



LOW-INCOME ENERGY NETWORK

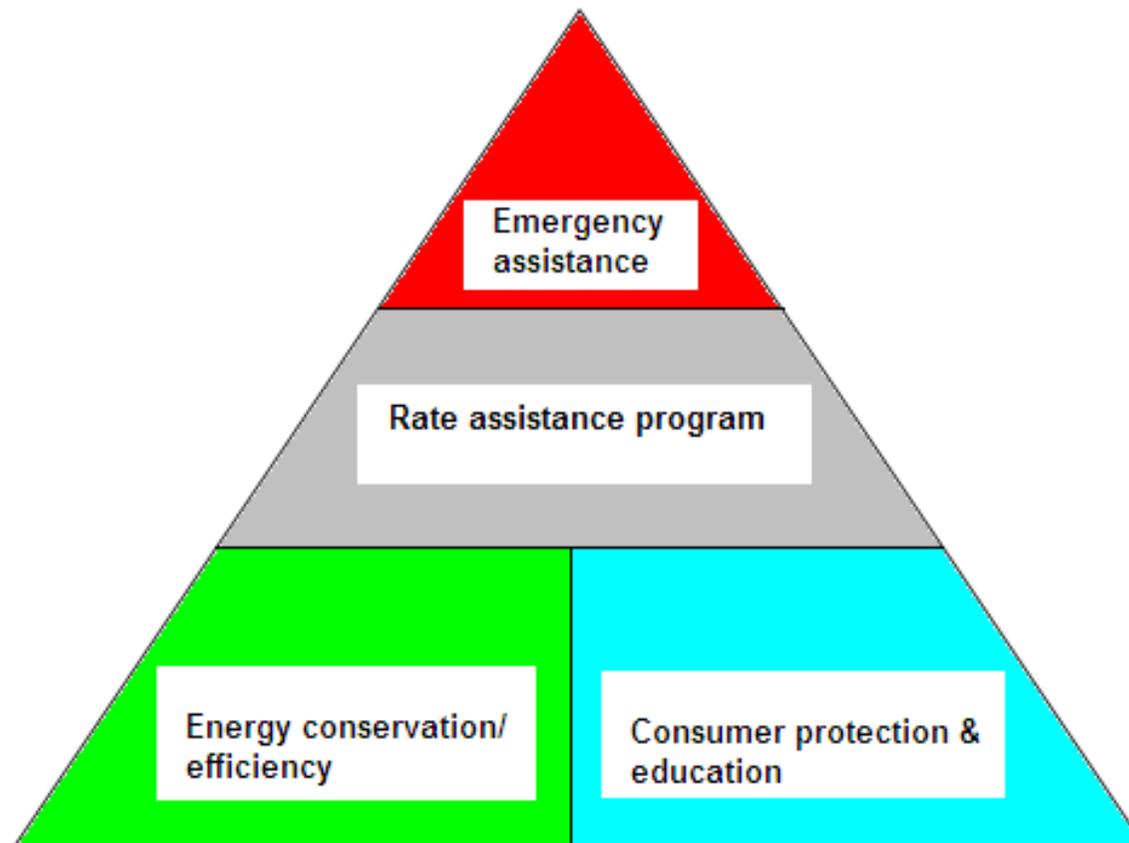
Addressing energy poverty in Ontario: The last “stone” in LIEN’s “pyramid”

*LIEN Annual Conference
April 16, 2015*

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

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



Emergency Assistance

- ◆ **Provincial Emergency Energy Fund (EEF)**
 - March 29, 2004 - Minister of Community & Social Services announces one-time \$2 million provincial Emergency Energy Fund (EEF)
 - In 2005 Ontario budget, the government renewed and annualized the EEF at \$2.1 million
 - January 1, 2013 – Provincial Emergency Energy Fund consolidated into CHPI (Community Homelessness Prevention Initiative)

- ◆ **OEB's LEAP Emergency Financial Assistance (EFA)**
 - grant fund for low-income electricity and natural gas consumers in place as of January 1, 2011 – currently under review



Consumer protection & education

- ◆ LEAP low-income electricity consumer service rules in effect as of October 1, 2011
- ◆ low-income natural gas consumer service rules in effect as of January 1, 2013
- ◆ low-income electricity customer service rules for suite metered residents come into effect March 15, 2013
- ◆ Culture of Conservation/Energy Literacy



Energy conservation/efficiency

Electricity conservation and demand management (CDM)

- In 2004, LDCs encouraged to develop and deliver electricity conservation programs in 3-year CDM plans – voluntary
- LIEN develops low-income energy efficiency program to be piloted by LDCs in 2005 – Brantford Power's *Conserving Homes* (\$100,000, 100 homes)
- Energy Minister's directive to OPA (October 2005), reduce energy consumption/demand for residents of low-income/social housing by 100MW – launch of OPA/GCC pilot low-income **Energy Efficiency for Houses** pilot (2200 homes, \$2.3 million funding)

Energy conservation/efficiency

- 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

Natural gas demand-side management (DSM)

