



LOW-INCOME ENERGY NETWORK

Affordable energy programs for Ontario's low-income consumers

LIEN annual conference

May 4, 2018

LIEN is a project funded by Legal Aid Ontario
and supported by ACTO & CELA

Presentation overview

- ◆ Energy costs and low-income consumers
- ◆ How LIEN got its start
- ◆ LIEN's "pyramid" to address energy poverty
- ◆ Moving from reactive to proactive policies and programs
- ◆ Outcomes for low-income consumers

Help for low-income energy consumers

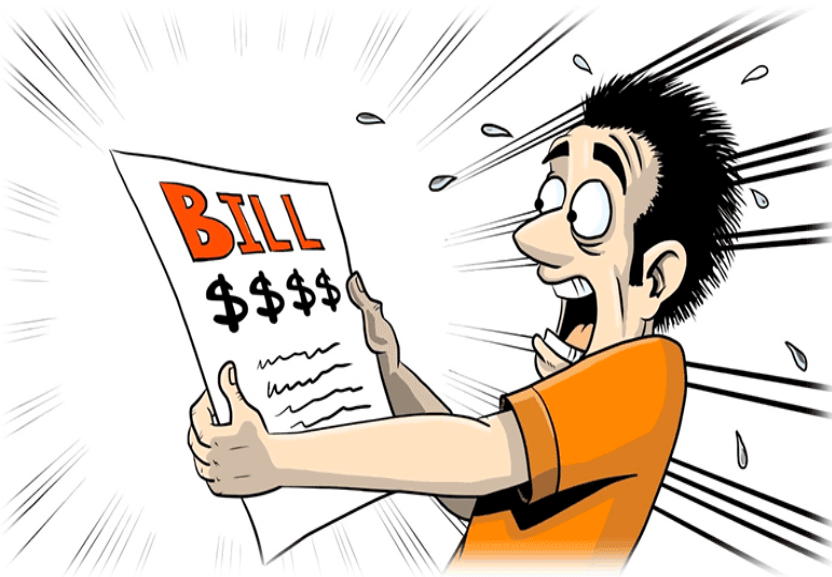
As a result of LIEN's advocacy work, we have:

- Low-income Energy Assistance Program (LEAP)
Emergency Financial Assistance (EFA)
- Specific low-income customer service rules
- Energy conservation and efficiency programs for electricity and natural gas customers
- Ontario Electricity Support Program (OESP)

Legal clinic clients and energy poverty

- ◆ Clients facing utility service disconnection
- ◆ Inadequate emergency energy financial assistance
- ◆ Barriers to accessing utility service (security deposits, minimum fuel oil deliveries)
- ◆ Lack of funds for energy conservation retrofits
- ◆ Landlords installing electricity sub-meters

Energy and the Cost of Housing



- ◆ Rising utility costs have a disproportionate impact on low-income consumers
- ◆ Erodes housing affordability and ability to pay for other daily necessities such as food, clothing, medicine and transportation

