



October 11, 2017

Reaching low-to-middle income customers with cost-effective programs

An innovative approach to customer engagement

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#CREF17

CLEAResult[®]
Energy Forum

About Us

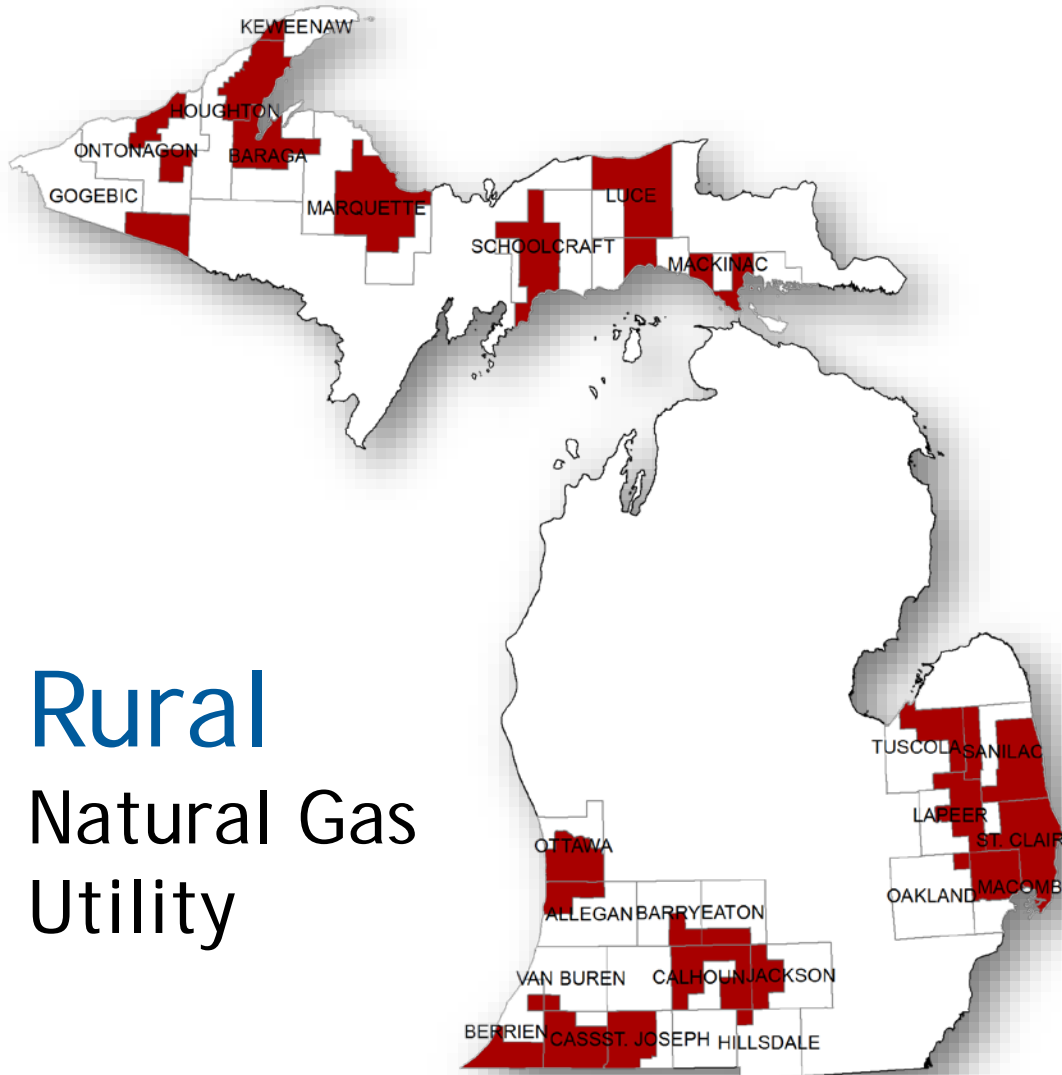
300,000⁺ Residential, Commercial & Industrial Customers

Estimated that 6-7% meet Low-Income qualifications

SEMCO Headquarters
Port Huron, MI

Regulated by the Michigan Public Service Commission

Rural
Natural Gas
Utility



Michigan's Take on Low-Income Programs

Utilities **MUST** have a low-income EE program

- Program size should reflect utility make-up
- 200% Federal Poverty Level or below

Not required to be cost effective

- Minimum spend requirements

Measures should be impactful to the end user

- Not required but highly encouraged

Previous Low-Income Program Design

Multi-Family Housing

Manufactured Homes Initiative

Native American Tribes

Community Action Agencies

Customer Requests

Partnering with Michigan Energy Assistance Program (MEAP) Grantee



**Get Help
With Your
Utility Bills**



What is MEAP?

