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## **LOW-INCOME ENERGY NETWORK**

### **Webinar**

**November 10, 2011**

## **Agenda**

- ❖ Introduction: LIEN's energy poverty strategy**
- ❖ OEB LEAP emergency financial assistance**
- ❖ Low-income customer service rules**
- ❖ OEB role in ensuring compliance & enforcement of new customer service rules**



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## About our facilitator...

Barb De Ruyter is a strategic research and marketing professional who has twenty-five years of experience in the public, private and non-profit sectors. She has conducted countless focus groups for CBC, including programs which made it to air and those which did not. Since 2000, she has applied her skills to her passion, which is working with non-profit organizations including Green Communities Canada, the Canadian Housing and Renewal Association and the Canadian Executive Services Organization, assisting them to identify their needs and strategically fulfill their mandates.



**LOW-INCOME ENERGY NETWORK**

# LIEN's Energy Poverty Strategy

*LIEN webinar,  
November 10, 2011*

# About LIEN



- ◆ LIEN is a network of environmental, anti-poverty and affordable housing advocacy groups
- ◆ We seek to raise awareness of, and propose effective, environmentally sustainable solutions to, energy poverty by:
  1. Working with organizations and serving as a resource
  2. Advising government, OEB, OPA, and utilities on the need for policies and programs that will protect low-income energy consumers
  3. Educating organizations, government and the general public about the need for specifically designed programs for low-income consumers through workshops, meetings, the website and the media
  4. Compiling information on available energy assistance and energy conservation programs for low-income consumers

## Energy poverty strategy – context

Environmental, social and economic...

- ◆ Ontario's long term energy plan: conservation target is 7,100 MW by 2030 and reduction in overall demand by 28 TWh
- ◆ Ontario's climate change plan (coal phase-out by 2014)
- ◆ Ontario's long-term affordable housing strategy
- ◆ Ontario's poverty reduction strategy, with firm targets to measure progress

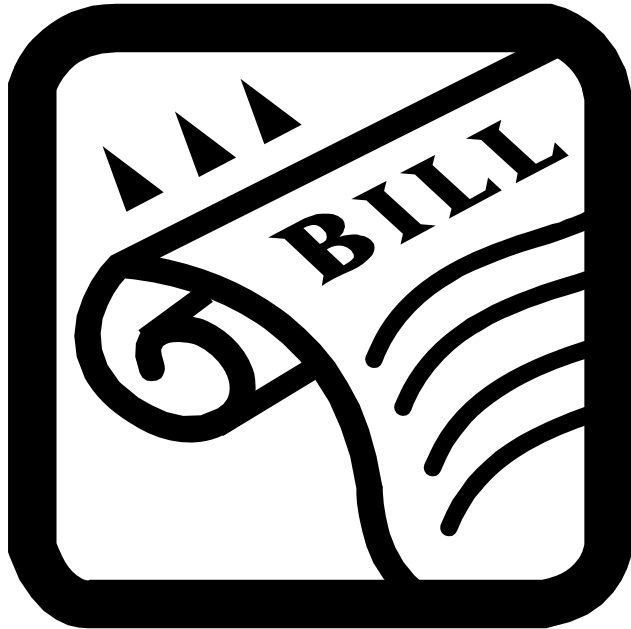
# Rising energy prices

- ◆ Real cost-to-customer increases of Ontario's Long-Term Energy Plan – projected at 3.5% per year over 20 years
- ◆ BUT, **7.9% per year increases over next five years** (Ontario Clean Energy Benefit takes 10% off electricity bills over next 5 years)
- ◆ Natural gas and oil prices have been volatile over the past decade
- ◆ HST adds 8% to energy bills; consumers also paying for smart meter initiative and Green Energy fee





# Energy poverty



- ◆ 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
- ◆ U.K. fuel-poor household defined as spending more than 10% of income
- ◆ LIEN's position is that **6%** is an affordable burden

