



LOW-INCOME ENERGY NETWORK



"Out of the Red: Emergency Energy Financial Assistance"

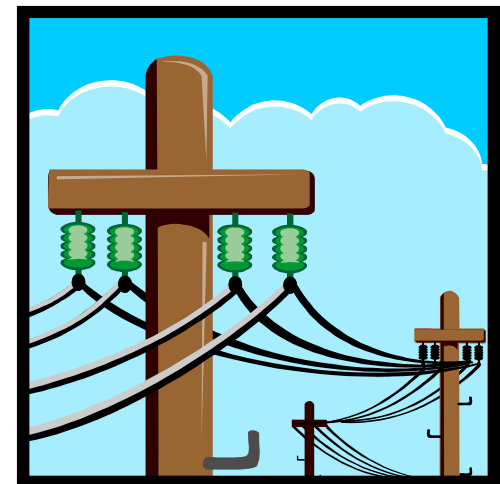
Jennifer Lopinski, *A Place Called Home*

Debra Johnston, *Salvation Army Centre of Hope*

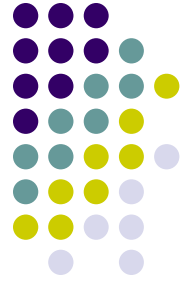
Universal Access to Energy



- Electricity and heat are basic necessities and universal, non-discriminatory access to these services must be ensured for all Ontarians, including low-income consumers.
- Low-income residential consumers face a disproportionate energy burden.
- Low-income consumers face barriers to taking full advantage of energy conservation possibilities.



Rising Energy Prices



- The Ontario Energy Board has just approved an increase to electricity prices
- The new rates are:

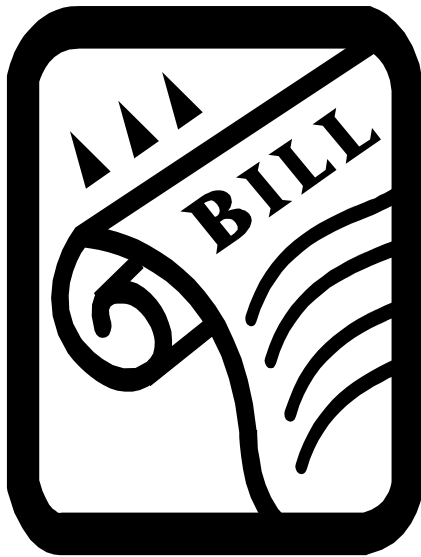
\$0.065 per kwh for the first 600 kwh to 1000 kwh

Over 1000 kwh = \$.075 kwh

Time of Use rates have also been increased to reflect the increase in energy prices.



Rising Energy Prices and Low-Income Consumers



- Low-income households are particularly vulnerable to increases in shelter and utility costs - put housing in jeopardy.
- Reductions in energy use may be at the expense of health, and socially acceptable standards of living.

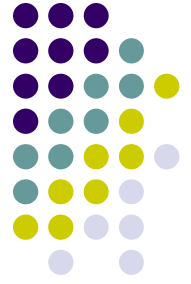
Rising Energy Prices and Low-Income Consumers



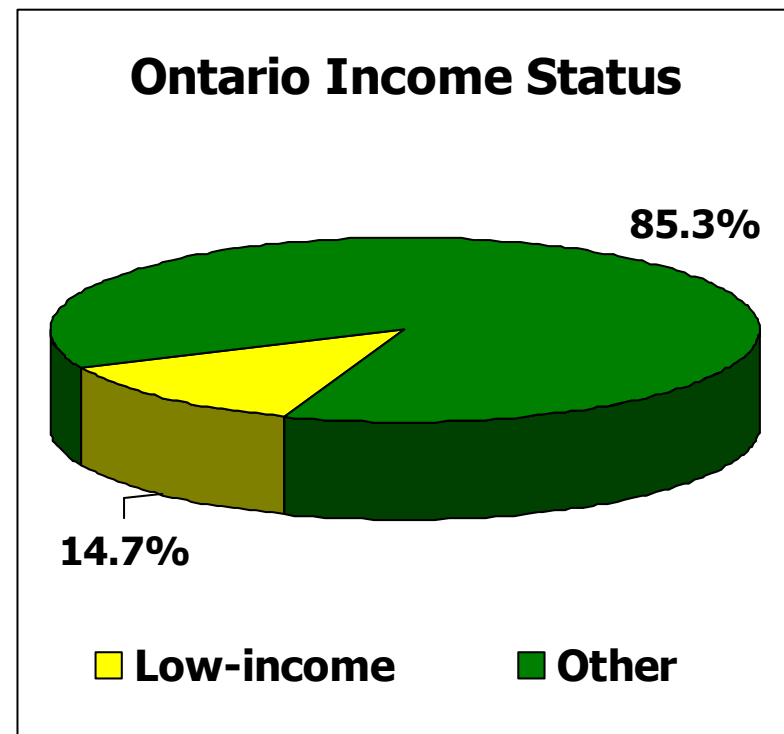
- Heating, eating or paying the rent will be a choice faced by many.
- High energy costs are a leading reason for economic evictions in Ontario, right after unaffordable rents.



