



# **LIEN's submission to Ontario's Poverty Reduction Strategy**

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The Ontario Government has committed to create a comprehensive Poverty Reduction Strategy for Ontario by the end of 2008, complete with specific targets and timelines.

**The Low-Income Energy Network (LIEN) believes that the province's poverty reduction plan and its long-term affordable housing strategy must both address energy poverty.**

**We recommend that the following changes be made to help low-income people who are finding it increasingly difficult to afford their energy bills:**

1. **Establish permanent, adequately-funded energy conservation programs for low-income consumers, with targets for the number of homes to be retrofitted annually. Such programs should be available at no cost to eligible participants and be equitably accessible province-wide.**

To achieve deep reductions in energy use, fuel-neutral programs should have a wide suite of measures (draft-proofing, insulation, heating equipment upgrades) and be tailored to distinct low-income consumer groups: homeowners, tenants in private rental housing, and tenants in social housing.

2. **Establish a permanent Ontario Home Energy Affordability Program for low-income consumers.**

Current energy bill assistance programs are ill-suited to address permanent and widespread conditions of rising energy prices and income shortfalls. Many of the assistance programs are seasonal, can only be accessed once per eligible household and funds often run out before all demands can be met. Energy poverty is expected to increase dramatically as costs increase and as tenant rents cease to include utilities.

LIEN's proposal for an Ontario Home Energy Affordability Program has 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.

## **Background**

Rising energy costs have an impact on all Ontarians, but low-income households are hit hardest. Reducing energy bills and energy consumption is critical to fighting energy poverty and pollution in Ontario. The Low-Income Energy Network uses the term "energy poverty" to describe the disproportionate burden of electricity, natural gas and other utility costs on low-income households which reduce the funds available for food, clothing, medicine and other basic necessities.

Energy poverty affects low-income people living in all categories of housing: private rental, social housing and owner-occupied. While energy poverty primarily reflects lack of income, it

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is also a result of the quality of housing, i.e. lack of insulation and draft-proofing, less efficient heating equipment and other appliances. Low-income consumers are the least able to make up-front investments in energy efficiency retrofits to their homes or to pay for the replacement of energy inefficient appliances such as refrigerators.

Ontario is lagging behind other jurisdictions, like the U.S. and the U.K., in delivering energy efficiency and conservation programs that significantly reduce systemic energy poverty.

Formed in 2004, LIEN is a network of anti-poverty, affordable housing and environmental groups. LIEN has over 75 member organizations from a broad range of organizations across Ontario. LIEN coordinates multi-stakeholder initiatives for mitigating the impact of high energy prices on low-income households and ensuring implementation of effective energy conservation programs and policies. LIEN is directed by a Steering Committee made up of representatives from Advocacy Centre for Tenants Ontario (ACTO), Canadian Environmental Law Association (CELA), Income Security Advocacy Centre (ISAC), Share the Warmth (STW), Toronto Environmental Alliance (TEA) and Toronto Disaster Relief Committee (TDRC).

We seek to raise awareness of, and propose solutions to, energy poverty through:

- Outreach to community groups to involve them in LIEN;
- Outreach to the public, e.g. through the media;
- Participating in Ontario Energy Board hearings and legislative processes;
- Working with policy-makers and local utilities.