



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 1134 (Substitute S-1 as reported)
Senate Bill 1135 (Substitute S-1 as reported)
Sponsor: Senator Mike Nofs (S.B. 1134)
Senator Bruce Caswell (S.B. 1135)
Committee: Energy and Technology

CONTENT

Senate Bill 1134 (S-1) would amend Public Act 3 of 1939, the Public Service Commission (PSC) law, to do the following:

- Create the "Low-Income Energy Assistance Fund" and require the Department of Human Services (DHS) to spend Fund money as provided in the Michigan Energy Assistance Act (proposed by Senate Bill 1135).
- Require the PSC to approve an annual low-income energy assistance funding factor (a surcharge) to be included on an electric customer's bill.
- Require an electric utility or municipally owned or cooperative electric utility that collected the factor to remit the money for deposit into the Fund on a monthly basis.
- Limit the amount of the factor collected each fiscal year to \$60.0 million, minus the amount appropriated from the General Fund for home energy assistance and the amount remaining in the Fund from the previous fiscal year.
- Require each utility annually to give the PSC the number of retail billing meters the utility served in Michigan that were subject to the funding factor, if requested by the PSC.

Senate Bill 1135 (S-1) would create the "Michigan Energy Assistance Act" to do the following:

- Require the DHS, by October 1, 2012, to establish and administer the Michigan Energy Assistance Program for eligible low-income households.
- Require the Program to include services enabling participants to move toward energy self-sufficiency.
- Require the DHS to report annually to the Legislature on how money from the Program was distributed.
- Allow money in the proposed Low-Income Energy Assistance Fund to be used during the Lower Peninsula's crisis season.
- Limit the amount of Program funds spent in the Lower Peninsula outside of the crisis season to 30%.
- Require the DHS to contract with public or private entities or local units of government to provide energy assistance.
- Require a contracting entity to use at least 92%, or, with DHS approval, 90%, of the Program funds it received for energy assistance.

"Eligible low-income household" would mean a household with a household income of not more than 150% of the Federal poverty guidelines.

The proposed Act would not apply after September 30, 2016.

Senate Bill 1134 (S-1) is tie-barred to Senate Bill 1135.

Proposed MCL 460.9t (S.B. 1134)

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

Senate Bill 1134 (S-1) would allow the State to appropriate up to \$60.0 million GF/GP to the Low-Income Energy Assistance Fund. The amount appropriated each year would be subject to variation, however. The DHS could realize some administration expenses in order to implement the Fund differently between the Upper and Lower Peninsulas, as described in Senate Bill 1135 (S-1), but these costs are indeterminate.

The bills would have no impact on local units of government.

Date Completed: 5-31-12

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.