



Protecting low-income energy consumers

LIEN Annual Conference

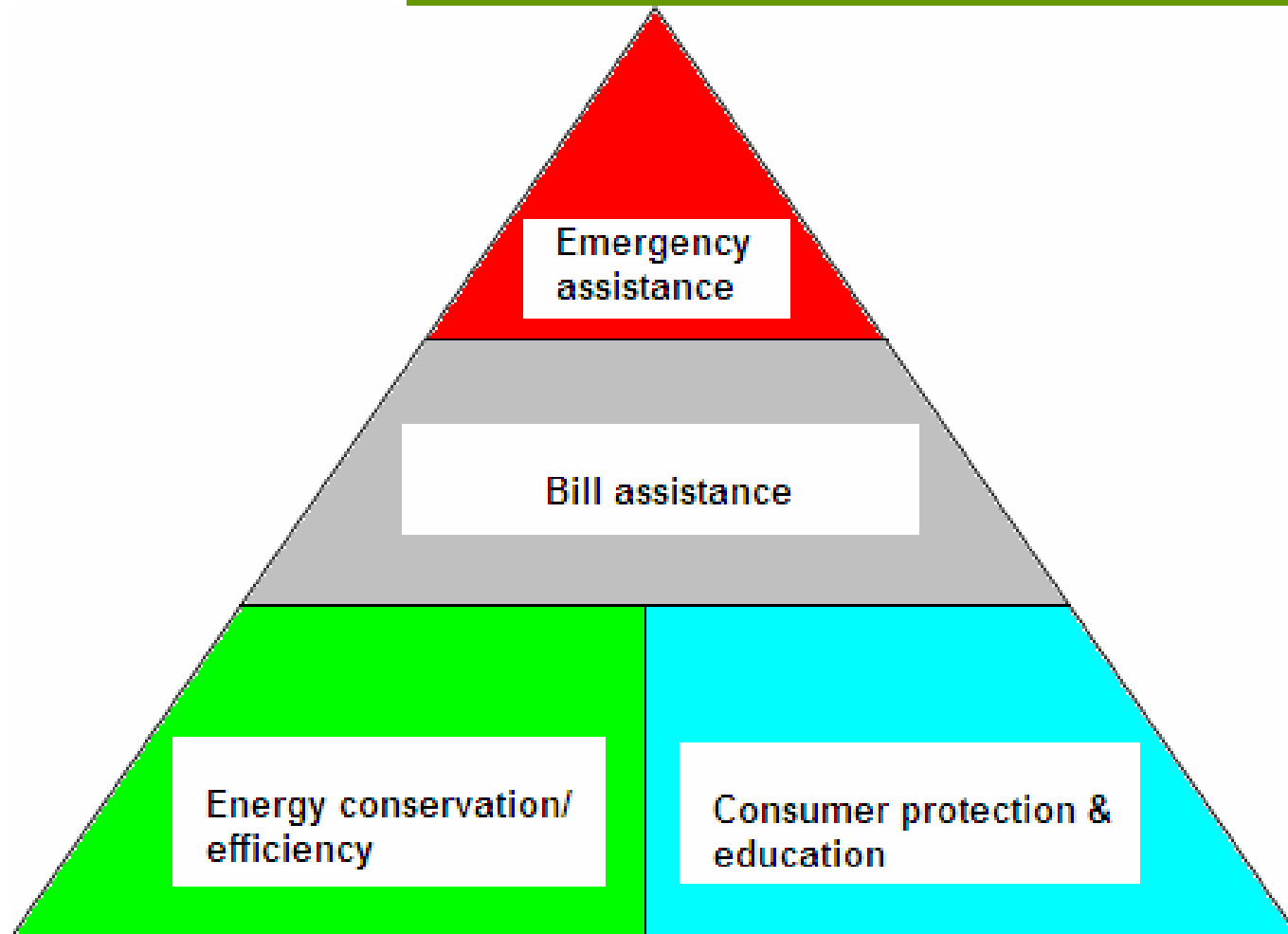
May 26, 2010

Oakham House, Toronto

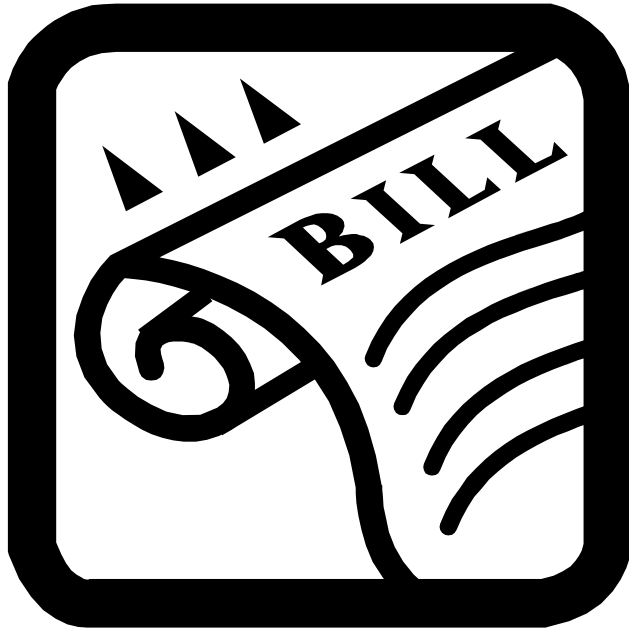
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Advocacy Centre for Tenants Ontario

LIEN's approach to low-income energy conservation & assistance



Energy and the Cost of Housing



- ◆ Rising utility costs affect housing affordability for low-income people
- ◆ Equitable access to utility service
 - Disproportionate impact on poor of policies that are uniformly implemented on all customers



Energy costs and access to energy affected by....

- ◆ **Conditions of service:** security deposits, late payment fees, disconnection and reconnection fees, arrears repayment plans, equal billing, pick-a-date payment options
- ◆ Energy retail contracts
- ◆ Suite metering in multi-residential rental sector

OEB, Distribution System Code and Conditions of Service

Each electricity distributor required by DSC to have Conditions of Service document – establishes standard level of service

ACTO – and LIEN - participate in OEB proceedings:

- ◆ Consumer security deposit policies (2002)
- ◆ Unpaid electricity charges (2004)
- ◆ Avoiding disconnections working group (2005)



OEB's LEAP

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**
- ◆ targeted conservation and demand management programs (CDM/DSM)