Funding:

- *State* - Low Income Energy Assistance Fund (LIEAF)
- *Federal* - Low Income Home Energy Assistance Program (LIHEAP)

Objectives:

- *Immediate Crisis Intervention* (30 day relief through full/partial bill pay)
- *Affordable Payment Plans*
- *Provide Crisis Prevention* enable participating customers to become self-sufficient

MEAP Crisis Prevention Defined as:

Enable participants to move toward self-sufficiency by assisting

Paying energy bills on time

Budgeting for energy expenses

Utilizing energy services to optimize energy savings

Energy Waste Reduction Program's (EWR) Role in MEAP

Provide the method in which MEAP achieves participant autonomy

Most applicants

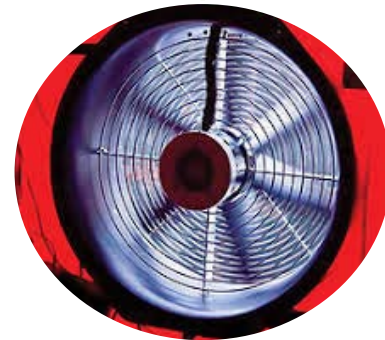
Selected participants



Energy Saving Tips



Assessment



Blower Door/
Duct Testing



Attic
insulation



Air/Duct
Sealing

Benefits to SEMCO's EWR Program

Initial qualifications vetted by MEAP grantee

- Utility customer validation
- Income qualifications

Contact information provided on a pool of 5900 pre-qualified customers

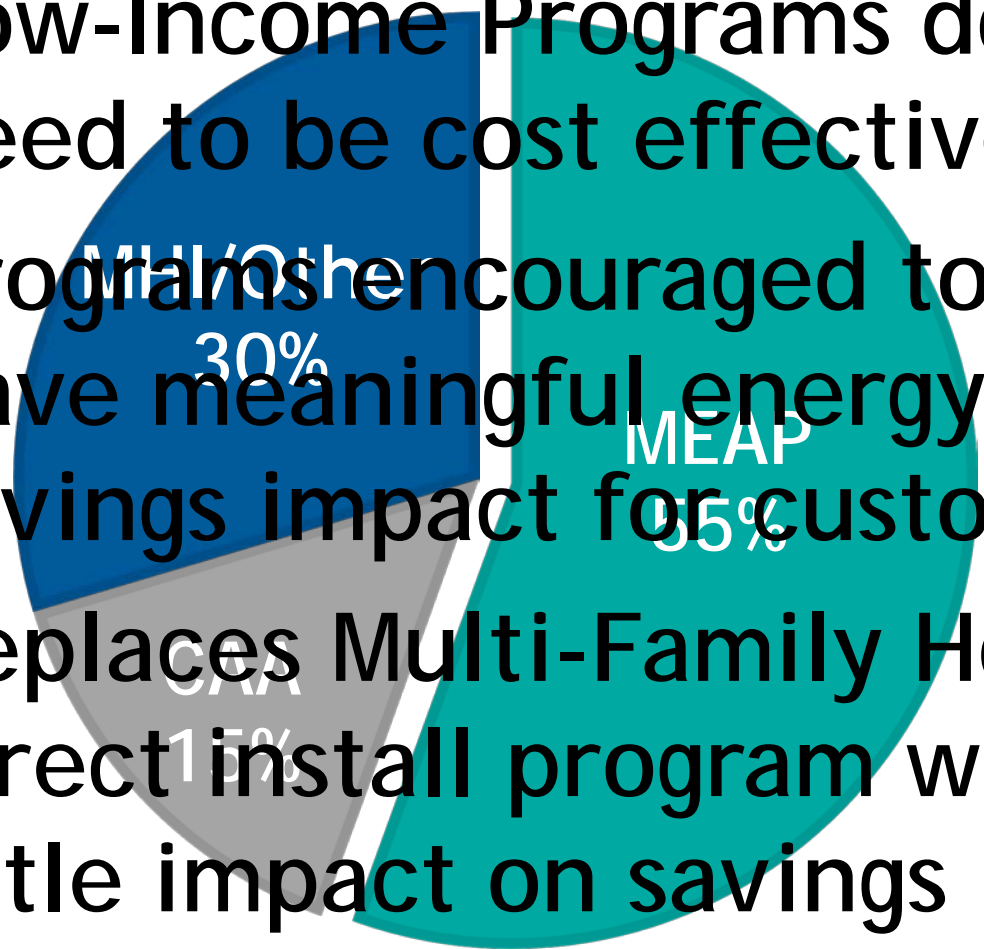
Coordinated outreach events provided face-to-face interaction with hundreds of pre-qualified customers