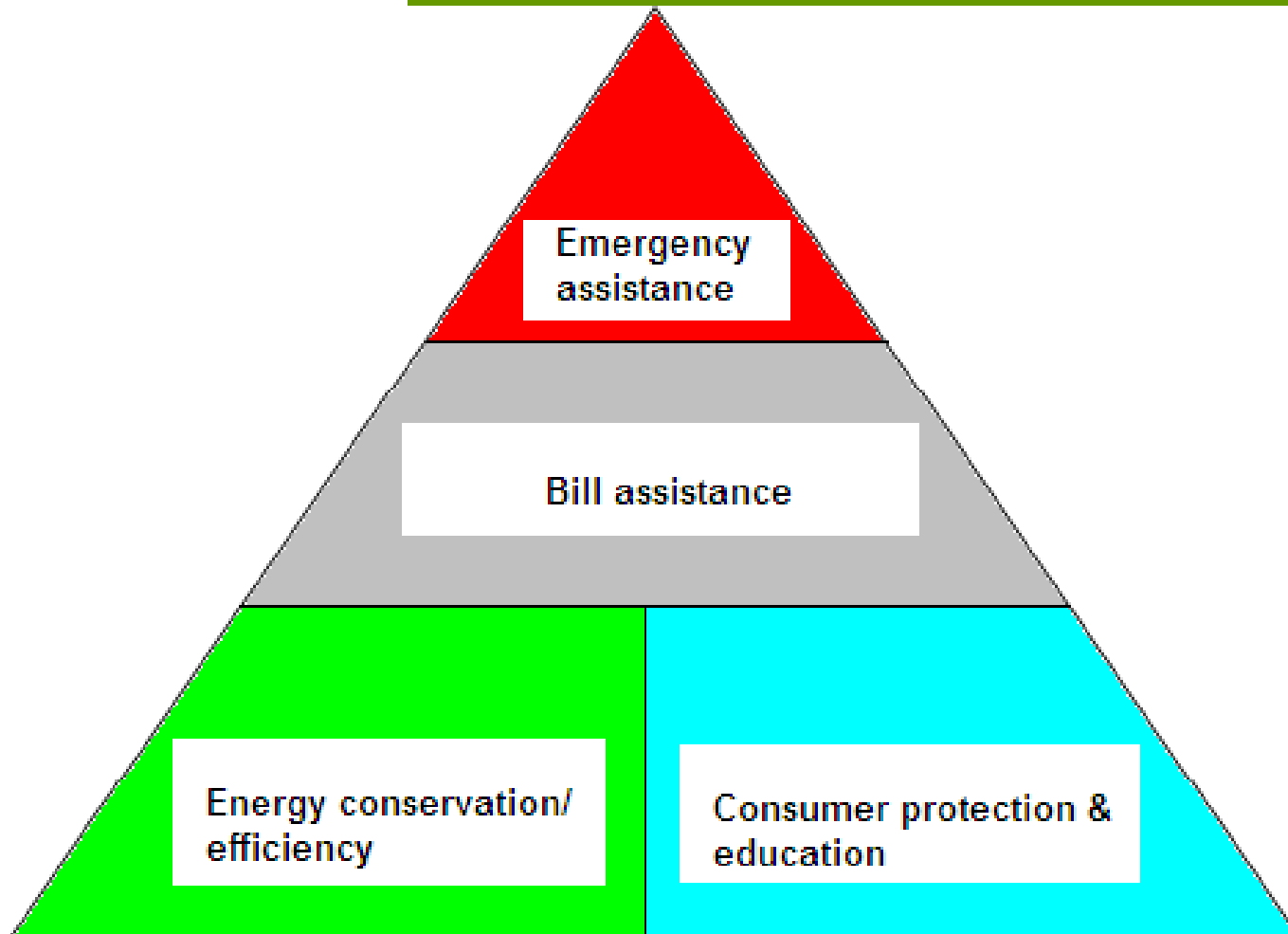
# Understanding Home Energy Burdens

Home energy burden =  
Home energy bill / Household income

- ◆ Total shelter burdens affordable at 30% of income.
- ◆ Utility costs should be no more than 20% of shelter costs.
- ◆ Utility costs affordable at 6% of income.

(20% x 30% = 6%).

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





## Customer Service rules for low-income consumers

LIEN supports terms and conditions for utility service (e.g. consumer security deposit requirements, payment time-lines and plans, disconnection and reconnection policies, termination moratoria) that are in the best interests of low-income consumers, and:

- ◆ will not add to the service costs and penalize low-income consumers who are experiencing payment difficulties,
- ◆ will assist low-income consumers in accessing and maintaining essential utility service.



