



Ontario Energy Board Commission de l'énergie de l'Ontario



LEAP Emergency Financial Assistance &
Ontario Electricity Support Program

LIEN ANNUAL CONFERENCE

Brian Hewson, Senior Manager of Strategic Policy

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The OEB | Who We Are

The OEB is the regulator of Ontario's natural gas and electricity sectors



Our Mandate

To regulate the electricity and natural gas sectors in the public interest

The OEB:

Sets the rates you are charged for electricity & natural gas supply and delivery

Licenses energy companies (gas & electric utilities, retailers & marketers)

Creates rules, codes and guidelines for energy companies and enforces them

Works with energy companies and consumers to help resolve complaints



LEAP | Emergency Financial Assistance

In place since January 2011, the OEB's LEAP EFA program provides **emergency relief** to eligible low-income consumers facing disconnection

EFA Annual Results:

		2013	2012	2011
Electricity	Total Number of Households Assisted	9,293	8,053	7,756
	LEAP Funds Available (funded by all ratepayers)	\$5,031,449	\$4,733,771	\$3,710,153
	Total Amount of Grants Provided	\$4,279,839	\$3,946,644	\$3,138,948
Natural Gas*	Total Number of Households Assisted	4,971	4,889	4,824
	LEAP Funds Available (funded by all ratepayers)	\$2,314,018	\$2,269,016	\$1,983,372
	Total Amount of Grants Provided	\$2,128,223	\$2,134,411	\$1,832,762

**Includes results from Winter Warmth Program*



LEAP | Emergency Financial Assistance

In 2014, the OEB reviewed the LEAP EFA program to determine how effective it is at providing emergency assistance

The review involved:

- Workshops with the Board's Financial Assistance Working Group and members of low-income advocacy groups
- 19 in-depth interviews with LEAP social agency partners and electricity utilities
- An online survey tool to seek feedback from all utilities and LEAP social agency partners
- A survey of past LEAP EFA applicants (both successful and denied)
- An analysis of annual RRR LEAP data and monthly monitoring reports



LEAP | Emergency Financial Assistance

Key Findings:

- The EFA program is being relied on for non-emergency, chronic financial assistance problems
- The EFA program is unable to adequately address chronic issues of people not being able to pay their utility bills year-round
- There is not enough funding available to support the number of applications received
- The administrative burden on utilities and social agencies is too high
- Overall the application process works well but could benefit from some refinements



LEAP | Emergency Financial Assistance

Changes to LEAP EFA to occur in Fall of 2015:

- Statistics Canada's Low-Income Measure (LIM) will be used to determine eligibility for LEAP EFA
 - Instead of the current criteria LICO + 15%
 - This will align the eligibility criteria for LEAP and the OESP (which will be discussed momentarily)
- The LEAP Manual will be revised to reflect integrated intake with OESP
- Administration will be streamlined to reduce the burden on LEAP social agency partners



OESP | Introduction

- In April 2014, Minister of Energy asked OEB to develop options and recommendations for a ratepayer-funded ongoing rate assistance program for low-income electricity customers
- In December 2014, the OEB provided its Report with its recommendations to the Minister
- On February 23, 2015 the Minister announced the Government's support for the OEB's recommended program, called the Ontario Electricity Support Program (OESP)
- The OEB is now in the process of implementing the OESP, which will be in place by January 1, 2016, to provide ongoing assistance to low-income electricity customers

The OESP is expected to benefit more than 500,000 low-income households



OESP | Minister's Objectives

OESP must be in place for January 1, 2016 and:

- Be funded through electricity rates (*“meets the needs of low-income electricity consumers while balancing need for just and reasonable rates”*)
- Be delivered as a reduction on qualifying customers' bills
- Be accessible (in terms of program delivery / intake options)
- Complement existing programs (i.e. LEAP EFA and conservation programs)
- Consider unique needs of all low-income electricity customers (e.g. those that depend on medical equipment requiring electricity and those in First Nations and Métis communities)

The OEB's Report to the Minister addressed each objective with its recommended program design



OESP | Program Design

Focus of the OESP: OESP will provide *targeted support to those low-income customers with the greatest need*

Level of Assistance: A *'sliding scale'* benefit (link between income, household size and, for some, energy use) will best meet the OESP's intended objective, while balancing the impact on other ratepayers

