

Legislative Analysis



DHS TO MAKE DIRECT ELECTRONIC PAYMENTS & SHARE INFORMATION WITH HEATING UTILITIES

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House Bill 4649 (Substitute H-1)
Sponsor: Rep. Kenneth Horn

House Bill 4650 (Substitute H-2)
Sponsor: Rep. Dudley Spade
Committee: Energy and Technology

Complete to 3-31-09

A SUMMARY OF HOUSE BILLS 4649 & 4650 AS REPORTED FROM COMMITTEE 3-26-09

The bills would amend the Michigan Low Income Heating Assistance and Shut-off Protection Act in the following ways.

Section 7 of this act currently requires the Department of Human Services (DHS) to make available to *public utilities regulated by the Public Service Commission* information about applicants for, and recipients of, public assistance, subject to state and federal laws and rules on confidentiality. Such information must only be disclosed if necessary and must only be used by the regulated utility to administer a program created by statute or PSC order that is intended to assist applicants for, or recipients of, public assistance in defraying their energy costs.

Among other things, House Bill 4649 would allow the DHS to make this information available to "energy providers." The term "energy providers" is not defined in either bill, but presumably would include electric and natural gas companies whether or not they are regulated by the PSC. For example, this would allow information to be shared with municipal electric utilities which are not regulated by the PSC. (MCL 400.1207)

House Bill 4650 would add a new Section 7a to require DHS to operate an electronic payment process with participating "*energy providers*" no later than April 1, 2010 (or at a time considered possible by the department) to pay the energy bills of low income customers subject to shutoff. To the extent considered appropriate, the department would enter into agreements with "*energy providers*" in which the providers agree to permit the DHS to make direct payments to them on behalf of eligible recipients. The agreement would authorize the "*energy provider*" to provide customer information to DHS. DHS would determine eligible recipients, program requirements, benefit levels, and funding levels. (MCL 400.1207a)

[Note: As noted above, the term "energy providers" is not defined in the bills. Under current Section 5(3), "*provider utility*" means an investor-owned natural gas or electric utility company that provides residential heating utility service to an assisted household.

For other energy providers, the maximum level of benefit provided to their customers will be the same regardless of the type of fuel used by the program participant." The bill does not change the current definition of "provider utility."]

FISCAL IMPACT:

A fiscal analysis is in process.

POSITIONS:

The Public Service Commission testified in support of the entire shutoff protection package of bills. (3-24-09)

The Attorney General indicated support of the entire package. (3-26-09)

The Department of Human Services indicated support of the entire package. (3-26-09)

ACORN (Michigan) indicated support of the entire package. (3-24-09)

The Center for Civil Justice indicated support of the entire package. (3-24-09)

Clean Water Action testified in support of the entire package, and submitted a letter of support dated 3-24-09, but would also like to see shutoff protections during hot summer weather and ban on foreclosures due to non-payment of utility bills. (3-24-09)

Consumers Energy indicated support of the entire package. (3-24-09)

DTE Energy indicated support of the entire package. (3-26-09)

Elder Law of Michigan indicated support of the entire package. (3-24-09)

Indiana Michigan Power indicated support of the entire package. (3-26-09)

Michigan Advocacy project indicated support of the entire package. (3-24-09)

The Michigan Catholic Conference indicated support of the entire package. (3-24-09)

The Michigan Electric Cooperative Association indicated support of the entire package. (3-24-09)

The Michigan Electric and Gas Association indicated support of the entire package. (3-26-09)

Michigan Citizen Action indicated support of the entire package. (3-24-09)

The Michigan Municipal Electric Association testified in support of the entire package. (3-26-09)

SEMCO Energy indicated support of the entire package. (3-26-09)

The AARP opposes House Bill 4390 and House Bill 4392, but is supportive of the rest of the package, including this bill. (3-24-09)

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