Poverty

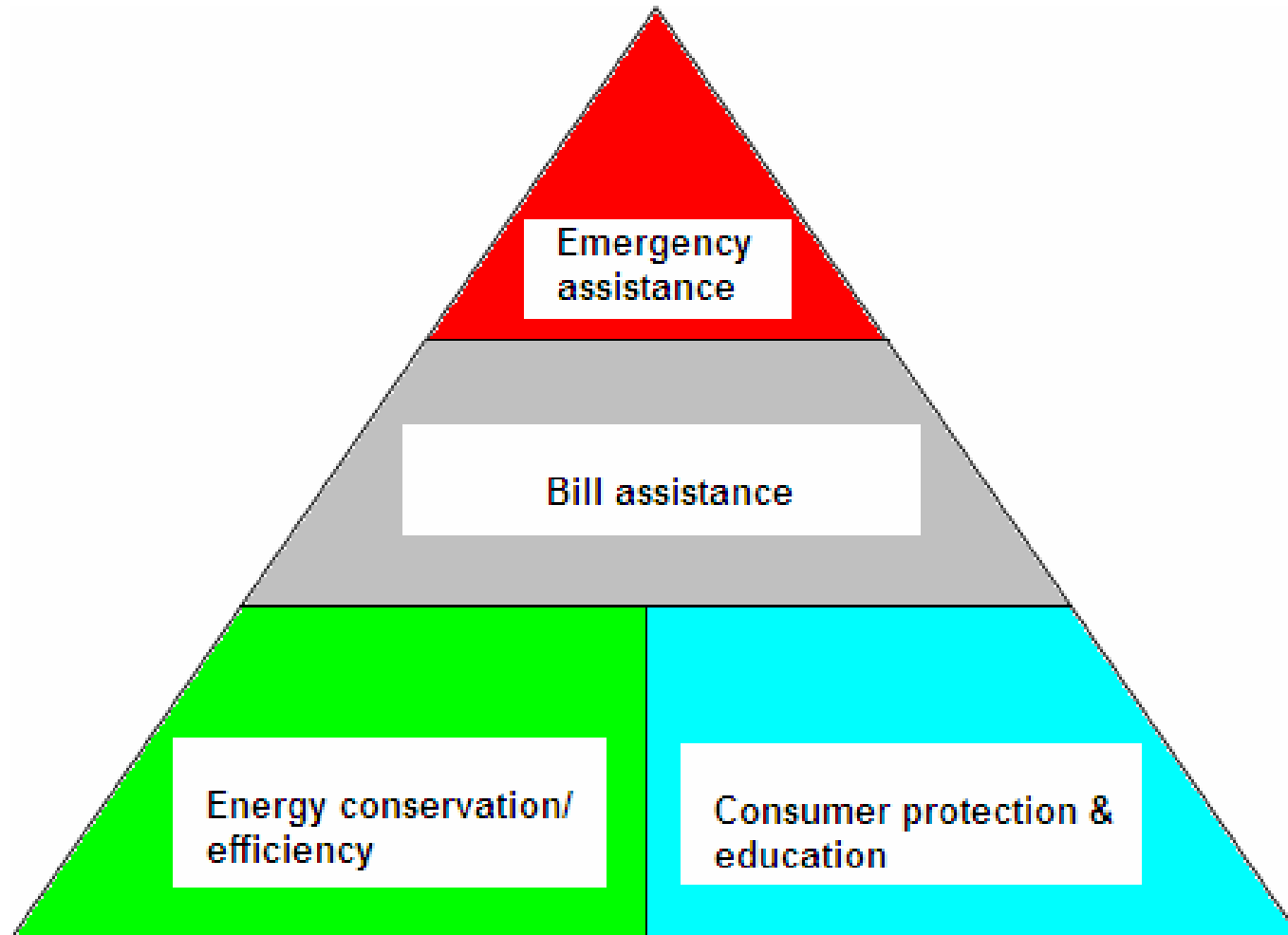
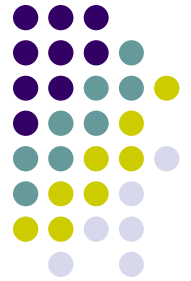


