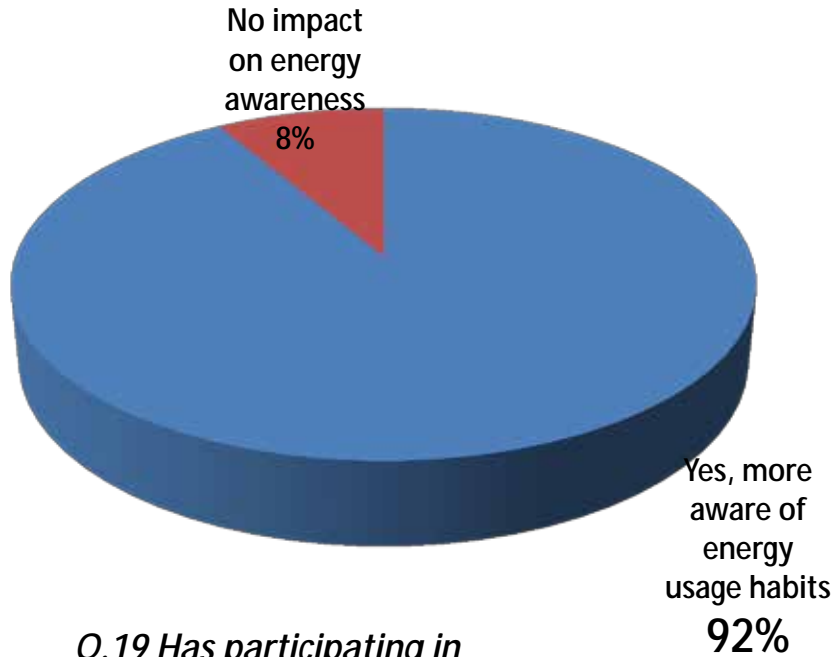
- ü Reduce disconnects
- ü Increase on-time monthly payments
- ü Reduce requests for other energy assistance
- ü Reduce usage (especially for participants in-home weatherization services)
- ü Increase customer satisfaction

From Poverty to Possibility.



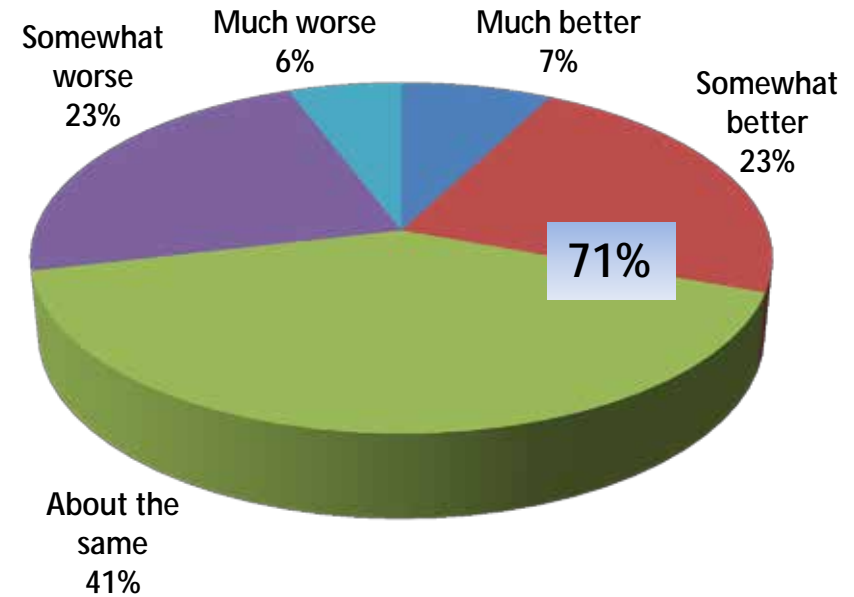
# CARE Program Supports Usage & Financial Awareness