## Emergency financial assistance for low-income consumers

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- ◆ Economic reality for low-income people - face insecure work, fluctuating income, inadequate social assistance rates, and short-term financial emergencies
- ◆ a permanent low-income rate assistance program would ensure ongoing affordability of energy bills and serve to prevent payment crises
- ◆ even with a rate affordability program and an energy conservation and efficiency program, there will still be a need for a permanent, adequately funded, and accessible emergency energy fund

# Going forward



- Monitoring and evaluating the progress on the implementation and delivery of low-income customer service rules, financial assistance, and energy conservation programs
- ➔ Dependent on the transparency and distribution of the information collected by the delivery agents



## LIEN's current work



- While LIEN continues to be involved in the development of low-income energy programs in Ontario, it is now focusing on building the capacity of its network members and other organizations to become “experts” or “resource people” on low-income energy issues in their communities.
- To facilitate this, LIEN has developed an Energy Poverty Manual/Toolkit and is in the process of fine-tuning it





## Contact information

Website: [www.lowincomeenergy.ca](http://www.lowincomeenergy.ca)

Email: [bhanjiz@lao.on.ca](mailto:bhanjiz@lao.on.ca)

Phone: 416-597-5855 x. 5167

Toll-free (Ontario): 1-866-245-4182 ext. 5167



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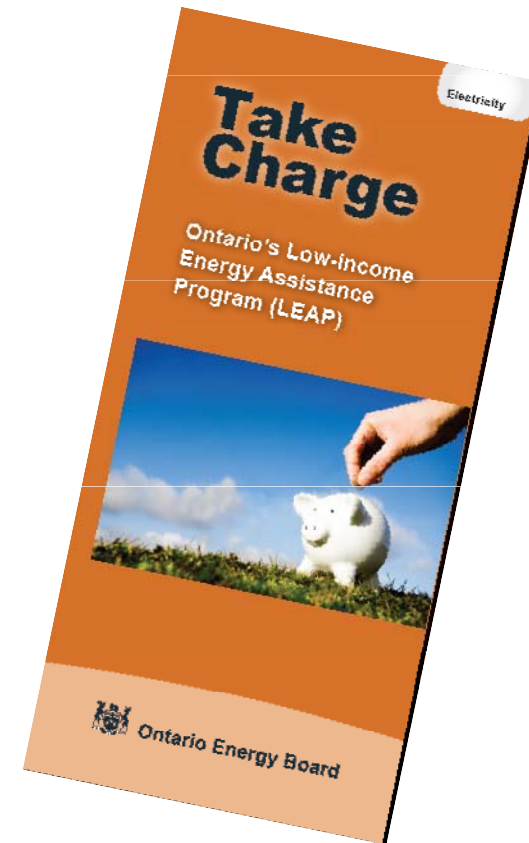
# **Low-Income Energy Assistance Program (LEAP)**

for Social Service Agencies

## What is LEAP?

**LEAP** is a grant program intended to provide **emergency relief** to eligible low-income consumers who may be experiencing difficulty paying their bill

It is **not** intended to provide **regular** or **ongoing** bill payment assistance



## LEAP Manual guides program implementation to ensure consistent delivery throughout Ontario

- Defines eligibility criteria
- Outlines roles of service agencies
- Establishes the application process



To accommodate unique local needs some aspects have been left to your **discretion**

## LEAP Funding

**LEAP** is funded by all utility ratepayers through the distribution rates of each utility

- Funds provided by a utility must be used **only** for that utility's customers

**LEAP** is also available to eligible low-income customers of sub-metering providers



# Intake Agencies

## Responsible for:

- ✓ Screening applicants for eligibility
- ✓ Processing applications and collecting information
- ✓ Informing the utility that assessment of eligibility is being undertaken
- ✓ Communicating with the applicant regarding approved or denied applications
- ✓ Tracking information



# Lead Agencies

## Responsible for:

- ✓ Selecting or contracting with Intake Agencies
- ✓ Making final decisions to approve or deny applications
- ✓ Receiving program funds from the utility
- ✓ Remitting payment back to the utility
- ✓ Implementing an appeals/internal review process



## Eligibility Criteria

To qualify, applicants must:

- ✓ Be an existing customer of the utility providing the funding;
- ✓ Reside at the address where there are arrears; and
- ✓ Have a pre-tax household income at or below the Statistics Canada LICO + 15%;





