



Low-Income Energy Network

August 22, 2020

RE: ERO # 019-2132

The Low-Income Energy Network (LIEN) welcomes the opportunity to provide comments on the 2021-2024 Conservation and Demand Management Framework.

LIEN represents over 80 member groups across Ontario. As a network representing the intersection of interests related to low-income consumers and energy and sustainability, LIEN's focus is on reducing the energy bills of all low-income consumers and providing low-income consumers the opportunity to better manage their energy bills. In so doing LIEN addresses customer care matters, commodity prices and rates, and DSM/CDM matters. LIEN helps to ensure that low-income consumers across Ontario have access to conservation programs, technologies and services as well as conservation education, and realize the environmental, energy and economic benefits associated with the more efficient use of energy.

LIEN's approach places the greatest emphasis on reducing energy consumption and costs for those least able to afford higher energy prices and who face barriers to full participation in energy conservation initiatives.

There are multiple benefits of electricity efficiency. While electricity efficiency has an upfront cost, the benefits we receive over time far outweigh the initial cost. In addition to the long-term savings on electricity bills, there are employment benefits, benefits to our economy, and benefits in terms of reduced GHGs and other air emissions. This is needed now more than ever to assist in the economic recovery and job creation efforts as a result of COVID-19.

Energy efficiency programs alone cannot solve the problem of energy affordability. However, efficiency measures can make a significant contribution to the reduction of energy burden, and can have environmental benefits as well. In addition to reducing electricity bills, conservation programs provide other societal benefits such as better bill arrears management, more comfortable living conditions and improved health and safety for residents. Many homes in vulnerable communities are electrically heated. The benefits from improved thermal comfort, and reduction in heat- and cold-related and financial stress can be significant for conservation measures targeting the building envelope or heating or cooling systems.

In developing CDM (and DSM) programs for low-income consumers, one must ensure that they are effective. Programs focused upon behavioural education and changes may not result in a huge reduction in energy costs but they have important cumulative effects. That being said, the greatest benefits will be achieved through the introduction of deep weatherization measures, such as the installation of energy efficient appliances, proper attic and wall insulation, and an efficient heating system, coupled with behavioural education.

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LIEN is a program of ACTP & CELA and funded by Legal Aid Ontario

Focus on deep measures

LIEN endorses a primary focus on “deep” measures for low-income consumers. To achieve deep reductions in energy use, CDM (and DSM) programs should have a wide suite of measures (draft proofing, insulation, heating equipment upgrades, appliance upgrades, plug load conservation measures) and be tailored to distinct low-income consumer groups: homeowners, tenants in private rental housing, and tenants in social housing. In many cases, the installation of shallow measures, such as faucet aerators, result in only small energy savings. Additionally, because of the increased cost of such measures, they are often replaced with cheaper alternatives when replacement becomes necessary. Any investment in basic low-cost measures should not divert funding from the deep measures.

Harmonization of electricity and gas programs

- Stronger collaboration, coordination and integration of electricity CDM programs and natural gas DSM programs, where appropriate, is encouraged. In particular, natural gas heating customers should be offered the same upgrades for appliances and other non-heating electricity measures that will be offered in the new low-income CDM program.
- Ensure expansion, delivery and accessibility of low-income offerings across the province.
- Address some of the barriers to collaboration, including alignment of program elements where possible.
- Continue to leverage connections and partnerships and actively participate in each other’s low-income working groups, where there is a common issue or potential synergies in efficiencies and savings that can be achieved through DSM-CDM collaboration.

Income eligibility criteria

Conservation programs need to be continued to be offered at no cost to income eligible consumers. There should be consistency in the eligibility criteria of CDM and DSM programs. LIEN recommends the use of the Low-Income Measure, after tax (LIM-AT) with an appropriate percentage mark-up of the threshold, to be determined by stakeholders of the low-income working group. The rationale for using LIM (AT) is that it is widely used and internationally accepted as a relative measure of poverty.

As before, those currently enrolled in LEAP or OESP should automatically qualify. Those in receipt of the following programs will also be eligible: the National Child Benefit Supplement, Allowance for the Survivor, Guaranteed Income Supplement, Allowance for Seniors, Ontario Works, Ontario Disability Support Program, Ontario Electricity Support Program, or Healthy Smiles Ontario Child Dental Program.

Budget and targets

LIEN strongly recommends that there be a separate budget and target for low-income within the residential customer group. At minimum, budget for low-income CDM programs should not be reduced from the Conservation First Framework levels. There should be a budget increase in the new 2021-2024 to address the increase in low-income consumers due to the increase in unemployment and other issues resulting from Covid-19 as well as an expansion of the eligibility for the new low-income program so as to include consumers covered by the previous provincial Affordability Fund program.

There is also need for aggressive targets and the continued expansion of low-income offerings to allow a greater number of participants in the program.

Repairs and Health and Safety Upgrades

At minimum, the new low-income program should maintain funding envelope from the Conservation First Framework to enable delivery agents to make minor repairs and health and safety upgrades to homes where such upgrades promote energy efficiency and are reasonably required to mitigate an immediate health and safety concern in the residence. However, it is recommended that this funding envelope be augmented in the 2021-2024 framework to address an expansion of the eligibility criteria as well as to address those residences that have been and will be stranded from participating in the new program due to health and safety issues that are so severe they cannot be addressed under the program. The funding envelope could be topped up through other government funds for low-income homes in disrepair. This may be an opportunity for joint provincial-federal collaboration to deal with these health and safety issues so that these most needy residences do not get overlooked.

Default Consent for Low-Income Programs

Presently, the OEB's LEAP application has a default consent for the low-income consumer to be contacted by program delivery agents, while the OESP's application does not. To provide low-income consumers direct access to conservation and demand-side management programs, we recommend that the OESP application be modified to include a request for consent by the consumer to allow program delivery agents to contact them. With permission to contact OESP recipients, resources used to market the saveONenergy HOME ASSISTANCE program and the natural gas Home Weatherization/Winterproofing programs, could be directed to installing retrofits in eligible consumers' homes.

We are pleased that the government is taking action to recognize the importance of energy efficiency and to address the expiration of the existing CDM framework. We thank you for the opportunity to submit these comments and recommendations for your consideration. We look forward to working with the province and other stakeholders to support low-income energy efficiency in Ontario.