MEAP grant covered assessments and pre/post testing on 91 homes

EWR Successes

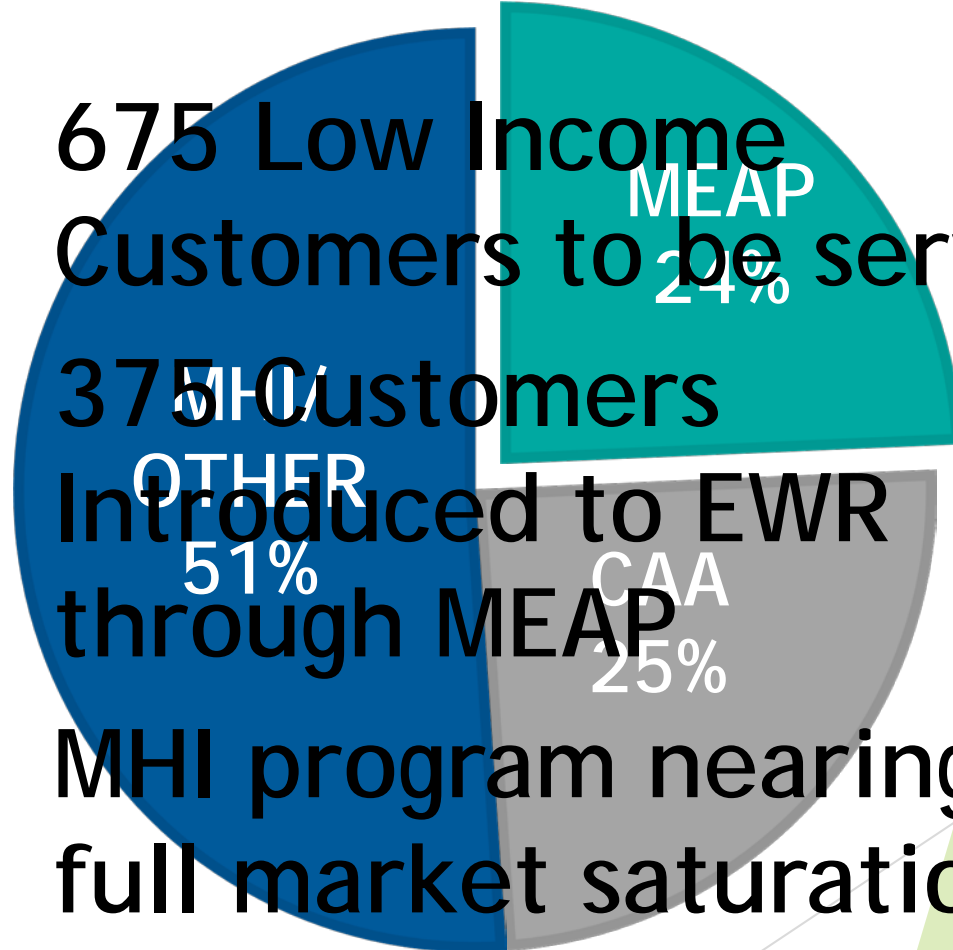
CUSTOMER COUNT

- Low-Income Programs do not need to be cost effective
- Programs encouraged to have meaningful energy savings impact for customers
- Replaces Multi-Family Homes direct install program with little impact on savings