# Screening Guidelines

## Future Sustainability

- ✓ The grant will maintain or reconnect energy service

## Past Payment Performance

- ✓ Applicant has demonstrated a prior attempt to pay

## Emergency Assistance

- ✓ Applicant is in arrears but has not been disconnected

## Funding

- ✓ Accessed only once per year

Need to balance  
**emergency**  
**assistance** with early  
intervention



## Agency Discretion

**If** the applicant does **not** meet the income threshold or screening guidelines

Agencies may exercise discretion in **exceptional circumstances**

- ❖ You should have documented rationale for approving the applicant



## Grant Level

**Maximum** of **\$500** per fuel, per household, per year  
~ **\$600** for electrically heated homes

If the applicant owes **less** than the maximum

The grant cannot **exceed** the amount owed

If the applicant owes **more** than the maximum

The maximum grant may be provided, if energy service can be **sustained**



# What if an applicant owes more than the maximum?

## Options

- ❖ Enter into a payment arrangement with the utility for the balancing owing
- ❖ Supplementary Assistance through other funds for the balance
  - ✓ Emergency Energy Fund
  - ✓ Community Start-Up & Maintenance Benefit



# Application Process



Pre-screen applicants over the phone **prior** to booking an in-person interview

## 5 Questions

1. Are you a customer of a natural gas or electricity utility?
2. Do you reside at the address with arrears?
3. What is your yearly/monthly pre-tax household income?
4. What are your sources of household income?
5. How many people are in your household?



# In-Person Interview

- ❖ All adults living in the household should attend the interview
- ❖ You must obtain the applicant's **consent** for the release of personal information
- ❖ The applicant must complete a **LEAP** application form
- ❖ Telephone interviews are permitted in some situations



# Application Process

The applicant **must** provide the following documents

1. Current energy bills for their residence
2. Notice of Service Disconnection (if applicable)
3. 2 pieces of I.D. for main applicant (1 for others)
4. Rental receipt, lease or mortgage document
5. Proof of household income (i.e. pay stub, tax return)
6. Bank statement from the most recent month



# Utility Verification

## Information to be Confirmed

- ✓ Amount owing on the account
- ✓ Whether a disconnection notice has been issued
- ✓ Payments made on the account
- ✓ Discussion the applicant has had with the utility
- ❖ Advise the utility that you are assessing the applicant's eligibility for **LEAP**

A customer has **10 days** from the day a notice is received to pay their bill to avoid disconnection





# Recommendation about Funding

## Recommendations should address

- Whether or not to approve the application
- Amount of the grant to be provided

## Key Considerations

- ❖ Will the disconnection be halted?
- ❖ Will the applicant be able to pay the future?

LEAP is **NOT** intended to provide long-term financial assistance

- ❖ REMEMBER to document the reasons why an application was **denied**



## Notifying the Applicant

Applicants should be **notified** as soon as possible whether or not their application has been approved

If the application is **approved**

on the applicant's account  
within a reasonable amount

If the application has been **denied**

Assist the applicant in making other  
payment arrangements  
and  
Inform them of the **appeals process**



## Appeals / Request for Internal Review

Applicants may **request** an Internal Review if they disagree with the denial of their application

Requests must be made within  
**10 days**  
of being notified of the denial

An **Internal Review Form** should be provided to any applicant who requests one



# Grant Payments

Grants are issued by the agency **on behalf** of the applicant to the utility

- ❖ The payment is NEVER issued directly to the applicant
- ❖ It may take up to **2 weeks** for the payment to be processed





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# **Customer Service Rules for Low-Income Consumers**

## 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



## Disconnection Period

The applicant must be granted a disconnection **suspension** for **21** days, after their utility is notified that they are being assessed for **LEAP** emergency financial assistance



## Security Deposits Waivers and Refunds

If the utility **requests** a security deposit, the applicant may request a **waiver**



If the applicant previously **paid** the utility a security deposit, they may ask for it to be **returned**, after they've paid any outstanding arrears





## Service Charges & Late Payment Charges

Outstanding services charges are to be **waived** related to:

- Collection
- Disconnection
- Non-payment
- Load control devices



**No further late payment charges may be imposed by a utility after entering into a low-income arrears agreement**



## Equal Payment Plan Options

If the applicant's utility bills **monthly**

They may request an equalized billing plan without enrolling in an automatic withdrawal payment plan

If the applicant's utility bills **bi-monthly**

They must be offered either a **monthly** or **bi-monthly** equal billing option



## Repayment Time Periods

The **time periods** to repay the amount due under low-income arrears agreements have been **extended**