OEB's LEAP – Customer service rules

Three packages of amendments to Codes

- ◆ March 10, 2009; October 1, 2009; March 12, 2010
- ◆ specific rules for “eligible low income electricity customer”
- ◆ No security deposit if receiving assistance - or instalment payments over at least 12 months

OEB's LEAP – Customer service rules

- ◆ No late payment fees if receiving assistance
- ◆ Arrears management program over period of at least five months or 10 months – depending on amount owing
- ◆ Payment options – equal billing
- ◆ Timing and notices for disconnection
- ◆ LIEN recommended winter disconnection moratorium (November 1st to May 1st)

OEB's LEAP – Customer service rules

October 1, 2009 proposed amendments removed low-income specific rules because of Minister's request to halt LEAP

- ◆ No low-income waiver for security deposits or late payment fees
- ◆ Deposits to be paid in instalment payments over at least six months (previously 4 months)



Bill 235, Energy Consumer Protection Act, 2009

- ◆ Suite metering
- ◆ Energy retailing
- ◆ **Deposits and disconnections**



Bill 235, Energy Consumer Protection Act, 2009

Customer service provisions

- ◆ Exemptions for termination of electricity or natural gas service – to be used for disconnection moratorium?
- ◆ Regulation of collection of security deposits by gas and electricity distributors



Who's calling for suite metering in multi-residential rental sector?