LIFETIME SAVINGS (THERMS)

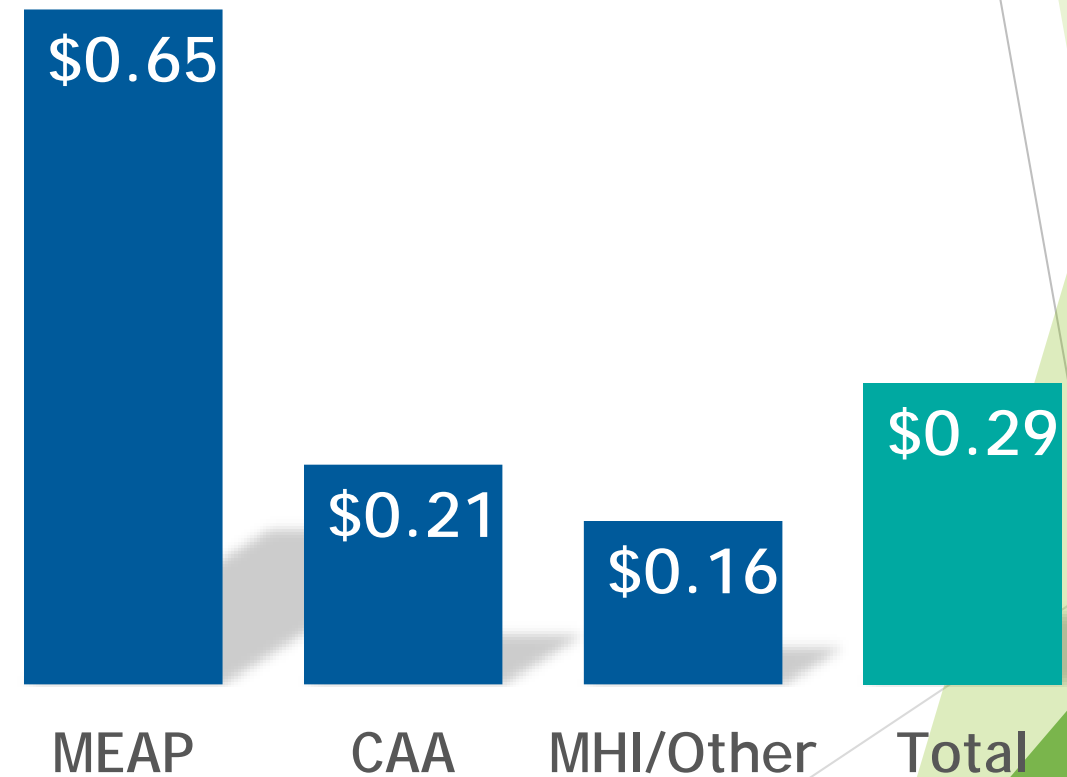
- 675 Low Income Customers to be served
- 375 MHI Customers Introduced to EWR through MEAP
- MHI program nearing full market saturation



EWR Successes

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Cost (\$)/Therm



Challenges Experienced



Poor Conditions Disqualify 58 Homes (13%)

- Asbestos (about 50%)
- Utility shut off (either natural gas or water)
- Hoarding
- Insect Infestation
- Active Police Intervention



More Applicants in Manufactured Homes than Planned

- Contractor availability
- Fiscal year offset = loss to the budget

Lessons Learned

Significant improvements can be made to improve on the opportunity through MEAP

- Shorten the time between customer interaction and in-home assessment
- Improve vetting to include home conditions
- Arrange for contractors to work within the MEAP fiscal year
- Revamp steps to sort customers by need

What's Next?

Federal LIHEAP audit requires changes to MEAP

- Traditionally Utilities were among largest grantees
 - No more utility grantees
 - Significant increases in grant dollars to non-profits
- Non-profits did not have MEAP/EWR collaboration in place
 - No time to adjust program design to accommodate utility programs
 - Possible matching funds in future

Plan to collaborate for 2018 on pre-qualifying customers

- MEAP enrollment events, Utility administrative support
- Working with Non-Profits may create new obstacles

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Thank you

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