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April 17, 2009

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, ON M4P 1E4

**RE: Consultation on Energy Issues Relating to Low Income Consumers  
Board File No.: EB-2008-0150**

Dear Ms. Walli:

Attached please find the Green Light On a Better Environment Inc. (GLOBE) submission on the Consultation on Energy Issues Relating to Low-income Consumers Report of the Board: Low-income Energy Assistance Program Board File No: EB-2008-0150.

GLOBE will also be submitting for Cost Awards on this submission at the appropriate time.

Thank you for the opportunity to respond to the Report of the Board and we look forward to the opportunity of working with the OEB and other interested parties to develop realistic solutions to matters as they relate to low income energy consumers.

Yours truly,

  
Lindsey Reed  
CEO

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## **GLOBE Submission to EB-2008-0150: Report of the Board – Low-Income Energy Assistance Program**

April 17, 2009

This submission is Green Light on a Better Environment's (GLOBE) response to the Board's opportunity for stakeholders in the Consultation on Energy Issues Relating to Low Income Consumers to provide written comments on the Report of the Board regarding the Low-Income Energy Assistance Program. The purpose of our submission is to provide the Board with comments on the Low-Income Energy Assistance Program (LEAP) relevant to the mandate of GLOBE. These comments focus specifically on identifying implementation issues with LEAP and recommending solutions to these issues. This submission also makes recommendations to the Board on which issues and aspects of LEAP should be the purview of the LEAP Implementation Working Group to develop and implement.

### ***GLOBE support for LEAP***

GLOBE agrees with many aspects of LEAP as presented in the Report of the Board, particularly those that are consistent with the recommendations made by GLOBE. Key areas of agreement that are part of our oral presentations or written submission to the Board of October 31, 2008 are highlighted below.

GLOBE is pleased to see that the Board has adopted a comprehensive and province wide approach to assisting low-income energy consumers that includes temporary financial assistance and targeted conservation and demand management programs provided by both natural gas and electric distribution utilities, and a "one stop shop" on the Board's website for low-income energy matters, including consumer education materials, program and outreach opportunities. We concur with the Board's view that LEAP should not become a major administrative or regulatory burden to implement.

GLOBE agrees with the Board that assistance to low-income energy consumers should not rely solely on direct financial assistance. Rather it should include a 'toolbox' of resources with tailored customer service measures and targeted conservation and demand management programs.. GLOBE stresses, as we did in our October 2008 submission, that

the focus of LEAP should be on education and energy efficiency and on helping low-income individuals to help themselves.

GLOBE concurs with the Board that there is a need for clear and consistent customer service measures that allow low-income energy consumers to better manage their bill payments, that will lessen the need for financial assistance, and allow distributors to more effectively manage collections, bad debt, and disconnection/connection costs. This includes providing adequate support for social housing residents that pay their bills directly to stay connected.

GLOBE agrees that all distributors should create partnerships with capable social service agencies and expects that the Board will provide distributors with adequate funding to fund these agencies for their assistance in LEAP program delivery, including the delivery of assessments of participant eligibility and making a determination on how best to meet the needs of eligible participants.

GLOBE applauds the Board for adopting our recommendation to set up a LEAP Implementation Working Group and for seeing the urgency of the situation by ensuring that LEAP will be available across the province by November of 2009. GLOBE urges the Board to ensure that the CDM/DSM programs developed as part of LEAP are rolled out in time for the 2010 heating season.

### ***Implementation issues and proposed solutions***

As requested by the Board, GLOBE has identified the following implementation issues with LEAP and recommended solutions to these issues. Recommendations to the Board on which issues and aspects of LEAP should be the purview of the LEAP Implementation Working Group to develop and implement are also presented.

