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OEB Consultation on Energy Issues
Relating to Low Income Consumers

Presentation on Topic # 1

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Topic # 1

- Should the Board implement policies, programs or other measures designed to assist low income energy consumers

Policy context

- Hydro One agrees that there is a need to recognize the plight of low income consumers
- The matter is made more urgent by the fact that energy prices are trending upwards and that this trend is unlikely to reverse in the foreseeable future
- However, the key question is whether placing responsibility upon utilities to deliver lower rates programs is the most efficient and effective manner to assist low income consumers

Policy Challenges

- Practicality of finding equitable and fair way of managing the energy impact on low income customers through involvement of 80+ utilities
- To achieve consistent treatment of consumers independent of their energy source or location in the province will require a prescriptive and detailed approach to the policy development
- Utility involvement in the low income programs will require addressing a multiplicity of issues that relate to program qualification, privacy, delivery and monitoring

Policy Consideration

- Utility involvement in program delivery requires the creation of new infrastructure as today Hydro One has no processes for dealing with low income issues
- We need to understand the potential consequences of choosing a particular solution on outcomes, e.g.
 - Fuel switching (from oil/wood/propane to electricity)
 - Countering conservation and demand management directives
 - Avoid overlap and redundancy between OEB approved programs with those programs currently administered and delivered by other agencies
- The longer-term objective should be to improve the affordability of energy services and to reduce dependence on low income programs whilst ensuring safety and reliability of electricity delivery

In Summary

- The issue of energy affordability is indeed a pressing matter that needs to be addressed – it is now a global issue
- Targeting distributors to address the low income issue creates additional challenges since today these entities are not involved in delivering such programs
- In addressing policy development we need to think of what is the most efficient, effective and fairest way of delivering programs