Amount in Arrears	Repayment Time Period
If <b>&lt; 2x</b> avg. monthly bill is owing	<b>8 months</b>
If <b>2 - 5x</b> avg. monthly bill is owing	<b>12 months</b>
If <b>&gt; 5x</b> avg. monthly bill is owing	<b>16 months</b>



## Under-Billing Adjustments

When a **billing error** has occurred and the applicant owes the utility for an underpayment

The applicant may elect an **extended repayment period**  
(from 10 to 24 months)

- ❖ Based on the amount of the error and the period during which the error occurred



## Payment Defaults

Low-income customers must be allowed **2 payment defaults** before a low-income arrears agreement can be **cancelled**

The defaults must occur over at least **2 months**



## Second or Further Arrears Payment Agreements

If a low-income customer **successfully** completes an arrears payment agreement, they can request a **new** arrears agreement anytime they need it thereafter



Have more questions?

## **OEB Customer Relations Centre**

Open Monday to Friday, 8:30 a.m. until 5 p.m.

1-877-632-2727 (toll free within Ontario)

[consumerrelations@ontarioenergyboard.ca](mailto:consumerrelations@ontarioenergyboard.ca)

**OR contact me directly**

## **Lenore Dougan**

Policy Advisor, Regulatory Policy

1-888-632-6273 x 141

[lenore.dougan@ontarioenergyboard.ca](mailto:lenore.dougan@ontarioenergyboard.ca)





**Ontario Energy Board**

Commission de l'énergie de l'Ontario

***OEB Complaints and  
Compliance / Enforcement  
Processes***



# What is the OEB?

- The Ontario Energy Board is the regulator of the province's electricity and natural gas sectors



# What does the OEB do?

- Establish rules, codes and guidelines for energy companies and enforce them
- License energy companies, like electricity utilities, electricity retailers and gas marketers who sell to low-volume consumers

Set the rates you are charged for  
electricity & natural gas supply and  
delivery by utilities



Work with energy companies and  
consumers to help resolve complaints



## What we don't do ...



- We do **not** regulate prices offered by electricity retailers and natural gas marketers
- We **cannot** force a company to resolve a consumer complaint where there has been no violation of any legal or regulatory requirement

We do not regulate water heater rentals or heating protection plans

We do not set the rates for the Debt Retirement Charge or Global Adjustment

We do not set government energy policy



# The OEB & Energy Consumers

## Consumer Relations staff:

- Provide information to consumers on the role and responsibilities of the Board, the energy sector, market participants and the complaint process
- Log general enquiries and consumer concerns
- Record complaints related to specific market participants
- Escalate complaints for further investigation and/or enforcement action



# Types of Consumer Contacts

## Enquiries

- Requests for information or clarification about the energy sector

## Concerns

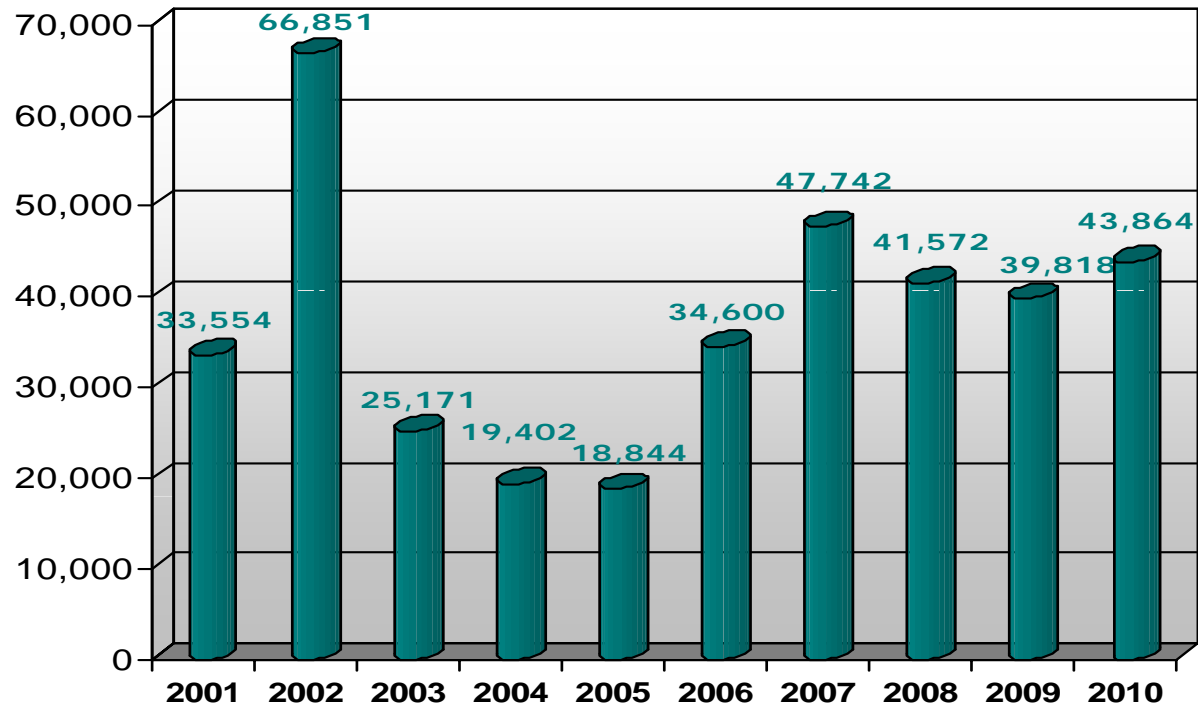
- Expressions of dissatisfaction with an aspect of the energy sector (e.g. do not like door-to-door sales)