Low-income energy burden



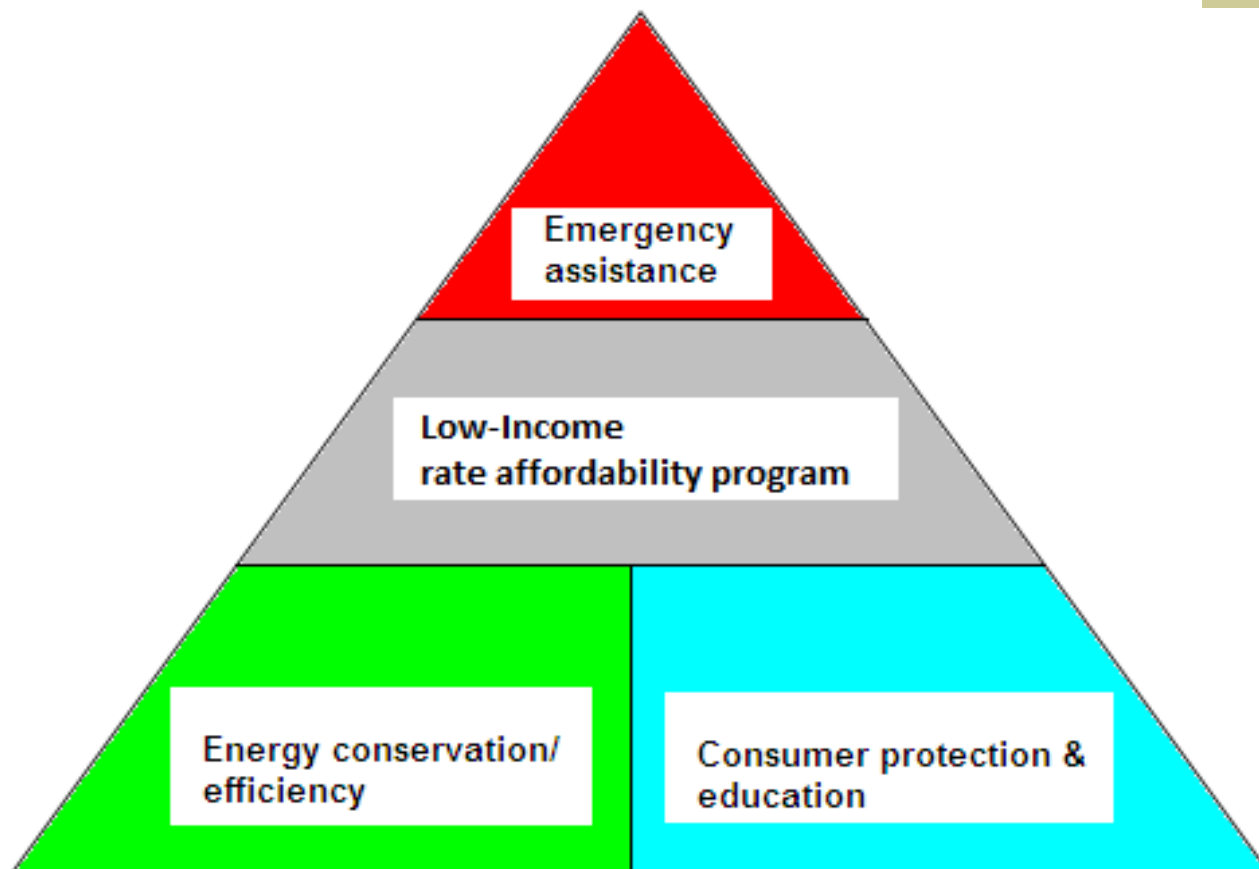
- ◆ Energy burden refers to the amount of household income spent on energy
- ◆ LIEN's position is that **6%** is an affordable burden

2004 - LIEN gets its start



- ◆ First meeting on March 10th of what becomes the Low-Income Energy Network
 - **CELA, Share the Warmth, ACTO, ISAC, CSPC-Toronto, TDRC and TEA** (interim steering committee members)
- ◆ Environmental, anti-poverty and affordable housing advocacy groups already working independently on energy issues (e.g. ACTO & CELA at OEB)
- ◆ Realization of the need to work together and develop a shared response to energy crisis

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



Ontario Home Energy Affordability Program

- ◆ May 1st, 2006 – LIEN releases proposal for ratepayer-funded *Ontario Home Energy Affordability Program*, with 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.

OEB & low-income rate assistance

- ◆ **Ontario Home Energy Affordability Program** – LIEN tried to make it an issue in Union Gas and Enbridge Gas 2007 rates hearings at the OEB
- ◆ **April 26, 2007 OEB decision – no jurisdiction to set affordable rates for low-income consumers**
-strong dissent decision by OEB Vice-Chair

Response:

- ◆ LIEN appealed decision to Divisional Court, and on **May 16, 2008, Divisional Court issues decision in favour of LIEN** - declares that OEB has jurisdiction to establish a rate affordability assistance program

OEB & consultation on low-income energy consumer issues

July 2, 2008 – OEB announces consultation to examine energy issues associated with low-income consumers

OEB holds 4-day stakeholder conference in Sept

- ◆ Presentations on issues such as rate assistance, arrears management, disconnection protocols, service charges, energy retailing, smart sub-metering

March 10, 2009 – OEB issues LEAP report

- ◆ Dismissed rate affordability program, but recognized energy poverty as a significant problem needing a comprehensive and province-wide approach!

