



# LOW-INCOME ENERGY NETWORK

## LIEN advocacy update

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# Presentation overview

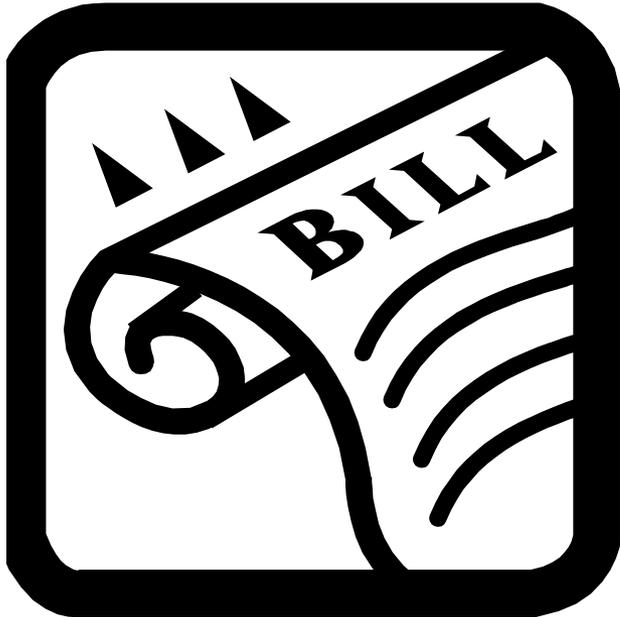
- ◆ Introduction to LIEN
- ◆ Energy costs and low-income consumers
- ◆ LIEN's "pyramid" to address energy poverty
- ◆ LIEN at the Ontario Energy Board, Ministry of Energy, Ontario legislature
- ◆ Going forward – emerging issues

## 2004 - LIEN gets its start



- ◆ First meeting on March 10<sup>th</sup> 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 (i.e. ACTO & CELA at OEB)
- ◆ Realization of the need to work together and develop a shared response to rising energy costs

# 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

# Where do low-income consumers live?

## 790,375 LIM-AT households (2011 NHS)

- Disproportionately single mothers, new immigrants, racialized communities, seniors, disabled
- ◆ 479,405 are tenant households (61%)
  - Live in private sector rental or social housing – most in multi-residential buildings
  - Approx. 85% of multi-residential buildings are bulk-metered for electricity service
- ◆ 310,970 are homeowners (39%)
  - Majority live in single-detached homes (200,920 households)

# Low-income energy burden



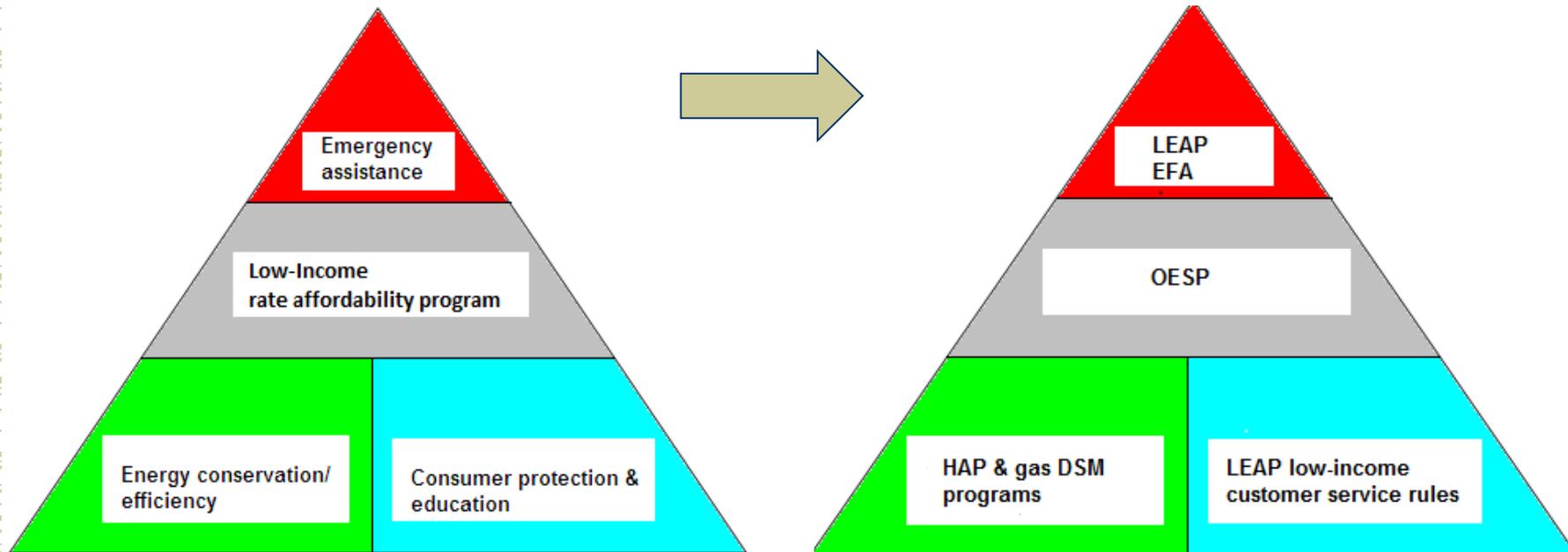
- ◆ Energy burden refers to the amount of total household income spent on energy costs
- ◆ LIEN's position is that **6%** is an affordable burden