### **Guiding principles should apply to all LEAP program components**

GLOBE agrees with the guiding principles adopted by the Board<sup>1</sup> to guide it in developing policies regarding low-income energy consumers. However, as written it is not clear whether the principles apply only to emergency financial assistance or to all aspects of LEAP, including customer service measures, targeted conservation and demand management programs, and education. Perhaps, defining assistance program as any program component of LEAP would clarify this point. In the abundance of caution the Board should make it clear that the principles apply to all aspects of LEAP. The

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<sup>1</sup> These principles are: emergency funding available to low-income energy consumers should be increased. Funding should be accessible on a province-wide basis. Funding should be available to both electricity and natural gas consumers. Distributors should be available to both electricity and natural gas consumers. Distributors should develop partnerships with social service agencies. Eligibility should be based on need, as determined by a social service agency. The assistance program should not be overly costly or complicated to administer and should result in more effective and efficient handling of arrears management and disconnection.

broadening of the guiding principles is consistent with GLOBE's recommendation that the Board should develop policies and guidelines which lead to the formation of a permanent, comprehensive energy management program to assist low-income residents in Ontario and with the Board's view that assistance to low-income energy consumers should not rely solely on direct financial assistance.

### **LEAP Implementation Working Group: SHSC/GLOBE a member and also chair of Social Housing Task Group**

GLOBE strongly supports the establishment of a LEAP Implementation Working Group to assist the Board with further consultation with LEAP stakeholders and to assist in the timely and efficient design and roll-out of LEAP. This is consistent with GLOBE's recommendation that the Board should initiate the formation of a working group to develop options to prevent energy poverty among all social housing residents. However, GLOBE feels that the membership of the LEAP Implementation Working Group, as presented in the Report of the Board, is too narrow and should be expanded beyond representatives of distributors, consumers, and social service agencies to also include representatives from the Ministry of Municipal Affairs and Housing, the Ministry of Energy and Infrastructure and the Ministry of Community and Social Services as these agencies can provide valuable insight into ways to prevent energy poverty among low-income people including all social housing residents.

Social Housing Services Corporation (SHSC), as a provincially legislated, non-profit corporation that provides a broad range of housing related programs and services, including energy, to 1,900 housing providers and 667,000 social housing residents across Ontario should also be part of this LEAP Implementation Working Group. GLOBE, SHSC's subsidiary, would represent SHSC on the Working Group. SHSC/GLOBE can assist the Board in developing and implementing LEAP in such a way as to meet the unique needs of low-income people living in social housing.

In addition to broadening the representation on the LEAP Implementation Working Group, task groups should be struck, under the Working Group, to focus on each of the low-income market segments - social housing, private rental and homeowners. GLOBE would be pleased to chair the Social Housing Task Group and work with Board staff to set the agenda for the Task Group. GLOBE suggests that Board staff chair the LEAP Implementation Working Group and develop its agenda in consultation with the task groups. Because of the tight timeline for delivery, the Board should consider obtaining outside technical and secretariat support for the LEAP Implementation Working Group and task groups to assist in identifying program options, doing research and analysis and assisting with note-taking of the meetings.

## **Social housing must be treated as a distinct low-income segment**

The Board has provided a broad framework for LEAP and has not provided segmentation of the low-income market. Such segmentation is essential to address the needs of the specific low-income groups, in particular social housing. As expressed in GLOBE's previous submission to the Board (October 2008) social housing residents and their social housing providers have special circumstances and needs, including an inefficient building stock, higher and more volatile operating costs and limited access to funds and capital, that differentiate them from the rest of the low-income market (e.g. from private rental low-income tenants and low-income homeowners). As a result social housing providers and residents are a clearly identifiable and distinct low-income market segment.

In addition, under LEAP there is no indication that all residents of social housing are considered low-income energy consumers. As stated in the previous submission GLOBE is of the view that due to the different types of rental assistance provided to social housing residents (including rent geared to income, Ontario Works or Ontario Disability Support Program) all social housing units should be treated as being occupied by vulnerable and therefore low-income consumers, who should be included in any policies, programs or other measures offered to low-income consumers.

To reflect the unique needs of social housing providers and residents, under LEAP the low-income market should be divided into three distinct segments: social housing, private rental and low-income homeowners. Distinct CDM/DSM programs should be developed for each of these low-income segments to meet their unique needs. For further details on what a CDM/DSM program for social housing providers and residents should entail please see the section on CDM/DSM programs below. Within the social housing market segment, separate but coordinated CDM/DSM programs need to be developed for both social housing providers and social housing residents.