OEB's LEAP announcement

Low-Income Energy Assistance Program:

- ◆ emergency **financial assistance** for consumers in need
- ◆ access to more flexible **customer service rules** on matters such as arrears payment plans, disconnection notice periods, and security deposit waivers
- ◆ targeted energy **conservation** and efficiency programs to reduce consumption & costs

Emergency Assistance

- ◆ One-time \$2 million provincial **Emergency Energy Fund** (EEF) announced in March 2004 – then annualized in 2005 at \$2.1 million
- ◆ January 1, 2011 - **LEAP Emergency Financial Assistance** (EFA) grant fund for low-income electricity and natural gas consumers in place
- ◆ January 1, 2013 – Provincial Emergency Energy Fund consolidated into CHPI (**Community Homelessness Prevention Initiative**)

SSA intervention - Client #1

- ◆ Single parent with one child
- ◆ CPP-D, topped up with ODSP
- ◆ Low-rise rental apt, heated with electricity; unable to access equal billing
- ◆ \$600 LEAP EFA grant; \$250 from CHPI
- ◆ OESP eligible; equal billing approved – account sustainable

Energy conservation and efficiency programs



- ◆ Lower energy bills
- ◆ Contribute to a healthier environment; less pollution
- ◆ Improved health
- ◆ Increased comfort
- ◆ Avoid cost of new generating plants

Culture of Conservation

- ◆ CELA & TEA prepare report for Energy Minister with key recommendations for low-income energy conservation and assistance
- ◆ Energy Minister requests LDCs to develop and deliver electricity CDM programs
- ◆ LIEN develops a low-income energy efficiency program piloted by Brantford Hydro (\$100,000/100 homes)
- ◆ OEB's 2006 DSM generic hearing – Union Gas & Enbridge to spend 14% of residential DSM budgets on low-income programs (2007-09); then extended to 2011

Energy conservation/efficiency

- ◆ March 25, 2007 – launch of OPA/GCC pilot low-income **Energy Efficiency for Houses** pilot (2200 homes, \$2.3 million funding)
- ◆ July 5, 2010 – Energy Minister directs OPA to roll out electricity CDM program targeted specifically for low-income consumers
- ◆ Summer 2011 – launch of OPA's **saveONenergy HOME ASSISTANCE PROGRAM** (HAP) for low-income consumers

Energy conservation/efficiency

- ◆ Conservation First Framework - electricity LDCs' to submit **six-year CDM plans** (2015-20) - include programs for low-income customer segment
- ◆ New natural gas DSM framework (2015-2020) released December 2014; OEB hearing – approval of gas companies **six-year DSM plans** (2015-2020) including low-income programs
- ◆ LIEN urges delivery coordination of low-income DSM and CDM programs (less disruptive, more measures)

Energy conservation and low-income consumers

- ◆ IESO's 2015 & 2016 results report on LDCs' **six-year CDM plans** (2015-2020)
 - budgets and energy savings targets are far lower than those for HAP in the LDCs' CDM plans under the 2011-2014/15 framework
 - inequitable access to retrofits to help reduce electricity consumption and costs – and maximize OESP impact
 - August 4, 2017 - Ministerial Directive gives the IESO the responsibility to design, fund and deliver low-income HAP province-wide

SSA intervention - Client #2

- ◆ Two parents with three children
- ◆ One parent working; other parent on EI for past 3 months
- ◆ Unable to keep up with natural gas bills – facing disconnection (detached home)
- ◆ 21 day hold on disconnection
- ◆ \$500 LEAP EFA grant approved

SSA intervention - Client #2

- ◆ Still \$485 outstanding arrears; 10 month arrears repayment arrangement - \$49 monthly
- ◆ Applied to OESP; now receiving \$63 monthly bill credit
- ◆ Equal billing arranged – account is sustainable