# Rising energy prices....

- ◆ 2013 Long-Term Energy Plan (LTEP), forecasts typical residential bills will increase on average by 5.1% per year in the short-term (2015-2019) and 2.2% per year in the long-term (2015-2032)



# LIEN's energy poverty strategy: from vision to reality



# OEB's LEAP – March 2009

- ◆ **emergency financial assistance** for consumers in need (FAWG)
- ◆ access to more flexible **customer service rules** on matters such as arrears payments and disconnection notice periods, and security deposit waivers
- ◆ targeted energy **conservation** and efficiency programs (CWG)
- ◆ **But**, dismissed rate affordability program....

# 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
- Final decision on OESP design announced on March 26, 2015 at media event, with LIEN
- Work began in April for January 1, 2016 target date

# Energy conservation and low-income consumers

- ◆ OEB hearing – approval of gas companies **six-year DSM plans** (2015-2020) including low-income programs
  - Expanding availability to entire service area; direct install of aerators for low-income consumers; inclusion of at least one direct benefit measure for multi-residential low-income tenants
- ◆ Ontario's 73 LDCs' required to file **six-year CDM plans** (2015-20) by May 1<sup>st</sup>, 2015 for approval by IESO
  - 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

# Energy financial assistance and low-income consumers

## OEB review of LEAP EFA

- unused EFA funds, while some LDCs ran out of funds for grants early in the year – inequitable access for low-income households in crisis
- New income eligibility criteria - LIM-After Tax

## OESP implementation

- Identifying barriers to enrolment, improving outreach
- Issue of consent from OESP applicants to be contacted for energy conservation programs (to assist HAP delivery partners)

# Energy marketers/retailers and low-income consumers

- ◆ **OEB Review of Part II of the *Energy Consumer Protection Act, 2010***
  - report to Energy Minister included recommendation banning door-to-door sales
  - Bill 112 - *Strengthening Consumer Protection and Electricity System, 2015*
  - LIEN has requested the Energy Minister to direct the OEB to implement additional measures to protect low-income consumers

# Third party billings and low-income gas consumers

- Third parties pay EGDI about \$5.4 annually to bill the customers who buy energy-related products and services
- ◆ LIEN received assurance that low-income consumers would not be disconnected for arrears on non-gas billings
- ◆ BUT, under EGDI's condition of service, partial payments are made to the oldest arrears, which could be non-gas charges – leaves consumer vulnerable to disconnection of gas service
- ◆ LIEN has been working towards a resolution with EGDI

# Emerging issues at OEB

- ◆ Representation of Consumer Interests in OEB Proceedings - Intervenor Framework Phase II
  - broader review of alternative approaches to Consumer Representation in proceedings
  - review to be completed this fall and a comprehensive consumer engagement and representation framework released
- ◆ Consumer Charter/Consumer Bill of Rights
  - Replacement of prescriptive customer service rules?

# Emerging issues at OEB

- ◆ Chair's Consumer Advisory Roundtable
- ◆ Regulated Price Plan review – Advisory Committee
  - Changes to RPP and TOU structure
  - Pre-Pay pilot
- ◆ Consultation to Develop a Regulatory Framework for Natural Gas Distributors' Cap and Trade Compliance Plans
  - ◆ Cost consequences of plans; mechanism for cost recovery from rates