- 14.7% of Ontario's population (1,749,965 persons) are living at or below the "poverty line".
 - The majority of these persons live in tenant households, and in the private rental market.



Source: Statistics Canada, 2006 Census of Population

LIEN's Approach to Low-Income Energy Conservation & Assistance



Existing Energy Assistance Programs



Inadequate to address permanent and widespread conditions of rising energy prices and income shortfalls

- Patchwork of programs
- Differing eligibility criteria, application processes, and assistance levels
- Other than EEF, may not available in all communities
- Don't provide enough money to solve the problem
- May be a grant or loan
- Sometimes one-time funding only
- Funds may run out before the heating season is over or program ends by June
- Lack of awareness of existence of programs; lack of information
- Social stigma



Helping Low-Income Consumers

Emergency Energy Fund

- Provincial government announced a “one-time” \$2 million Emergency Energy Fund on March 29, 2004
- Renewed the fund in the 2005 Ontario Budget, and annualized it; EEF doubled to \$4.2 million in April 2006 (one-time)
 - *The fund assists low-income households to pay energy arrears, security deposits and reconnection fees*



Helping Low-Income Consumers

- **Shelter allowance:** Social assistance recipients who pay for heating costs directly can receive assistance for fuel costs as part of shelter allowance, up to a set maximum based on family size
- **Community Start-up and Maintenance Benefit (CSUMB)** pays for utility arrears, reconnections; maximum benefit can be accessed only once in 24-month period

Helping Low-Income Consumers

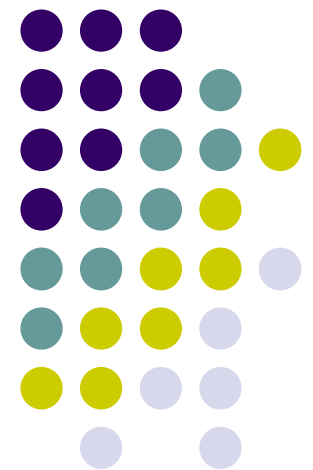


Rate assistance/emergency energy assistance:

- **Discretionary benefits** are available to assist OW/ODSP recipients with cost of utility arrears, deposits and reconnection fees
- **Other Emergency Energy Assistance Programs;** eg. **Winter Warmth/THAW/FUSE** and other community based agencies provide emergency financial assistance for utility arrears

Emergency Financial Assistance Working Group

June 2009 – October 2009



Emergency Financial Assistance Working Group Mandate



- To develop a framework for the delivery of an emergency financial assistance to low income energy consumers.



Working Group Membership

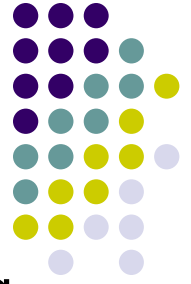
- Coalition of Large Distributors
- Consumers Council of Canada
- Cornerstone Hydro Electric Concepts
- Direct Energy
- Enbridge Gas Distribution
- Housing Help Association of Ontario
- Hydro One Networks
- Low-Income Energy Network
- Ministry of Energy and Infrastructure
- Neighbourhood Information Post
- Peterborough Distribution Inc.
- The Salvation Army Centre of Hope
- Union Gas
- United Way of Toronto
- Vulnerable Energy Consumers Coalition / Energy Probe

Emergency Financial Assistance

13 Guiding Principles



- Emergency financial assistance should be available to low-income energy consumers of natural gas and electricity
- Funding for low-income energy consumers should be accessible on a province wide basis.
- There should be consistency in the emergency financial assistance program across the province regarding access, with flexibility in delivery.
- Partnerships should be developed between social service agencies and utilities and other stakeholders.



