



Low-Income Energy Network

Closing the gaps – addressing energy poverty in Ontario

Low-Income Conservation

Needed: Permanent, adequately-funded energy conservation programs for low-income consumers, with targets for the number of homes to be retrofitted annually. Such programs should be available at no cost to eligible participants and be equitably accessible province-wide and be consistent with the principles developed by the LEAP Conservation Working Group.

To achieve deep reductions in energy use, multi-fuel programs should have a wide suite of measures (draftproofing, insulation, heating equipment upgrades) and be tailored to distinct low-income consumer groups: homeowners, tenants in private rental housing, and tenants in social housing.

LIEN is keenly awaiting issuance of a directive by the Minister of Energy and Infrastructure (MEI) and further work by the Ontario Energy Board (OEB) on a Low-Income Energy Assistance Program (LEAP).

Background

Ontario's 759,590 low-income households face financial and other barriers to fully participating in the "culture of conservation". Leadership and strong support from the provincial government are needed to ensure that low-income households can reduce their energy use and contribute to reductions in greenhouse gas emissions

While there has been some movement on conservation programs targeted to low-income consumers, these initiatives have been pilots or involved short-term funding commitments. Future funding allocations beyond 2009/10 for low-income CDM and DSM programs are still to be determined.

The Minister of Energy and Infrastructure advised the OEB of the government's plan to develop a province-wide integrated program for low-income energy consumers. In light of these plans, the Minister requested that the Board defer further work on the LEAP initiative pending a ministerial direction. MEI will build upon the work the OEB has undertaken to date.

There must be clarity about who does what on energy conservation in the province in order to avoid further delays in assisting low-income households, the sector of Ontarians most in need of reducing their energy consumption and costs.

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Rate Affordability

Needed: A permanent *Ontario Home Energy Affordability Program* for low-income consumers.

Background

Current energy bill assistance programs are ill-suited to address permanent and widespread conditions of rising energy prices and income shortfalls. Many of the assistance programs are seasonal, can only be accessed once per eligible household and funds often run out before all demands can be met. Energy poverty is expected to increase dramatically as costs increase and as tenant rents cease to include utilities.

LIEN's proposal for an ***Ontario Home Energy Affordability Program*** has five major components: rate affordability, arrears management, crisis intervention, conservation and demand management, and consumer protections. It advocates that Ontario's low-income consumers should not be paying more than 6% of their total household income on energy. The OEB is the ideal body to design rate affordability programs.

Following the May 16, 2008 Divisional Court decision confirming that the OEB has the jurisdiction to establish a low-income rate assistance program, the Board initiated a consultation process on energy issues relating to low-income consumers, after which it released a report laying out the groundwork for a comprehensive assistance program for low-income energy consumers. LEAP has three components: temporary financial assistance for consumers in need; access to more flexible customer service rules on matters such as bill payment and disconnection notice periods; and targeted conservation and demand management programs, designed to help low-income Ontarians better manage their electricity and natural gas bills.

Updated May 2010