Ontario government

- reduce electricity peak demand
- allow tenants to share in benefits of energy savings
- promote "culture of conservation" among all energy consumers and establish Smart Grid system

Landlords

- want to transfer in-suite utility costs directly to tenants, argue that tenants and the environment will benefit

Suppliers

- Smart meter/sub-metering providers see business opportunity in multi-residential rental sector

Tenants and suite metering - split incentive

- ◆ landlords want to minimize costs and make a profit; tenants seek safe, comfortable, affordable home and predictable monthly rent
- ◆ tenants don't have authority to invest/retrofit – or financial resources
- ◆ Electricity sub-metering shifts financial incentive to provide and maintain an energy-efficient building & appliances for tenants – could undermine conservation efforts



OEB and electricity sub-metering

Enforcement of prohibition on discretionary metering in *Electricity Act, 1998*

- ◆ OEB issued compliance bulletin on March 24, 2009 halting installation, removal and use of electricity sub-meters

Authorization of discretionary metering

- ◆ ACTO and LIEN participate in OEB written hearing initiated May 5, 2009; Order and decision released August 13, 2009

OEB and electricity sub-metering

Authorization of discretionary metering

- ◆ OEB validates concerns raised by ACTO and LIEN – agree that voluntary, informed tenant consent required
- ◆ Board rules landlord-initiated sub-metering on or after November 3, 2005 is unauthorized – sets conditions to transfer electricity service to tenants
- ◆ Energy audits of buildings, how rent reductions calculated, disclosure of all costs associated with electricity usage



Bill 235, Energy Consumer Protection Act, 2009

OEB authorization of discretionary metering

- ◆ “Transitional & interim Order” – Board states best mechanism for authorizing sub-metering is provincial legislation
- ◆ Bill 235 introduced December 8, 2009; Royal Assent May 18, 2010



Bill 235, Energy Consumer Protection Act, 2009

- ◆ **Suite metering**
- ◆ **Energy retailing**
- ◆ **Deposits and disconnections**



Bill 235, Energy Consumer Protection Act, 2009



Suite metering provisions

- ◆ sets out the government's framework for the suite metering of electricity service in multi-residential buildings (rental and condo)
- ◆ the intent is to have more consistency between suite meter providers and LDCs
- ◆ repeals and replaces the current RTA s. 137

Bill 235, *Energy Consumer Protection Act, 2009*

Suite metering highlights

- ◆ Suite metering will be voluntary in existing buildings, mandatory in new buildings
- ◆ Landlord must obtain consent of **sitting tenant** in order to transfer electricity costs after suite metering is installed
- ◆ Sitting and prospective tenants given prescribed information



Bill 235, *Energy Consumer Protection Act, 2009*

Suite metering highlights

- ◆ Rent reductions if tenant agrees to suite metering – tenants may ask the landlord to adjust the rent reduction
- ◆ Landlords required to meet energy efficiency standards for appliances and suites - additional conditions for electrically-heated buildings
- ◆ Rules paralleling LDCs on fees, licensing, security deposits and disconnections



Bill 235, *Energy Consumer Protection Act, 2009*

EBR registry posting - LIEN

MMAH consultation paper - ACTO

- ◆ Suite metering regulations under ECPA and RTA
- ◆ Two stakeholder meetings – private rental and social housing sectors
- ◆ Implementation – January 2011?

Going forward with electricity suite metering?



LIEN has highlighted concerns about suite metering as a flawed energy conservation strategy

ACTO calling for thorough review of whether suite metering is the most effective and fair way to reduce energy use in rental sector

Going forward with electricity suite metering?



If government still wants to proceed
- two crucial programs for low-income tenants

1. Low-income energy rate affordability program (not just emergency energy assistance)
2. Low-income conservation programs for multi-residential sector (to reduce impact of AGIs for retrofits)



Bill 235, Energy Consumer Protection Act, 2009

- ◆ Suite metering
- ◆ **Energy retailing**
- ◆ Deposits and disconnections



Bill 235, Energy Consumer Protection Act, 2009

Energy retailing provisions

- ◆ Addresses unfair and misleading practises
- ◆ Additional opportunity to cancel contract – 30 days after receipt of first bill



Bill 235, Energy Consumer Protection Act, 2009

Energy retailing provisions

- ◆ Minister may issue directive to OEB to set conditions for “vulnerable consumers”
- ◆ LIEN has recommended no penalty fee for low-income consumers to cancel contracts