- Eligibility for the emergency financial assistance program should be based on need and screened using the emergency financial assistance program eligibility criteria applied with the judgment and discretion of the social service agencies.
- An emergency financial assistance program should not be unduly costly or complicated to administer or access.
- The process for applying to the emergency financial assistance program should be clear and transparent.
- Administration of the emergency financial assistance program should be efficient and effective, minimizing ratepayer impact.



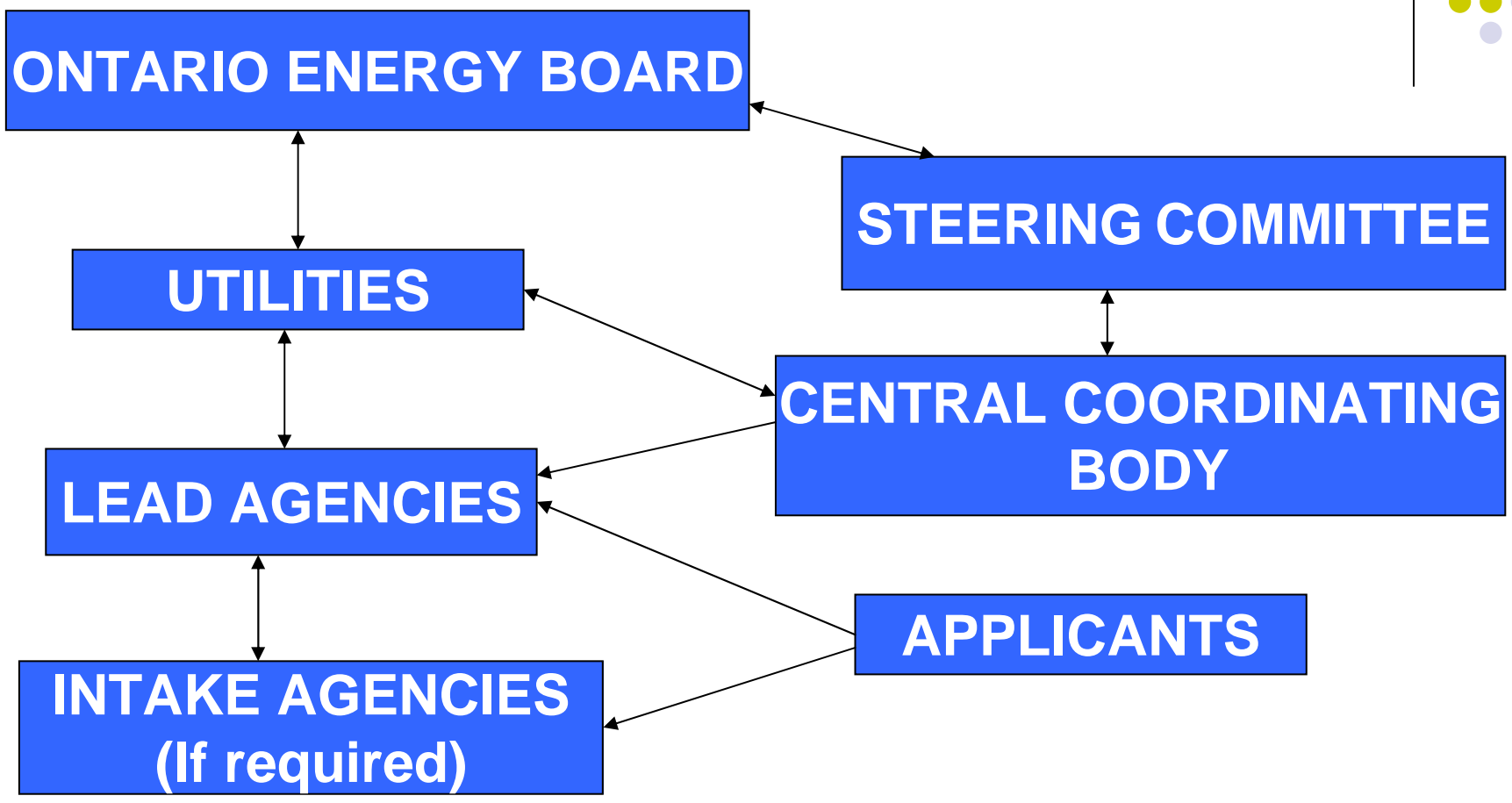
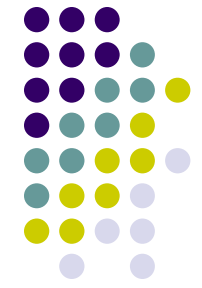
- The emergency financial assistance program should help low-income consumers maintain energy service
- The emergency financial assistance program should complement the existing landscape of programs for low income energy consumers.
- The emergency financial assistance program should be coordinated with other energy and emergency financial assistance programs at the delivery level to avoid duplication of administration and effort.
- The emergency financial assistance program should promote the transfer of the applicant to non-emergency energy and social service programs.
- The emergency financial assistance program should complement the existing landscape of programs for low income energy consumers.

