

**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.

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

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

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

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

11 (i) Electricity.

12 (ii) Natural gas.

13 (iii) Propane.

14 (iv) Heating oil.

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

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

21 (f) "Funds" means money received from the federal low income
22 home energy assistance program block grant that is not used for the
23 home heating credit, money received from the low-income energy
24 assistance fund created in section 9t of 1939 PA 3, MCL 460.9t, or
25 any other money appropriated for this program.

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

1 Sec. 3. (1) Not later than October 1, 2012, the department
2 shall establish and administer the Michigan energy assistance
3 program statewide to provide energy assistance to eligible low-
4 income households.

5 (2) The department may use funds received from a federal
6 energy assistance program and any funds collected or appropriated
7 to fund the program.

8 (3) The program must include services that will enable
9 participants to become or move toward becoming energy self-
10 sufficient. By October 1, 2014, each entity that carries out a
11 contract with the department under this section shall provide or
12 coordinate these services. The department shall attempt to
13 coordinate efforts to assist in achieving energy self-sufficiency
14 through the program with efforts to assist in achieving self-
15 sufficiency through the department's or other state department's
16 housing assistance program.

17 (4) The department shall develop a simplified, single
18 application for all applicants to use to apply for energy
19 assistance under the program. The single application shall be made
20 available to all entities that contract with the department to
21 provide services under the program.

22 (5) Not later than December 1, 2013, and annually after that,
23 the department shall provide a report to the legislature, the
24 senate and house appropriations subcommittees on the department
25 budget, the senate and house committees on issues relating to
26 energy, and the senate and house fiscal agencies on how money from
27 the program created in this act was distributed.

1 Sec. 4. (1) The department shall only use money from the low-
2 income energy assistance fund created in section 9t of 1939 PA 3,
3 MCL 460.9t, for energy assistance in the program.

4 (2) Money from the low-income energy assistance fund created
5 in section 9t of 1939 PA 3, MCL 460.9t, may be used for the
6 program's crisis season in the Lower Peninsula, which begins on
7 November 1 and ends May 31 each year. The Upper Peninsula does not
8 have a crisis season under the program. Not more than 30% of the
9 funds received for the program shall be spent outside of the crisis
10 season in the Lower Peninsula. The department shall implement the
11 provisions of this subsection and may do so over a 2-year period.

12 Sec. 5. (1) The department, in consultation with the Michigan
13 public service commission, may contract with different public or
14 private entities or local units of government to provide energy
15 assistance to eligible low-income households.

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

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

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