



# Low-Income Energy Network

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February 7, 2011

Ms Cynthia Chaplin  
Interim Chair  
Ontario Energy Board  
2300 Yonge St., 27<sup>th</sup> floor  
Toronto, Ontario M4P 1E4

and

Honourable Brad Duguid  
Minister of Energy  
900 Bay St., 4<sup>th</sup> floor  
Toronto, Ontario M7A 2E

Dear Ms Chaplin and Minister Duguid,

I am writing on behalf of the Low-Income Energy Network (LIEN) to share our serious concerns about the on-the-ground implementation of the Emergency Financial Assistance (EFA) component of the Ontario Energy Board's (OEB) Low-Income Energy Assistance Program (LEAP) which is now being rolled out across the province. The United Way of Simcoe County, Hydro One's Lead Agency, has unilaterally chosen a program delivery design that poses a risk to the integrity and holistic nature of the guiding principles developed at the OEB's Financial Assistance Working Group (FAWG). LIEN is particularly troubled that vulnerable low-income consumers facing electricity service disconnection may be disadvantaged when seeking assistance to maintain their service because access to programs will be more fragmented, working at cross-purposes to the policy intent behind LEAP.

## Program administration/delivery fees

In accordance with the FAWG guiding principles, 15 per cent of the EFA/LEAP funds are allocated to the administration of the program. The division of the 15 per cent between Intake and Lead Agencies is to be negotiated between the agencies, according to page 9 of the OEB LEAP Training web cast Power Point for Social Service Agency Partners in November 2010. United Way of Simcoe County, as the Lead Agency, has unilaterally decided to allocate \$15.00 per application to the Intake Agencies, which is approximately three per cent of the EFA/LEAP administration funds. United Way of Simcoe County has justified this division of administration funding by taking over the pre-screening role from Intake Agencies, erroneously assuming that each client's application can be completed in 10 minutes. The Lead Agency has neglected to consider the time and resources required for the Intake Agency to adequately assess each client's unique situation and determine other services the client may require.

## Allocation of Hydro One funds

Instead of being allocated by area (and, therefore, by need), the funds from Hydro One are now going to be allocated on a first-come, first-served basis for the entire province. As a result, those

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with greater early uptake will receive a disproportionately larger share of the available funding. Intake Agencies are expecting demand for the EFA/LEAP to be high and, as such, anticipate that they may have to hire more staff. The unpredictability of funding, however, could greatly impact the Intake Agency's ability to not only hire, but also to retain staff.

It is unclear why the OEB has allowed Hydro One to stray so far away from EFA/LEAP's intended design. FAWG, of which LIEN was a member, invested two years of its time to ensure the development of a program that would be administered consistently and equitably across the province by qualified and experienced agencies.

Fair compensation to Intake Agencies for their work is key to ensuring the provision of quality service to low-income clients. There is already some evidence of agencies that have been delivering emergency energy assistance for years being forced to opt out of becoming an Intake Agency because the administration fees are inadequate. In at least one community, an Intake Agency with no prior experience in delivering energy assistance has been selected in favour of another more experienced one. Clients in some of these communities will now have to seek assistance from multiple agencies just to have their energy crises resolved, creating accessibility issues.

#### Compliance with 2011 LEAP EFA Program Manual

In the name of fairness and transparency, LIEN recommends that the OEB ensure that the program principles, set out in the Emergency Financial Assistance Program Manual developed by FAWG, are followed. This entails:

- Allowing Intake Agencies to do their own pre-screening so that they may refer low-income clients who do not qualify for LEAP to other programs
- Allocating emergency financial assistance funds per service area
- Eliminating the \$15.00 fee per application and instead having the Intake and Lead agencies negotiate a fair division of the 15 per cent administration funds
- Ensuring that social service agencies are selected according to the criteria that was developed by the OEB and approved by FAWG (see pages 3 and 4 of the OEB LEAP correspondence dated October 20, 2010, as well as Attachment A)

The FAWG was very clear that the local agency contact was an important part of the EFA program delivery because clients would be able to access additional services and benefit from the expertise already developed in delivering emergency funds and the existing local partnership relationships.

It is imperative that the OEB immediately take action to ensure that low-income consumers are being provided with quality service through EFA/LEAP to enable them to effectively transition out of the energy crises they may be facing. In order for this to happen, the roll-out of the program must be evaluated and recommendations must be made for processes that are effective, fair and transparent – and in line with the 2011 LEAP EFA Program Manual.

Yours sincerely,  
Per: **Low-Income Energy Network**

*Original signed by,*

Zee Bhanji  
LIEN Coordinator

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## Attachments

cc: Kirsten Walli, Board Secretary, Ontario Energy Board  
Lenore Dougan, Policy Advisor, Ontario Energy Board  
Takis Plagiannakos, Manager, Energy Infrastructure Policy, Ontario Energy Board  
Financial Assistance Working Group (FAWG) members  
Tamar Heisler, Senior Policy Advisor to the Minister of Energy and Infrastructure  
Myles D'Arcey, Senior Vice-President, Customer Operations, Hydro One Networks Inc.  
Barb Allen, Manager, Customer Programs, Hydro One Networks Inc.  
Nancy Smith, Senior Financial Coordinator, United Way of Greater Simcoe County  
LIEN member organizations  
Other social service agencies