Emergency Financial Framework Elements



- Eligibility and Intake
- Promotion and Outreach
- Program Model
- Reporting Requirements
- Distribution of Funds
- Program Coordination and Administration
- Partnerships

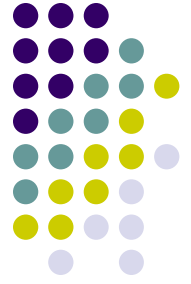
Roles and Responsibilities





Funding

- Utilities will obtain program funds from ratepayers at a level established by the Board (the greater of 0.12% of Board approved total distribution revenue or \$2000)
- Administrative fee as a percentage of total amount of financial assistance money administered by lead agency to be provided by utilities to Lead Agency
- Administrative fees will also be paid to Central Coordinating Body, based on predetermined budget
- Funds administered by Lead Agencies and not provided to applicants directly



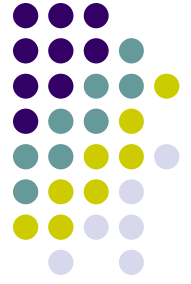
Discussion Points

- Eligibility; ‘consideration of future ability to pay’
- What constitutes a threat of disconnection?
- What is the appropriate level of the financial cap?
- Tracking and reporting
- What is the process for accepting contributions from non ratepayer sources and distributing these funds to successful applicants?



Program Implementation

- Program was to be initiated November 2009, but it became evident by the end of August 2009, that the program was too comprehensive to roll out by such an optimistic deadline
- With the winter months approaching it was decided that existing emergency energy programs would continue providing services for the winter of 2009-2010, but with an increased budget (greater of \$2000.00 or 0.12% of a distributor's distribution revenue)



Program Implementation

- Prospective new LEAP start date: Spring of 2010
- Existing energy programs were identified and distributors were encouraged to expand their existing energy programs to areas where no emergency energy assistance has been provided.
- Some distributors, such as Hydro One, were able to expand their programming.
- It is unclear at this time, how many new communities received emergency energy assistance funds in 2010.

Program Suspension



- On September 28, 2010 the OEB received Ministerial direction from the MEI, advising that all LEAP activities should be halted in light of the MEI plan to develop a province-wide integrated program for low-income energy consumers.
- This decision from the MEI negatively impacted some very effective customer service rules specific to low-income consumers.
- The OEB did bring forth some broader customer service measures that could positively impact all consumers, but these measures are not as effective for the low-income consumer, as they were, prior to the Ministerial direction. However, it is believed that these measures will result in fewer disconnections through out the entire year.

Program Suspension



- To date it is unknown when the government will proceed with its promised integrated program.



Next Steps

- The existing patchwork of energy programs leaves a number of communities without adequate emergency energy financial assistance.
- With rising energy costs, the need for better programming is more urgent than ever.
- We anticipate the government will continue with their plans to implement a comprehensive energy program, and will review the need for a rate affordability program accessible to all.
- LIEN Train the Trainer workshops will be developed to help organizations meet the needs of low-income energy consumers.