

DTE

**Michigan House Energy,
Communications, and Technology
Committee Hearing**

Energy Assistance Formal Statement

June 14th, 2023

FORMAL STATEMENT

Good morning, Chairwoman Scott, Vice Chair Andrews, Vice Chair Wendzel, and members of the House Energy, Communications, and Technology Committee. My name is Evette Griffie, and I am the Vice President of Customer and Community Engagement at DTE Energy. Thank you for the opportunity to talk about our company's commitment to supporting our most vulnerable customers with energy.

For well over a century, DTE has stood by its unwavering commitment to power homes and businesses with safe, reliable, affordable, and clean energy. Our dedicated team of 10,000 employees works hard every day to deliver on this commitment with an aspiration to be a force for good and prosperity in over 400 communities where we live and serve. Like many of you, it's my dedication to customers and communities that brings me before you.

Today, I will begin by illustrating the makeup of DTE's most vulnerable customer base. Next, I will pivot to outlining our commitment and actions that we've taken to help our income-qualified customers. And finally, I will conclude with how together we can deliver more relief for our customers.

Let me start by setting the stage for what our income-qualified population looks like at DTE. Our service territory includes a diverse set of communities, ranging from bustling urban centers to serene rural farmland, each with different socio-economic backgrounds. As a result, our service territory has a large income-qualified population that requires energy assistance, a reality that was exacerbated by economic instability due to the recent COVID-19 pandemic and inflation.

As of March 2023, DTE has 167,000 customers identified in our billing system with income equal to or less than 200% of the Federal Poverty Level (FPL). However, we know that this is only a fraction of the approximately 600,000 in our service territory who struggle to afford basic necessities. Recognizing this reality, affordability is a priority for us, and we remain deeply committed to providing energy assistance to any customer that needs help.

Transitioning to my second point, I want to highlight how DTE provides support to our most vulnerable customers. We have long recognized the challenges facing income-qualified customers and have committed to collaborative partnerships with state and community agencies such as the Michigan Public Service Commission, Michigan Department of Health and Human Services, United Way, The Heat and Warmth Fund (THAW), and many faith-based and human service organizations to mitigate those challenges. One of our greatest efforts has been leveraging Michigan's Low-Income Home Energy Assistance Program, or more commonly known as LIHEAP. Since its inception in 1981, LIHEAP has served as a lifeline for vulnerable communities, ensuring that families can heat their homes during harsh winters and cool them during hot summers.

To illustrate what we've been able to do with LIHEAP, during the COVID-19 pandemic, the DTE team proactively addressed the surge in energy assistance needs amid growing fears of energy shutoffs and spiraling debt. We knew that a traditional approach to delivering aid would not be enough to meet the unprecedented need. In collaboration with the Michigan Department of Health and Human Services, we took steps to begin leveraging LIHEAP to automatically apply funds to customer accounts that qualified.

This approach was lauded by the White House, holding it up as an example for other energy companies and states to emulate. Just last year, through LIHEAP, we reduced customer debt by \$4.9 million for nearly 10,000 income-qualified households and provided nearly \$25 million in energy assistance.

We also have a wide variety of programs designed to safeguard customers against service interruptions due to missed payments. Our Residential Income Assistance (RIA) and Low-Income Assistance (LIA) programs offer income-qualified customers monthly credits directly applied to their bills. Our Shutoff Protection Plan, Winter Protection Plan, and extreme weather policy provide vulnerable customers year-round protection from service disconnects under various weather scenarios.

In addition, Public Act 615, which created the Michigan Energy Assistance Program, commonly known as MEAP, shifted the energy assistance paradigm to focus on creating a pathway for income-qualified customers to self-sufficiency. This policy paved the way for DTE's version of an affordable payment program, called the Low-Income Self-Sufficiency Program, or LSP, which was created to support vulnerable customers through the application of MEAP. This program allows households to keep up with energy bills through a fixed monthly payment plan based on their income and usage while providing a path to self-sufficiency. The remaining balance of a customer's bill is covered through MEAP funding, creating an affordable way for customers to manage their energy expenditure. Over the past 6 years, we have donated \$50 million to human service agencies to assist customers in paying their past-due energy bills and by enrolling them in LSP. Our LSP program currently reaches, on average, over 27,000 customers in need per year and has demonstrated a high success rate of over 80% of enrollees completing their payment plan cycles and building a pattern of self-reliance.

While we are proud of the work we have done in collaboration with state and community agencies to provide significant relief to so many of our customers, the truth remains that many more are struggling and without intervention will continue to struggle. This brings me to my final point, where I want to touch on how together we can deliver more relief for our customers and your constituents.

For several months now, we have been deeply engaged with policymakers, community leaders, and human service agencies to address this critical issue of energy assistance. Public Act 615 is up for reauthorization this year, and its sunset clause threatens to end its relief prematurely. As I mentioned, we know firsthand that MEAP is an instrumental tool in providing energy assistance to a significant number of customers, and that's why we support Senate Bill 288, which seeks to reauthorize Public Act 615.

However, the need for more energy assistance resources persists, not only for traditionally supported customers but also for the ALICE (Asset Limited, Income Constrained, Employed) population, who earn slightly more than the Federal Poverty Level (FPL) but less than the basic cost of living. This leaves the ALICE population caught in a catch-22 situation.

Take the Pearson family as an example, a family of 4 making slightly over \$52,000 per year that almost equals 200% of the federal poverty level and who personifies the struggles that the ALICE population face. Deborah and Brian, along with their 2 young children, have made Michigan their home. They are proud, hard-working residents, employed in essential yet low-paying jobs. Brian works long hours at a local grocery store, while Deborah is a nurse's aide at a community health clinic. Like many in the ALICE

population, the Pearsons earn just high enough to disqualify them from many assistance programs but not substantial enough to cover the basics of housing, childcare, food, transportation, and healthcare without significant hardship. They face the hard choice between maintaining a warm or cool home for their children and providing meals and essential medicines.

Currently, MEAP assistance is capped at 150% of the FPL, leaving a large portion of the vulnerable ALICE population without resources for energy assistance. That's why we support legislation such as the recently introduced Senate Bill 353. This bill would expand energy assistance eligibility requirements to include customers up to 200% of the FPL and will provide needed assistance to those in the ALICE population. We look forward to having more discussions on the importance of this type of legislation.

While supporting these legislative efforts is vital, we recognize that broader eligibility is one piece of the puzzle. It is equally important to secure increased state funding for energy assistance because, without it, the reach and impact of assistance programs would be limited. We have been collaborating with Senator Santana, Representative Morse, the Michigan Public Service Commission, and the Michigan Department of Health and Human Services to strategically identify opportunities to appropriate funding to support assisting customers who fall within 200% of the FPL. In addition, we know that as eligibility is extended to more customers, it's important that we find ways to streamline the way customers in need receive assistance. Institutionalizing categorical eligibility allows households who already qualify for certain federal or state assistance programs to be automatically eligible for energy assistance, streamlining the way we connect customers with help.

In closing, Madam Chairwoman, DTE is committed to serving our income-qualified customers with the assistance they need, and we have shown this commitment through our work with state and community agencies over the years. However, there are limits to what we can achieve without further assistance. We deeply express our gratitude to Chairwoman Scott, Senator Singh, Senator Klinefelt, Senator Santana, Representative Morse, and this entire legislative committee for your steadfast leadership and commitment to prioritizing energy assistance. DTE stands as a partner and supports Senate Bill 288 and legislation such as Senate Bill 353 – together, we can deliver more support to customers that are in need of energy assistance.

Thank you, Madam Chairwoman and members of the committee. I welcome any questions.