

December 8, 2023

VIA RESS

Ms. Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, Ontario M4P 1E4

Dear Ms. Marconi:

**Re: Low Income Energy Assistance Program Emergency Financial Assistance Review;
OEB File: EB-2023-0135**

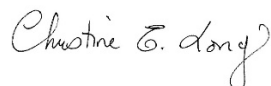
In July 2023 the OEB initiated a review of the Low Income Energy Assistance Program Emergency Assistance Program (“LEAP EFA” or “LEAP”), with the intent of ensuring that the LEAP EFA program provides an appropriate level of assistance to vulnerable consumers. The review scope included the LEAP EFA funding mechanism, eligibility criteria, grant amounts, level of program awareness and performance metrics.

On November 21, 2023, an OEB Staff Report on the LEAP EFA (the “Report”) was issued. After considering input from the Financial Assistance Working Group (“FAWG”), consumer outreach, and program-related data collected from distributors under the Reporting and Record Keeping Requirements (RRR), the Report offers six recommendations to enhance the LEAP EFA.

The LEAP EFA is a meaningful program that provides necessary benefits to vulnerable customers and Alectra appreciates the opportunity to provide comments on the draft materials for the OEB’s consideration.

Should you have any questions, please do not hesitate to contact the undersigned.

Yours truly,



Christine E. Long
Vice President, Regulatory Affairs & Privacy Officer
Alectra Utilities Corporation

Low Income Energy Assistance Program Emergency Financial Assistance Review Income Eligibility Threshold

Alectra supports OEB staff's recommendation to increase the LEAP EFA income eligibility threshold to reflect Canada's 2020 Low-Income Measure as produced by Statistics Canada, effective March 1, 2024. This change will ensure the LEAP EFA eligibility threshold reflects present-day income levels and economic conditions. Furthermore, it will bring the LEAP EFA income eligibility threshold back into alignment with that of the OESP program for the first time since 2017.

As a matter of efficiency, Alectra suggests that to the extent possible, future updates to the eligibility threshold for one program should simultaneously apply to the other, for each of the OESP and LEAP programs, respectively. Consistency between eligibility conditions between the two programs will benefit consumers by limiting confusion. Distributor and LEAP agency staff who relay information on the availability of emergency financial assistance to enquiring consumers will be able to communicate eligibility guidelines more succinctly with a consistent income eligibility threshold in place for both LEAP EFA and OESP. This is particularly true, as noted in the Report, for agencies who assess applicants for both programs.

Grant Amounts

Alectra supports the recommendation to update maximum grant amounts, as follows:

- Increasing the basic grant amount for electricity and natural gas customers to \$650 from \$500, and
- Increasing the grant amount for electrically heated homes to \$780 from \$600.

Alectra further recommends that grant levels be reviewed on a regular basis to determine if an inflationary adjustment is warranted. The average arrears owing for customers accessing LEAP has grown substantially since grant amounts were last set in 2011. Of the eligible applicants who accessed LEAP in 2022, the average grant amount was \$663¹, and the average arrears owing per customer was approximately \$1,000.

Program Funding

Alectra is a merged entity formed of five legacy utilities, including Enersource Hydro Mississauga Inc., Hydro One Brampton Networks Inc., Horizon Utilities Corporation, Powerstream Inc., and Guelph Hydro Electric Systems Inc. Until 2021, each legacy utility (now referred to as Alectra's five "rate zones") maintained separate LEAP EFA funding pools. In reviewing the historical patterns of the five legacy utilities, it is evident that:

¹ The annual maximum basic grant amount was temporarily increased to \$1,000 (\$1,200 for consumers with electrically heated premises) to recognize the impact of the COVID-19 pandemic on consumers in 2022.

- some legacy utilities consistently depleted LEAP funds before the end of each calendar year,
- some legacy utilities consistently had unused LEAP funding available at the close of each calendar year, and
- some legacy utilities had approximately the required amount of funding to address the needs of all eligible applicants each year, varying between a small surplus or shortfall in overall funding by year end.

In 2021 Alectra began assessing LEAP applications from one common pool for all customers, regardless of rate zone. Alectra's annual LEAP contribution totals approximately \$676k (0.12% of distribution revenue). For 2023, the total amount of available LEAP funding, including carry-over of unused funds from prior years, was ~\$1.5M. Carry-over funding resulted from surpluses pertaining to certain rate zones in prior years when fewer disconnections were performed, and because COVID-19 Emergency Assistance Program ("CEAP") funding was also available. In 2023, application volumes have increased as well as the number of low income customers. As a result Alectra is on track to exhaust all available LEAP funding by year end. With carry-over funding exhausted, available LEAP funding for 2024 will decrease from \$\$~1.5M to \$676k.

Alectra is supportive of OEB staff's recommendation that distributors should make LEAP funding available for all applicants meeting the eligibility criteria. Alectra also agrees with OEB staff and the FAWG's assessment that there is not an immediate need to change the generic LEAP EFA funding mechanism, given that the current formula provides many distributors with sufficient funding to address their total need.

However, in order to be able to address all eligible funding requests in 2024, Alectra recommends that a regulatory deferral account be established in order to address funding shortfalls. The establishment of such an account would be an efficient and effective way to deal with intra-year funding requirements that, consistent with the recommended objectives, ensure no eligible customer is turned away due a lack of funding.

Sustainability

Alectra supports the recommendation to provide flexibility to LEAP agencies with regard to accepting alternate documents in lieu of mortgage or lease proof (e.g., letter from MPP, attestation from legal clinic, letter from landlord). This will reduce the level of difficulty experienced by some applicants accessing the LEAP program and will directly benefit applicants who are unable to produce formal documentation who would otherwise be declined access.

Program Awareness

Alectra endeavours to raise awareness about the availability of the LEAP EFA program through enquiries raised through customer service channels, via messaging on bills and notices, and by

making information available to consumers online and through its newsletter. In 2023, Alectra proactively established a Customer Assistance Program office, with the mandate to develop tools and resources to assist vulnerable customers at risk of being disconnected. Part of the Program office's mandate is to work closely with LEAP agencies to administer LEAP and to develop proactive communication on other programs and payment options which aid customers in staying current with their electric bills (e.g., OESP, equal monthly payment plan, pre-authorized payments, and the arrears management plan).

Alectra welcomes formal OEB staff guidance on LEAP EFA communication requirements or enhancements.

Program Performance Metrics

Alectra's agencies work to conduct LEAP assessments within seven days of receiving a complete application. Delays extending beyond the 21-day timeframe are most often the result of exceptional and/or particular circumstances, such as when customers fail to follow through with intake appointments or to provide requested documentation.

Alectra supports OEB staff's recommendations to monitor the quantity of LEAP EFA applications that are denied due to lack of funding, and applications that are not processed within 21 days. These recommendations will require little to no additional administrative effort from LEAP agencies.