- 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
- ◆ 2012-2014 DSM Framework – Union Gas & Enbridge expand low-income program offerings



Energy conservation/efficiency

- ◆ Conservation First Framework – target of 7 TWh over six years (2015-2010)
- ◆ 2013 Ontario Long-Term Energy Plan
- ◆ Minister's directive to OPA (now IESO) for 75 LDCs' six-year CDM plans (2015-20)



Energy conservation/efficiency

- ◆ LDCs' CDM plans must include programs for low-income customer segment – question is to what extent??
- ◆ LDCs' CDM plans due May 1st, 2015
- ◆ New natural gas DSM framework (2015-2020) released December 2014
- ◆ Natural gas companies' DSM plans filed April 1st, 2015
- ◆ Low-income gas DSM programs should be coordinated and integrated with electricity CDM low-income programs



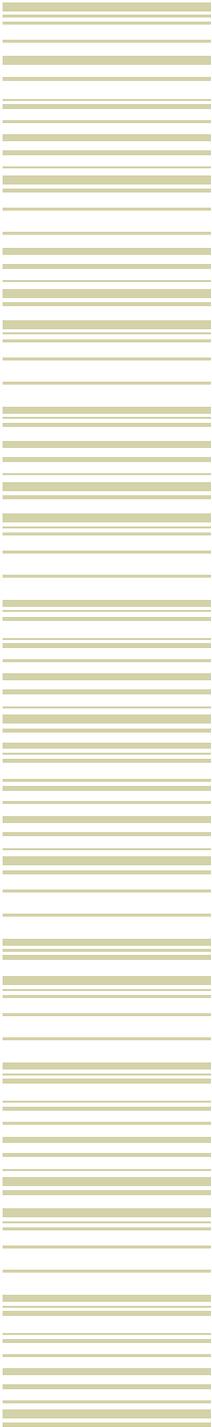
Ontario Home Energy Affordability Program

- ◆ 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.
- ◆ LIEN submits ***Program*** for consideration in the 2007 rates hearings for Union Gas & Enbridge Gas Distribution



Divisional Court appeal

- ◆ April 26, 2007 – OEB releases decision that it does not have the jurisdiction to implement a rate affordability program for low-income consumers – BUT, vice-chair dissents!
- ◆ LIEN appeals OEB decision to Divisional Court in 2007
- ◆ February 25, 2008 – LIEN argues at Divisional Court that the OEB does have the authority to set affordable gas rates for low-income energy consumers



Precedent Court case – OEB consultation

- ◆ May 16, 2008 –Divisional Court issues decision in favour of LIEN, but waivers on how, and the manner by which, the Board should exercise the jurisdiction to consider ability to pay in rate setting
- ◆ July 2, 2008 – OEB announces a consultation to examine energy issues associated with low-income energy consumers
- ◆ September 22-25, 2008 – LIEN participates in four days of oral hearings at the OEB, and makes written submissions
- ◆ March 10, 2009 - OEB announces decision on consultation – **dismissed rate affordability program**, but recognized energy poverty as a significant problem needing a comprehensive and province-wide approach!

Rising electricity rates

- ◆ November 23, 2010 – Ontario's 20-year Long-Term Energy Plan released – estimates electricity bills will increase by 46% in first five years
- ◆ In face of rising electricity prices, LIEN repeats call for rate affordability program in 2012 – prepares cost estimate for Energy Minister's consideration – continue to meet with Minister's staff
- ◆ December 2013 – new Ontario Long-Term Energy Plan released, electricity prices still projected to rise – just not as much as estimated in 2010 LTEP



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



What we proposed

- “Fixed credit” percentage of income payment plan (PIPP)
- Arrearage management plan
- Crisis assistance
- Usage reduction

Bill and Arrearage Assistance

◆ Fixed Credit PIPP:

- Bills for current service set at affordable “burden” (percent of income).
- Affordable burden: 6% (all electric) / 3% (electric baseload)
- Eligibility at or below 100% LICO
- Annual recertification

◆ Arrearage management:

- Preprogram arrears “forgiven” over three-year period
- Deal: arrears forgiven if current bill payment made.



Ontario Electric Support Program: (OESP)

- ◆ Starts January 2016
- ◆ Fixed credit based on income and household size
- ◆ Eligibility at or below LIM-AT
- ◆ By application – requalification every two years
- ◆ Continue LEAP / EFA

OESP Fixed Monthly Credits

HH income	HH size: 1	HH size: 2	HH size: 3	HH size: 4	HH size; 5	HH size: 6	HH size: 7
Less than \$28,000	\$20	\$30	\$34	\$38	\$42	\$46	\$50
\$28,001 - \$39,000			\$30	\$34	\$38	\$42	\$46
\$39,001 - \$48,000					\$30	\$34	\$38
\$48,001 - \$52,000							\$30