## CARE Program Impact Your Energy Awareness



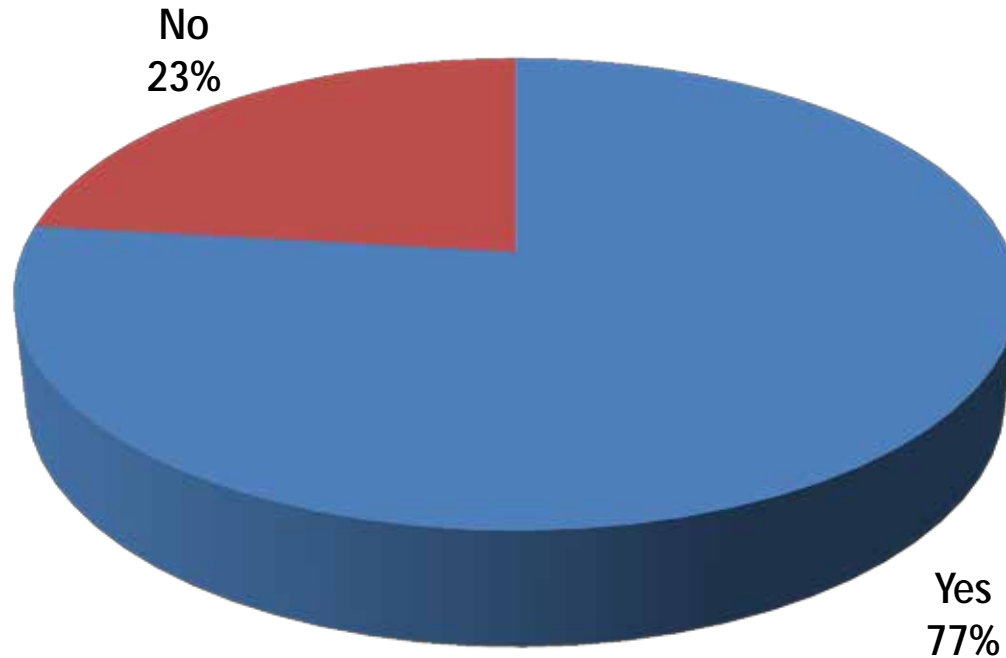
*Q.19 Has participating in the CARE Program made you more aware of how your energy usage habits impact your monthly bill?*

## Household Financial Situation Over Past Year



*Q.20 Compared to one year ago, would you say your household's financial situation is...*

# CARE Program Helps Manage Current Monthly Budget

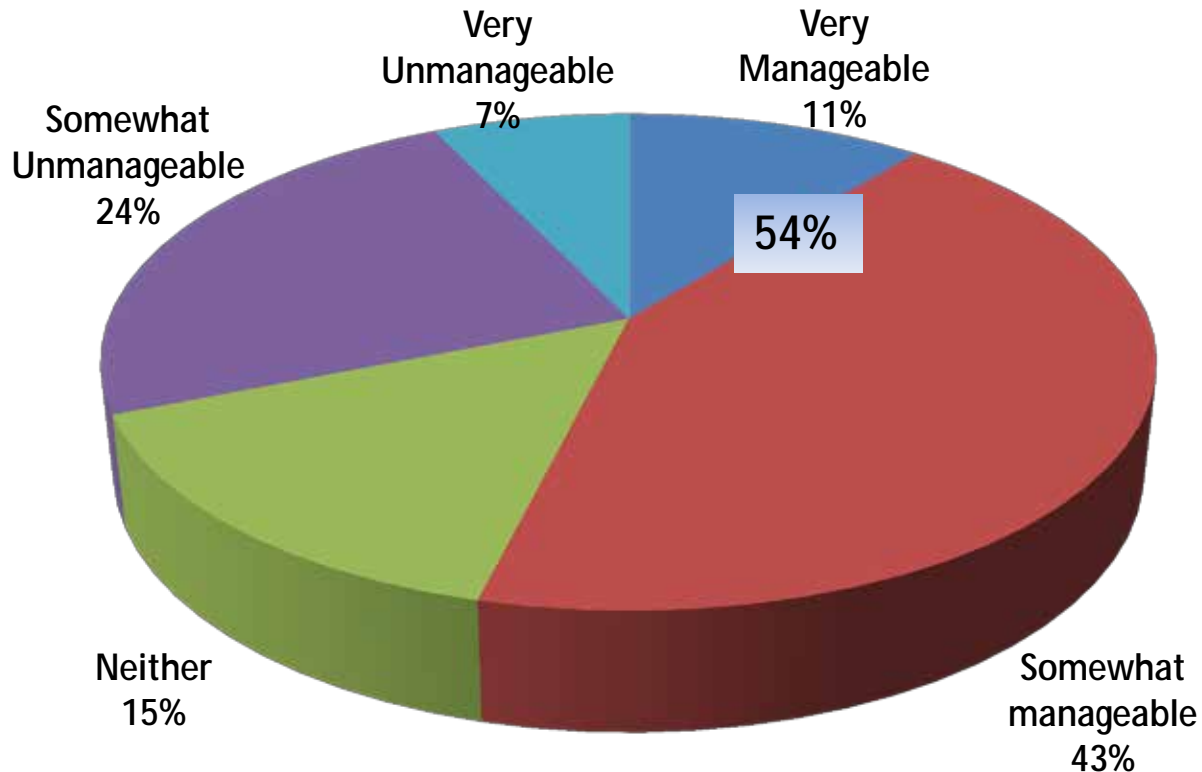


*Q.21 Did your participation in the CARE Program help you identify ways to manage your household's budget?*

**77% of CARE participants say the program helped them manage their current budget**

# CARE Program Helps Manage Future Energy Bills

*Q.22 After graduating from the CARE Program with your past balance fully resolved, how manageable do you think your future energy bills will be for your household? Do you think they will be . . .*



**54% of CARE participants feel future energy bills will be "manageable" going forward**



# Customer Success Stories



Hello,  
My name is [REDACTED] # [REDACTED]  
I WANT TO SAY "Thank You So Much," For  
Allowing me to be on your program. Getting  
\$600 A month From my disability is extremely  
hard to live off of! Yes I do get Food  
STAMPS + go to Food TRUCKS, but it is not enough  
For my Family, now being on your program I can  
get a little more groceries + I am very  
GRATEFUL For this. Life is so hard + you  
have made it a little easier For us.  
Than K you so-so much For the eXTRA  
help you have given us. My Family Thanks  
you And my dog + cats Than K you!  
God Bless You! [REDACTED]

Consumers Energy Angels,

I just can't say enough...  
Thank You.