Targeted customer service rules for low-income consumers

- ◆ October 1, 2011 – LEAP low-income electricity consumer service rules come into effect
- ◆ January 1, 2013 – low-income gas consumer customer service rules come into effect
- ◆ March 15, 2013 – low-income electricity customer service rules for suite metered tenants come into effect

Customer Services Rules for Low-Income Consumers

If an applicant **qualifies** for **LEAP** emergency financial assistance, they **automatically** qualify for ALL low-income customer service rules

The applicant must contact their utility to access low-income customer service rules and must be assessed as low-income by Social Service Agencies

Customer Service Rules [Electricity]

- Waiving and refunding security deposits
- Equal billing or equal payment plan options
- 21-day suspension of disconnection process
- Extended arrears payment agreements
- Waiving of non-payment service charges e.g. collection, disconnection, load control devices

Customer Service policies [Gas]

- Gas distributors must also offer customer service rules that are similar to the ones provided by electricity distributors, but less prescriptive
- These are found under their Conditions of Service and are unique to each distributor

[LIEN participating in OEB's current review of electricity and natural gas customer service policies; winter moratorium on electricity disconnections from Nov. 15 to Apr. 30]

SSA intervention - Client #3

- ◆ Single parent with two children, one disabled
- ◆ Working, low-income homeowner
- ◆ Facing electricity disconnection – secured 21-day hold while addressing arrears
- ◆ LEAP EFA grant covered outstanding arrears

SSA intervention - Client #3

- ◆ Home in need of repairs – not heating with electricity, but daily electricity and gas usage very high
- ◆ Referred to both saveONenergy HAP and natural gas Weatherization Program
- ◆ Home energy audit and assessment done to identify measures to be installed

SSA intervention - Client #3

- ◆ Basement and attic insulation was installed; new programmable thermostat; energy efficient shower head from gas program
- ◆ Energy efficient light bulbs, weather stripping and faucet aerator
- ◆ Result – reduced consumption & costs

LIEN renews call for a permanent low-income electricity rate affordability program

◆ Why?

- Not addressed through LEAP
- Electricity prices expected to increase
- Benefits to both the consumer and the utility
- Energy assistance funds insufficient
- Proactive rather than reactive approach

◆ How?

- Cost estimate developed by LIEN consultant
- Meetings with Energy Minister and staff

Announcement of a low-income electricity rate affordability program

Ontario Electricity Support Program (OESP)

- Announced by Energy Minister on April 23, 2014
- Requested OEB to report on options for ratepayer-funded program by Dec. 1, 2014
- LIEN participated in OEB stakeholder consultations – oral and written submissions - recommended a percentage-of-income fixed credit to directly address affordability gap
- Final decision on OESP design announced on March 26, 2015

Ontario Electric Support Program (OESP)

- ◆ Started January 1, 2016
- ◆ Fixed credit based on income and household size - delivered as a reduction on qualifying customers' bills
- ◆ Eligibility at or below 100% LIM-AT
- ◆ By application – re-qualify every 2 years (or 5 years)
- ◆ Enhanced benefit for those dependent on specific medical equipment requiring electricity; First Nations and Métis communities

Fair Hydro Plan

Announced March 2, 2017

- ◆ **Helping Vulnerable Consumers**
- Broadening Rural or Remote Electricity Rate Protection (RRRP)
- Enhancing the Ontario Electricity Support Program (OESP)
- Eliminating First Nations On-Reserve Delivery Credit
- Establishing an Affordability Fund

SSA intervention - Client #4

- ◆ Single senior, newly retired
- ◆ Reduced annual income (CPP/OAS)
- ◆ Renting apartment heated with electricity, facing disconnection
- ◆ 21 day pause in disconnection process
- ◆ LEAP EFA grant to cover arrears

SSA intervention - Client #4

- ◆ OESP application; receiving \$68 enhanced monthly on-bill credit toward monthly equal payment of \$77
- ◆ Budgeting counselling to manage on a fixed income

Holistic approach to ending poverty: from vision to reality

