

## PILOT PROGRAM FOR ELIGIBLE FIXED-INCOME HOUSEHOLDS

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 5217 as introduced**  
**Sponsor: Rep. Helena Scott**  
**Committee: Energy, Communications, and Technology**  
**Complete to 11-7-23**

Analysis available at  
<http://www.legislature.mi.gov>

### SUMMARY:

House Bill 5217 would amend 1939 PA 3, the Michigan Public Service Commission (MPSC) enabling act, to require the development of a pilot program for eligible fixed-income households regarding utility payments and shutoff assistance. The bill would also add eligible person with a disability customers to provisions concerning service rates for different customer classes.

#### Pilot program

The bill would require the MPSC to develop a pilot program as described below. The program would have to be developed in consultation with *utilities*, the state housing development agency,<sup>1</sup> and the Department of Health and Human Services (DHHS). The program would have to be based on recommendations from the low-income workgroup.<sup>2</sup>

*Utility* would not include a municipally owned utility.

The MPSC would have to designate a disadvantaged community<sup>3</sup> to operate the pilot program until June 1, 2025.

The pilot program would have to do all of the following:

- Identify *eligible fixed income households* to opt in to the program.
- Give eligible fixed income households that participate in the program the option to participate in MI-Hope,<sup>4</sup> HEEHRA,<sup>5</sup> and WAP<sup>6</sup> so as to weatherize the household's home and to become a priority in the pilot program.
- Create two groups that will be monitored in the pilot program, as follows:
  - One group that receives emergency shutoff assistance before utility service is shut off.

---

<sup>1</sup> This appears to refer to the Michigan State Housing Development Authority (MSHDA).

<sup>2</sup> This appears to refer to the MPSC Energy Waste Reduction Low Income Workgroup:  
<https://www.michigan.gov/mpsc/commission/workgroups/low-income-workgroup>

<sup>3</sup> This term is not defined in either the bill or the act.

<sup>4</sup> The MI-HOPE (Michigan Housing Opportunities Promoting Energy Efficiency) program:

<https://www.michigan.gov/mshda/neighborhoods/mi-housing-opportunities-promoting-energy-efficiency-program-mi-hope>

<sup>5</sup> The federal High-Efficiency Electric Home Rebate Program:

[https://assets.ctfassets.net/v4qx5q5o44nj/7LiHS6hhVKaIdph8bdVV8b/aec9fc3a35985027af3f97111304db7a/factsheet\\_Electrification\\_Rebates.pdf](https://assets.ctfassets.net/v4qx5q5o44nj/7LiHS6hhVKaIdph8bdVV8b/aec9fc3a35985027af3f97111304db7a/factsheet_Electrification_Rebates.pdf)

<sup>6</sup> The Weatherization Assistance Program: <https://www.michigan.gov/mdhhs/doing-business/weatherization>

- One group that receives a lump-sum payment to be distributed over the year to lower the effective rate per billing cycle.
- When DHHS is contacted by a utility that is about to shut off service to a customer, do either of the following if the customer is enrolled in the program:
  - If the customer is in the emergency shutoff assistance group described above, provide that assistance to the utility.
  - If the customer is in the lump-sum payment group described above, enter into an agreement with the utility to make a lump-sum payment to last [over] 12 months, effectively lowering the rate of pay for the eligible fixed income household.

***Eligible fixed income household*** would mean a utility customer who meets any of the following:

- The customer’s household income does not exceed 150% of the poverty level, as published by the United States Department of Health and Human Services
- The customer receives any of the following:
  - Assistance from a state emergency relief program.
  - Home heating credits.
  - Food stamps.
  - Michigan energy assistance.
  - Medicaid.

A utility would have to contact DHHS before shutting off service to a customer to determine whether the customer is enrolled in the pilot program.

The MPSC would have to provide a report to the legislature at the conclusion of the pilot program.

Eligible person with a disability customers

The act now allows the MPSC to establish eligible low-income customer or eligible senior citizen rates, and it requires a utility to include those proposed rates with its rate increase request, along with a method to allocate the associated revenue shortfall on all customer classes.

The bill would add “eligible person with a disability customer<sup>7</sup> rates” to those provisions.

MCL 460.10t and 460.11

The bill cannot take effect unless House Bills 5216, 5219, 5220, 5221, and 5222, and an unidentified bill currently designated only by its request number, are also enacted.

**FISCAL IMPACT:**

House Bill 5217 would have an indeterminate fiscal impact on the Michigan Public Service Commission and other units of state government. The bill would require the MPSC to consult with utilities, the Michigan State Housing Development Authority, and the Michigan

---

<sup>7</sup> This term is not defined in either the bill or the act.

Department of Health and Human Services to develop a pilot program pertaining to service in fixed income households. Under the bill, the MPSC would also be required to submit a report to the legislature regarding the pilot program. It is unclear whether the MPSC's responsibilities under the bills could be sufficiently absorbed with existing appropriations and resources, or whether additional appropriations would be required to offset the costs. In the event that additional resources were required, the MPSC is financed primarily by public utility assessments levied on the utilities, so any additional incurred costs would likely be factored into the assessment and sufficiently mitigated.

Legislative Analyst: Rick Yuille  
Fiscal Analyst: Marcus Coffin

---

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.