[REDACTED]

"Now, being on your program, I can get a little more groceries, and I am very grateful for this. Life is so hard and you have made it easier for us."

"CARE came at a time in our lives when we found ourselves in a situation we never expected..."



TO: CONSUMERS ENERGY CARE PROGRAM 09/23/14  
FROM: [REDACTED] ST

WE'RE WRITING AS WE RECEIVED THE APPLICATION FOR THE RENEWAL OF THE ENERGY CARE PROGRAM.

WE WOULD LIKE YOU TO KNOW THAT WE APPRECIATED YOUR ASSISTANCE IN THE INTIAL PROGRAM. IT CAME AT A TIME IN OUR LIVES WHEN WE FOUND OURSELVES IN A SITUATION WE NEVER EXPECTED, WE FEEL THAT WE SHOULD BE ABLE MANAGE IN THE UPCOMING YEAR AND THIS WILL ALLOW ANOTHER FAMILY TO BENEFIT.

THANK YOU AGAIN FOR WHAT YOU'VE DONE AND LET'S HOPE FOR A MILD WINTER!

SINCERELY,

[REDACTED] ST

"We feel that we should be able to manage in the upcoming year, and this will allow another family to benefit."

**“A vision should be judged by the clarity of its values,  
not the clarity of its implementation path.”**

- Donnella Meadows



# THANK YOU!



**Consumers Energy**

*Count on Us*

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VISIT US ONLINE AT:

**[ConsumersEnergy.com/assistance](https://www.consumersenergy.com/assistance)**



ENERGY ASSISTANCE SERVICES  
MICHIGAN

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# THE SALVATION ARMY & AFFORDABLE PAYMENT PLANS

**Darcy Cunningham**

Director of Energy Assistance Services,  
The Salvation Army Michigan

# About The Salvation Army



DOING THE MOST GOOD<sup>®</sup>  
THE SALVATION ARMY WMNI DIVISION

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**Emergency Energy Assistance**  
**Keeps our community warm.**

**Call 1-855-929-1640**  
**if you need help.**

## WELCOME!

The Salvation Army, an international movement, is an evangelical part of the universal Christian church. Its message is based on the Bible. Its ministry is motivated by the love of God. Its mission is to preach the gospel of Jesus Christ and to meet human needs in His name without discrimination.

WE'RE HERE TO HELP

SUPPORT US

VOLUNTEER



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# The Salvation Army & Affordable Payment Plans

- Participated in enrollments on behalf of Consumers Energy (CARE) and DTE Energy (LSP) starting in FY 14
- Piloted Affordable Payment Plan for DTE Energy customers from Salvation Army's MEAP grant FY 16
- Piloted Affordable Payment Plan for Consumers Energy customers from Salvation Army's MEAP grant FY 17



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# Program Details

- How programs work
- Average assistance per customer on REACH or RISE
- Average assistance per customer receiving one time payment assistance
- Average success rate for program year
- Demographics of customers successful on Affordable Payment Plan



# Successes

- Menu of programs to offer to customers
- Customers are able to have a lower energy burden over a period of time
- Strong partnerships with energy companies



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# Challenges

- Administrative burden is high
- Pilot – many details to work through
- “Selling” the program to customers who are used to receiving one-time assistance
- No safety net for customers that are kicked off program



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# Next Steps

- Planning for next year
- Analysis of customers that are successful on program
- Analysis of mechanics of program
- Analysis of outreach efforts



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# Contact

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The Salvation Army-WMNI DHQ

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# Affordable Payment Plan Reporting, Monitoring, and Evaluation

Jamie Curtis – Michigan Agency for Energy

# MEAP Reporting

- Tracking metrics during quarterly reports
  - Qualitative and quantitative
- Average payment amount (assistance)
- Average customer payment amount while on plan?
- Number of households receiving some form of financial education
- Number of households receiving some form of energy education
- Number of households receiving weatherization services
- Number of households with a qualifying TANF member

# MEAP Monitoring

- Ensuring household eligibility
- Verifying expenditures for administrative and program spending
- Monitoring the self-sufficiency services offered
- Verifying payments do not exceed cap assistance amount for household
- Reconciliation between energy supplier invoices, customer accounts, and agency payment records

# MEAP Evaluation

- Still working on evaluation
- Payment patterns
- Demographics of successful participants
- Success metrics



# Looking Ahead

- Clarify outcomes
- Solidify screening mechanism to ensure best fit for those entering payment plans
- Streamline application process
- “Graduation” process
- Review programs in other states for best practices

# Contact Information

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# Questions?