## Complaints

- Allegations of non-compliance with a regulatory code or guideline against a specific licensee

# Consumer Contacts



Consumer Contacts Received



# Top 10 Consumer Issues Raised (April to June 2011)

Marketer / Retailer		Utility
No Copy of Contract	1	Billing
Cancellation Charges	2	Smart Meters / Time of Use (TOU) Prices
Contract Renewal	3	Meters
General Contract Issues	4	Utility Service Quality
Reaffirmation	5	Rate Issues
Cancellation Request Not Processed	6	Disconnection / Reconnection
Disputed Signature	7	OEB Bill Insert
Misrepresentation of Price	8	Security Deposits
Misrepresentation of Identity	9	Current Electricity Rates
Signed by Unauthorized Person	10	Disconnection Notice



# If you have a complaint ...

## Step 1:

- **Try to resolve your complaint with your utility, natural gas marketer or electricity retailer**
  - Keep a detailed account of the problem you're having, including
    - Copies of all relevant documentation
    - Dates, names of people you've spoken to
    - Details about the situation or a particular event
      - » such as salesperson's name and ID number, what they said, what documents you were given, etc.
    - Meter readings and the dates they were taken





## If you have a complaint ...

### Step 2:

- **File a complaint**

- We will forward your complaint to the company for response
- You should receive a response within 21 days
  - If you are not satisfied with the response ....



# If you have a complaint ...

## Step 3:

- **Escalate**

- You may ask our Consumer Relations Centre to escalate the matter

- We will advise you of our findings
- If no legal or regulatory breaches have been found, we may not be able to take any further action
- If it appears that non-compliance may have occurred, resolution may include a requirement for corrective measures to be undertaken for the consumer



# The Compliance Process

- **The objectives of the Board's compliance policy are to:**
  - Ensure licensees comply with their legal and regulatory obligations
  - Work cooperatively with Licensees to achieve a culture of compliance
  - Provide interpretive guidance to licensees to assist them in complying with requirements
  - Identify potential policy issues / gaps
  - Act in a fair, transparent and efficient manner



# The Compliance Process (continued)

- **Step 1 – Information Gathering**
  - Identify issues and allegations
- **Step 2 – Initial Review**
  - Identify any evidence of possible non-compliance
- **Step 3 – Review and Assessment**
  - Staff notifies licensees of details of allegation and provides opportunity for licensee response
  - Completes analysis of evidence and licensee response
  - Works with parties to achieve a fair and appropriate resolution
  - Licensee develops plan to voluntarily become compliant and staff monitor the plan



# The Enforcement Process

- Where Board staff identify a systemic or egregious breach of a licensee's legal or regulatory obligations, staff may recommend the matter be referred to the Board for enforcement action.
- Enforcement action may include:
  - an order for the licensee to become compliant;
  - suspension or revocation of licence; and/or,
  - an administrative penalty.
- Where the Board has provided a licensee with notice of its intent to proceed with enforcement action, the licensee has 15 days to notify the Board whether it wishes to proceed to a hearing.
- A person who has requested a hearing has the right to appear at the hearing before the Board, make submissions, cross-examine witnesses, and present evidence.





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