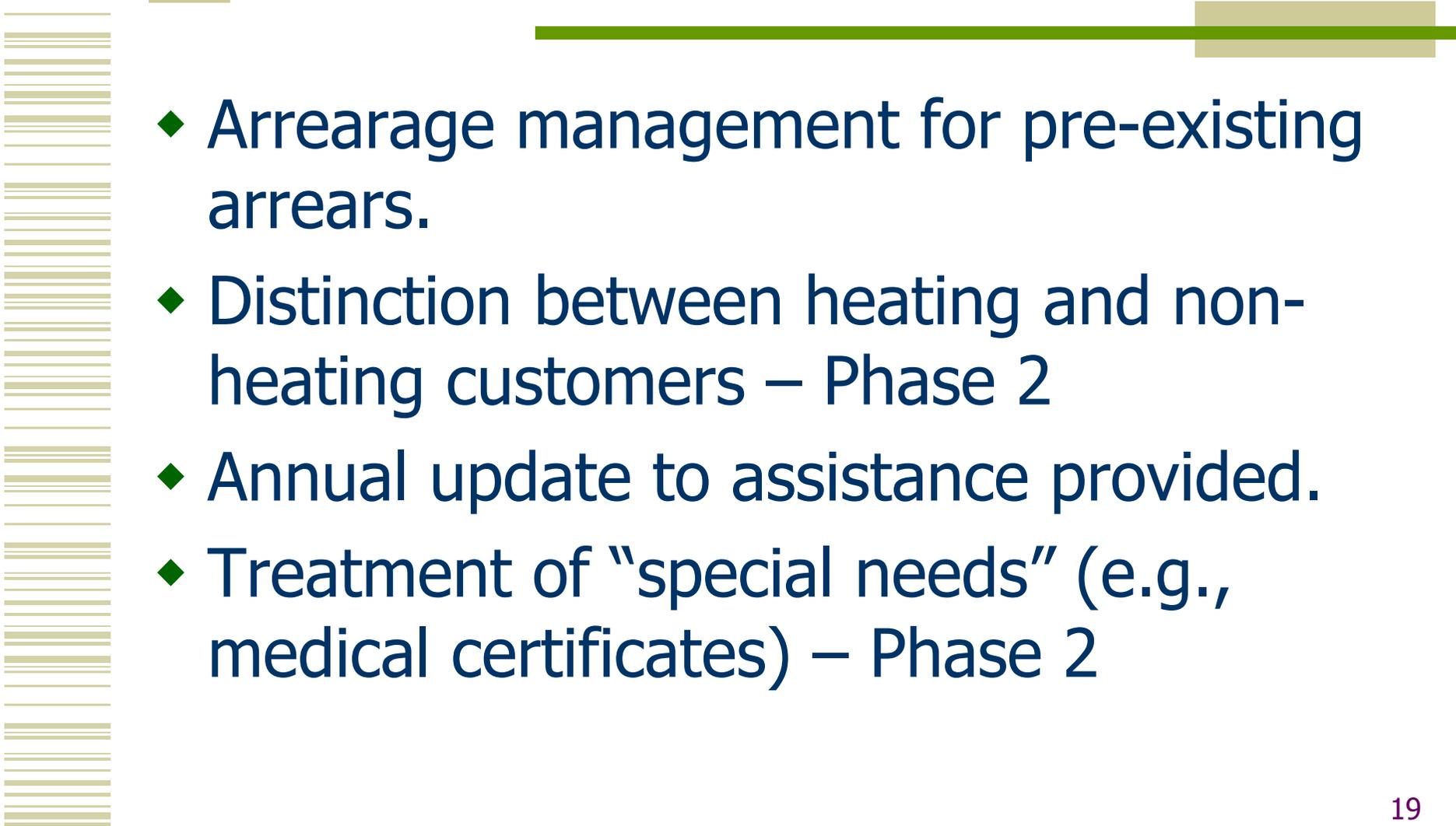
What we got:

- ◆ Targeted ongoing bill assistance
- ◆ Good tie-in to affordable burdens (on average)
- ◆ Continuation of separate crisis assistance
- ◆ Recognition of utility responsibility

One important impact of OESP: recognition of legitimacy of LIEN as a “player” in the regulatory arena. THANK YOUR LEADERSHIP!



We didn't get everything!



- ◆ Arrearage management for pre-existing arrears.
- ◆ Distinction between heating and non-heating customers – Phase 2
- ◆ Annual update to assistance provided.
- ◆ Treatment of “special needs” (e.g., medical certificates) – Phase 2

My “take” on results

- ◆ Tremendous success for our clients.
- ◆ Tremendous respect for LIEN.
- ◆ Tremendous respect for the Minister of Energy to step forward and direct it be done.
- ◆ Tremendous respect for OEB: “Made-in-Ontario” model.
- ◆ Impact far beyond Ontario --take “on the road” to Manitoba next week.

Looking forward



- LIEN participating in OEB's OESP implementation working group and FAWG
- Monitoring the effectiveness of the LEAP initiatives and improving delivery
- Continuing to advocate for a permanent low-income rate affordability program for consumers using other fuel types (i.e. natural gas)