## **CDM/DSM programs should be guided by common guidelines and criteria**

GLOBE agrees with the Board's view that in order to provide effective assistance, CDM/DSM programs need to be targeted to, and specially designed for, low-income energy consumers. However GLOBE believes that more guidance needs to be provided to the gas and electricity utilities and to the Ontario Power Authority to assist them in designing and implementing programs specifically targeted at low-income consumers in each of the market segments (social housing, private rental and homeowners).

To address this issue effectively, the LEAP Implementation Working Group should develop guidelines and general criteria for low-income CDM/DSM programs including the ones suggested by GLOBE below:

- The programs should employ a comprehensive and deep approach to achieving energy savings;
- The programs should offer a full range of energy efficiency measures that include appliance upgrades, lighting, insulation, heating/cooling and building envelope improvements and fuel switching, where appropriate;
- As a starting point, the programs should provide each housing unit in all social housing buildings with \$1000 worth of services including an energy audit, conservation education, and up to \$850 in energy efficiency measures
- The programs should include the direct installation of certain measures (measures are free and installed free of charge);
- The programs should provide access to adequate upfront capital;
- The programs should be simple to understand, coordinated, easy to access and participate in, sufficiently adequate to encourage action and outcome-based

Consistent with these guidelines and general criteria, there should be guidelines and criteria for each market segment developed by the appropriate task group. A particular task group may wish to go further in generating greater specificity in program design and delivery.

## **Education and outreach**

### ***Additional guiding principle on education should be added to Board's list***

GLOBE agrees with the Board's statement that consumer education and outreach are fundamental to the success of LEAP and that low-income energy consumers need to be aware of and understand what programs are available and how to access them. However, GLOBE believes that education should go beyond providing outreach and awareness (e.g. information about the policies and programs available to low-income consumers). Education should be the foundation of any low-income assistance or program. It is GLOBE's view that energy conservation and efficiency education is essential to social housing providers and residents. Both want to be engaged and to be part of the global culture of conservation. They simply need the opportunity and right tools to participate.

Providing social housing residents with education and information to effect change empowers individuals to take action and provides long-term solutions to energy and financial problems. Education also allows social housing residents to make behavioural changes to accompany and to help maximize the energy savings from any energy upgrades or retrofits that may be implemented. This focus on education is based on the philosophy of "helping individuals to help themselves." Providing social housing providers with energy conservation and efficiency education allows them to better understand their buildings and where and how energy is used. Education will help

housing providers to use their knowledge to identify and implement opportunities to conserve energy through energy retrofits and resident engagement.

To address these issues, the Board should expand its guiding principles by adding the following principle: education should be the foundation of any low-income energy assistance program and should be based on the philosophy of “helping individuals to help themselves”.

***Specialized clearinghouse and trusted advisor for social housing is needed***

GLOBE also agrees with the Board’s approach to provide a “one-stop-shop” for low-income energy consumers on the Board’s website. This is consistent with GLOBE’s position in the previous submission (October 2008) that there is a need for a province wide information clearinghouse on energy programs (e.g. education/DSM/CDM), customer care policies and practices for low-income consumers; and that the Board should take on this clearinghouse role; consistent with the it’s objective to communicate with consumers more effectively.

However, it is GLOBE’s view that there is a need for specialized clearinghouses for specific market segments, and in particular the social housing segment. With such an array of programs and services for low-income consumers, GLOBE believes there is a need for a specialized clearinghouse for this information that social housing residents and housing providers can readily access and understand. There is also a need for a trusted advisor to provide social housing residents and housing providers with information on CDM/DSM programs, utility customer care opportunities and how to access them as well how to access educational programming on energy efficiency and conservation. The clearinghouse and trusted advisor roles are functions that GLOBE can fulfill and already provide to some extent. Under its energy management pilot known as The Green Light Initiative, GLOBE provided single-window access to a wide-range of government and gas and electric utility programs and incentives available to the social housing community for implementing energy efficient measures. GLOBE continues to provide this role, however, this service would need to be enhanced and expanded to fulfill the clearinghouse and trusted advisor roles in a more fulsome and robust manner.

