



December 8, 2023

Delivered by RESS

Nancy Marconi
Registrar
Ontario Energy Board
P.O.Box 2319, 27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Marconi:

**Re: Ontario Energy Board Staff Report
Low Income Energy Assistance Program Emergency Financial
Assistance Review
OEB File No. EB-2023-0135**

In response to the Ontario Energy Board's November 21, 2023 letter, Elexicon is submitting comments regarding the *Low-Income Energy Assistance Program Emergency Financial Assistance ("LEAP EFA") Program Review Report*.

Please do not hesitate to contact me with any questions concerning this matter.

Regards,

A handwritten signature in blue ink, appearing to read "Stephen Vetsis".

Stephen Vetsis
Vice President - Regulatory Affairs and Stakeholder Relations
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1 **Background**

2 On July 19, 2023, the OEB initiated a review of the LEAP EFA program. The scope of the
3 review included the program's funding mechanism, eligibility criteria, grant amounts as
4 well as performance metrics and targets. Based on input from the review, OEB staff
5 prepared *the Low-Income Energy Assistance Program Emergency Financial Assistance*
6 *(LEAP EFA) Program Review Report*. The Report includes recommendations for program
7 enhancement and performance metrics. The OEB has invited interested parties to submit
8 comments on the Report.

9 **Introduction**

10 Elexicon is supportive of the OEB's review of LEAP EFA program. Elexicon agrees that
11 a review of the program's funding mechanism, eligibility criteria, grant amounts and
12 program awareness will help ensure that the LEAP EFA program provides an appropriate
13 level of assistance to vulnerable consumers. Elexicon also supports a review of the
14 performance metrics and targets to help evaluate the effectiveness of the program in
15 meeting its intended objectives.

16 **OEB Staff Recommendations**

17 Elexicon is supportive of the Program Performance Metrics in which the outcome is to
18 ensure LEAP EFA effectively reaches eligible low-income customers in a timely manner.

19 Elexicon is supportive of each of the recommendations below:

- 20 • Income Eligibility Threshold - Update the LEAP EFA income eligibility thresholds
21 to align with the OESP income thresholds that become effective March 1, 2024.
- 22 • Grant Amounts - Increase basic electricity and natural gas grant to \$650 and
23 increase grant for those heating with electricity to \$780.
- 24 • Sustainability - The Program eligibility should be revised to provide flexibility to
25 agencies to accept other documents in lieu of proof of mortgage or lease.



- 1 • Program Awareness - Distributors and USMPs should undertake regular
2 communication with consumers about the LEAP EFA.

3 Elexicon also supports the recommendation that distributors should make funding
4 available for all applicants meeting all of the LEAP EFA eligibility criteria and that no
5 eligible applicant should be denied due to lack of funding in order to support as many
6 customers as possible.

7 **Program Funding**

8 Elexicon notes that each of the recommendations above will increase uptake in the LEAP
9 program and have the desired affect of reaching a larger group of vulnerable customers.
10 However, Elexicon is of the view that the magnitude of the overall impact is currently
11 unclear.

12 OEB staff had conducted analysis using RRR data for 2016-2019 (i.e., prior to the COVID-
13 19 pandemic) to estimate the impact of the recommendations. In OEB staff's opinion, the
14 more recent data did not reflect normal circumstances. Elexicon submits that the 2016-
15 2019 data is also likely not reflective of the affordability challenges that are currently being
16 faced by its customers. Current financial conditions have seen a significant increase in
17 the cost of living due to inflationary pressures which may drive higher demand for financial
18 assistance.

19 OEB staff also recommended that no eligible applicants to the LEAP program be denied
20 funding. The impact of this recommendation is also very challenging to forecast as there
21 is currently incomplete data on the number of past applicants who had been denied due
22 to lack of funding.

23 Taken as a whole, the factors above introduce significant uncertainty and suggest the
24 possibility that the overall financial impact of the proposed changes may be greater than
25 what is suggested by the analysis conducted by OEB staff with dated information.

26 In the Report, the OEB acknowledges that there is a potential impact of providing all
27 eligible applicants the maximum recommended grant amounts and that some
28 distributors may need to increase their LEAP EFA budget to accommodate grants for all
29 eligible customers. Although distributors may exercise the option of applying to the OEB



1 to adjust their funding amount during their Cost of Service rate applications there could
2 be an extended period of time between March 1, 2024 and a distributor's next re-basing
3 application.

4 In light of the uncertainty of how the recommendations may impact demand for funding,
5 Elexicon submits that OEB staff consider the establishment of a generic Deferral and
6 Variance Account ("DVA") to capture for future recovery the incremental costs for LEAP
7 grants that are provided to eligible consumers above amounts that are currently funded
8 through rates. Elexicon is proposing that the DVA be effective from March 1, 2024 to the
9 effective date of a distributor's next cost of service-based rate order. Introducing a generic
10 DVA would ensure that distributors experiencing high customer demand for the LEAP
11 EFA have the resources necessary to support customers in need.