Funding: The OESP will be funded through a *provincial charge*, legislative changes will be made to facilitate this

Administration: A *centralized online service* to process applications and verify eligibility of customers will be supplemented by intake through *social agencies* for customers with unique needs



Implement a sliding scale benefit

- Predetermined credits are provided based on income brackets and household size (e.g. customers in lowest bracket receive largest credit and customers in the highest bracket receive the smallest credit)
- A separate, more generous sliding scale available for customers with unique electricity needs, including: First Nations and Métis customers, customers with electric heat, and customers with medical equipment requiring electricity
- Greatest level of assistance is given to those with the greatest need
- Encourages eligible consumer to conserve energy to reduce overall bill to maximize benefit of OESP fixed credit
 - Consistent with *Conservation First* policy
- Balances the benefits of a targeted approach against the costs of administering the program

OESP | Sliding Scale Fixed Credit

- The amount of the credit would depend on the customer's income bracket and household size
- Maximum credit of **\$50** per month or **\$600** annually
- Average credit of **\$27**

		Household Size						
		1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 or More Persons
Income Bracket	< \$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
	\$48,000 - \$52,000	-	-	-	-	-	-	\$30

OESP | Energy Intensive Sliding Scale

- For customers with special electricity requirements, such as those with electric heat, medical devices requiring electricity and First Nations and Métis customers
- Maximum credit of **\$75** per month or **\$900** annually
- Average credit of **\$41**

		Household Size						
		1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 or More Persons
Income Bracket	< \$28,000	\$30	\$45	\$50	\$55	\$60	\$65	\$75
	\$28,001 - \$39,000	-	-	\$45	\$50	\$55	\$60	\$65
	\$39,001 - \$48,000	-	-	-	-	\$45	\$50	\$55
	\$48,000 - \$52,000	-	-	-	-	-	-	\$45

OESP | Eligibility Criteria

- The OESP will rely on Statistics Canada's Low-Income Measure ("LIM")
 - Consistent with Ontario's Poverty Reduction Strategy and LEAP
- Customers of distributors, retailers and unit sub-meter providers will be eligible
- Applicants should be assessed one time for OESP & LEAP, including low-income CDM programs (i.e. "one window access")
- Eligible customers will only have to re-qualify every 2 years
 - Certain customers (e.g. seniors and those with permanent disabilities on fixed incomes, medical assistance program clients) may re-qualify less frequently (e.g. every 5 years)



For greatest accessibility, applicants should have multiple ways to apply for OESP

1. Centralized Service (Online Application)

- Primary intake source to facilitate greatest access in most efficient way
- Facilitated by 3rd party (CRA verification of income)
- Mirrors other provincial programs (i.e. ODSP)
- Best approach to manage potential large influx of applications upon program launch

2. LEAP Social Agency Partners and First Nation & Métis Agencies

- Supplementary intake source for non-tax filers and those requiring more holistic assistance
- Provides a walk-in option as opposed to the online

First Nation & Métis communities will perform their own intake through a separate but similar process

Costs will be recovered on a provincial basis

- Costs to be recovered through a volumetric charge from all rate-classes
 - Consistent with LEAP
 - Lessens rate impact by sharing costs among more customers
- Funds will be pooled and disbursed to distributors according to the cost of delivering OESP in their service area
 - Overcomes issue of disproportionate burden on distributors' ratepayers due to widely varying densities of low-income customers among different distributors' service areas

Estimated bill increase of less than 2% per month for the average residential customer

OESP | Implementation

The OEB is now in the process of implementing the OESP:

- Lots to do in little time:
 - Expect to begin enrolling customers for OESP starting **October 2015**
 - OESP credit to be delivered on bills starting **January 2016**
- Stakeholder working groups have been created to help the OEB work out the details of OESP delivery
 - Members include, LEAP social agency partners, First Nation and Métis program delivery agents, electricity utilities and unit sub-meter providers, government ministries and agencies, and LIEN
- LEAP social agency partners will continue to play an important role in the streamlined and integrated delivery of LEAP and OESP
 - Stay tuned throughout the summer for details including, communications and outreach materials, orientation and training on new processes, and a revised program Manual

Information about OESP implementation will be posted on the OEB's website