The overall framework for the general low-income “one-stop-shop” or clearinghouse should be developed as part of the larger LEAP Implementation Working Group. However, the specific content and details (e.g. upkeep) should be the purview of the Social Housing Task Group. Some suggested content for the general clearinghouse includes, but is not limited to, the following:

- The energy market, including pricing and how it operates
- Gas, electricity and other fuels relevant to consumers
- DSM and education programs available federally and from provincial ministries/agencies
- CDM/DSM and education programs available by utility and links to utility websites for more detail

- Customer care policies for electric LDCs set by the Board and that apply to low-income consumers
- OEB guidance on customer care provided to the gas utilities

And access to:

- An on-line tool that consumers (low-income or otherwise) can use to identify their gas utility and electric utility
- Links to sector clearinghouses such as the social housing sector clearinghouse
- Links to major provincial/regional services (e.g. Winter Warmth Fund of the United Way or provincial emergency energy fund)
- Provincial and regional statistics on utility customer care service (province wide and by region and fuel type) that includes, for example, the number of disconnections, reconnections, security deposit waivers implemented, arrearage management programs accessed (and categorization of reasons) per year
- A hotline to answer questions, provide referrals and accept feedback

Coordination among the general and segment specific clearinghouses is essential. The Board should take a proactive role in facilitating this coordination.

### **Partnerships with social service agencies – common definition of low-income consumer is needed**

GLOBE agrees with the Board that social service agencies have the information, expertise and experience to best determine which consumers should be eligible for assistance and what type of assistance is best provided. However, care will be needed to ensure that there is consistency between the social service agencies providing this screening and intake across the province. This is particularly important as GLOBE advocates that these social service organizations be local agencies that address local needs and that are known and trusted by low-income consumers in the area.

To ensure that there is consistency across the province, the LEAP Implementation Working Group should provide guidance to local social service agencies in the form of guidelines for screening applicants. These guidelines should include an accepted definition of low-income so that no matter where a low-income consumer applies for LEAP the consumer will be subject to the same eligibility requirements and will have access to the same programs and services. This definition of low-income consumer should include the provision that all social housing residents are considered low-income consumers for the purpose of access to LEAP.



## **Low-income assistance through rates – pilot program to help pay bills**

The Board believes that it is unwise to attempt to create a group of low-income energy ratepayers and that creating a category of customers whose rates are based on their ability-to-pay could result in a distortion of prices and ratepayer costs. However, this view does not preclude the adoption of a program that helps low-income consumers pay their energy bills on a more sustained basis than emergency assistance, and based on paying the appropriate residential rates applied to all similar ratepayers. GLOBE supports the development of rate support in the form of bill discounts/subsidies, such as that suggested above, that is offered on an interim basis until education and CDM/DSM result in lower and more manageable energy bills for the low-income consumer.

In order to test the workability of providing such assistance, GLOBE recommends that the Board initiate a pilot program to provide funding to low-income consumers to help them pay their bills. The funding for this program would come from an enhancement of the funding for emergency assistance and would be delivered on a pilot basis by certain LDCs that have a significant low-income consumer base.

As part of this pilot, the Board could require a selection of the largest electric LDCs (e.g. the CLD and Hydro One) to increase their financial commitment to LEAP emergency financial assistance, for example, from 0.12% to 0.16% of their Board-approved distribution revenue requirement, and use the additional funds to have their designated social service agency(ies) deliver this pilot bill subsidy program. The costs and benefits of this pilot should be tracked and analyzed to determine whether such a program should be implemented province wide. The pilot program would launch in the fall of 2009 and operate for at least a year.

The program details of this program should be developed as part of the LEAP Implementation Working Group. A separate task group comprised of participating LDCs and other key stakeholders should focus on program design and monitoring and tracking performance and process issues once the bill subsidy program is implemented.