

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1135

A bill to provide energy assistance for low-income households;
and to prescribe certain powers and duties of certain state
departments and agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "Michigan energy assistance act".

3 Sec. 2. As used in this act:

4 (a) "Crisis" means 1 of the following:

5 (i) An individual or recipient has received a past due notice
6 on an energy bill for his or her household.

7 (ii) A residential fuel tank is estimated to contain not more
8 than 25% of its heating fuel capacity.

9 (iii) A stated need for deliverable fuel or a nontraditional

1 fuel source in which there is no meter or regular energy bill
2 provided.

3 (iv) A notice that the balance in a prepayment account is below
4 a minimum amount.

5 (b) "Department" means the department of human services.

6 (c) "Eligible low-income household" means a household with a
7 household income of not more than 150% of the federal poverty
8 guidelines.

9 (d) "Energy assistance" means a program to assist eligible
10 low-income households in meeting their home energy costs for their
11 primary residence through payment or partial payment of bills for 1
12 or more of the following:

13 (i) Electricity.

14 (ii) Natural gas.

15 (iii) Propane.

16 (iv) Heating oil.

17 (v) Any other deliverable fuel used to provide heat.

18 (e) "Federal poverty guidelines" means the poverty guidelines
19 published annually in the federal register by the United States
20 department of health and human services under its authority to
21 revise the poverty line under section 673(2) of subtitle B of title
22 VI of the omnibus budget reconciliation act of 1981, 42 USC 9902.

23 (f) "Funds" means a portion of the money received from the
24 federal low income home energy assistance program block grant that
25 is not used for the home heating credit, money received from the
26 low-income energy assistance fund, or any other money appropriated
27 for this program.

Senate Bill No. 1135 (H-3) as amended December 14, 2012

1 (g) "Program" means the Michigan energy assistance program
2 established in section 3.

3 Sec. 3. (1) [Subject to state appropriations, not] later than
October 1, 2013, the department
4 shall establish and administer the Michigan energy assistance
5 program statewide to provide energy assistance to eligible low-
6 income households.

7 (2) The department may use funds received from a federal
8 energy assistance program and any funds collected or appropriated
9 to fund the program. The department shall distribute the funds
10 described in this subsection for energy assistance and may use a
11 portion of the funds for necessary administrative expenses.
12 Necessary administrative expenses shall be calculated using an
13 established cost allocation methodology.

14 (3) Energy assistance must include services that will enable
15 participants to become or move toward becoming self-sufficient,
16 including assisting participants in paying their energy bills on
17 time, assisting participants in budgeting for and contributing to
18 their ability to provide for energy expenses, and assisting
19 participants in utilizing energy services to optimize on energy
20 efficiency. By October 1, 2014, each entity that carries out a
21 contract with the department under this section shall provide or
22 coordinate these services. The department shall attempt to
23 coordinate its efforts with the efforts of other state departments
24 or agencies to assist low-income households in becoming or moving
25 toward becoming self-sufficient.

26 (4) The department shall develop a simplified, single
27 application for all applicants to use to apply for energy

1 assistance under the program. The single application shall be made
2 available to all entities that contract with the department to
3 provide services under the program.

4 (5) Not later than December 1, 2014, and annually after that,
5 the department shall provide a report to the legislature, the
6 senate and house appropriations subcommittees on the department
7 budget, the senate and house committees on issues relating to
8 energy, and the senate and house fiscal agencies on how money from
9 the program created in this act was distributed.

10 Sec. 4. (1) The department shall only use money from the low-
11 income energy assistance fund for energy assistance.

12 (2) Money from the low-income energy assistance fund may be
13 used for the program's crisis season, which begins on November 1
14 and ends May 31 each year. Not more than 30% of the funds received
15 for the program shall be spent outside of the crisis season.

16 Sec. 5. (1) The department, in consultation with the Michigan
17 public service commission, may contract with different public or
18 private entities or local units of government to provide energy
19 assistance.

20 (2) The department shall include clear performance metrics in
21 any contract with an entity under this section.

22 (3) Except as provided in this subsection, an entity with
23 which the department contracts under subsection (1) shall use not
24 less than 92% of the funds received from the department for energy
25 assistance. An entity with which the department contracts under
26 subsection (1) may, upon approval from the department, use less
27 than 92% but not less than 90% of the funds received for the

1 program for energy assistance.

2 Sec. 6. This act does not apply after September 30, 2016.