

December 8, 2023

*Submitted electronically.*

Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Attn: Sophie Rosseau

Dear Ms. Rosseau:

**Re: FAWG Review of Low-Income Energy Assistance Program Emergency Financial Assistance**

The Electricity Distributors Association (“EDA”) represents local electricity distribution companies (“LDCs”) in Ontario, the part of the electricity system that is closest to customers. Ontario’s local hydro utilities are on the front lines of power and work to keep our electricity system safe, reliable, and affordable for households, small businesses, farms, commercial, and industrial customers. Because LDCs are so close to our customers, we are essential partners in delivering on energy policy, and social programs such as Low-income Energy Assistance Program (LEAP), COVID-19 Energy Assistance Program (CEAP) and Ontario Electricity Support Program (OESP) which aid many our customers who face financial hardship when paying their electricity bills.

It is in the best interest of both the LDCs and their customers that emergency funding be provided to those customers in need so that they can return to a manageable payment arrangement as soon as possible. We welcome the Financial Advisory Working Group (FAWG) LEAP program review and encourage the OEB to work with LDCs to provide these customers with the opportunity and relief available to them.

Below are our comments on the OEB’s proposed Low-Income Energy Assistance Program Emergency Financial Assistance (LEAP EFA) Program Review (Report) issued to industry representative on November 21, 2023.

**4.1 Income Eligibility Threshold**

We support the OEB recommendation **to update LEAP EFA income eligibility thresholds to align with the OESP income thresholds that become effective March 1, 2024**. This recommendation is consistent with our views expressed in our submission through the OEB’s September LEAP FAWG consultation. We recommended that the process be streamlined to increase customer accessibility and reduce the burden on social agencies and customers. Further, **we recommended that the criteria be aligned**, such that eligibility into one of the programs (LEAP, OESP) automatically enables eligibility into the other.

### **EDA Recommendation:**

We further recommend that the OEB include in its final report that the Ministry and OEB update income eligibility thresholds for OESP and LEAP on an annual basis. This will resolve any future concerns for the eligibility thresholds becoming outdated once more.

We also propose as we did in our September submission, that the OEB allow LDCs flexibility and discretion through its partnership with social service agencies to administer LEAP funds to customers who may fall short of the eligibility criteria but are considered candidates for **one-time emergency LEAP assistance**.

### **4.2 Grant Amounts**

We support the OEB recommendation **to increase basic electricity and natural gas grant to \$650 and increase grant for those heating with electricity to \$780**. This recommendation is consistent with our views expressed in our September consultation submission, and above the \$750 originally proposed by the OEB. In our submission we recommended that there be increases to the maximum grant amount for assisting electrically heated customers to better reflect the higher electricity costs for these customers, as well as the increases to cost of living and inflation that were not considered in the original LEAP-EFA program policy.

### **EDA Recommendation:**

We further suggest that the OEB include in its final report a recommendation that there be consideration for annual reviews of grant amounts and conducted on a more regular basis to determine when an inflationary adjustment is warranted – or determine a mechanism for this.

There are two grant amounts included in the proposal, basic and increased if you heat with electricity. We would like the OEB to confirm its definition of whether heat pumps are counted as heating with electricity. For consistency among LDCs, and for the benefit of customers, we would prefer that the OEB address this through this consultation in grant amounts, rather than leaving to the discretion of the agencies.

We also propose adding program flexibility, as we did in our September submission: flexibility in grant amounts – where appropriate, depending on the size of the LDC or using customer numbers as a baseline, and given challenges faced by low-income customers in less dense and rural rate classes who pay higher rates. The OEB should consider reviewing funding on a sliding scale or based on geographic region for the LEAP program and applied by LDCs. We recommend that, to reach the maximum number of customers possible, the OEB should provide flexibility by allowing LDCs and agencies discretion in administering LEAP grants. Additionally, we support and recommended the extension for the LEAP program consideration beyond low-income customers, and those customers in the future deemed eligible to require ‘emergency’ defined financial assistance.

### **4.3 Program Funding**

We support the OEB's decision to ***not change the funding formula for all LDCs***. This is consistent with our comments in September that the funding mechanism (0.12% of distribution revenue, or \$2,000) is still appropriate for both.

We also support the OEB recommendation that ***LDCs make funding available for all applicants meeting all of the LEAP EFA eligibility criteria and that - no eligible applicant should be denied due to the lack of funding***. This is consistent with our original recommendations and concerns supporting the LDCs whose social agencies have regularly exhausted funds. LDCs remain highly committed to the well-being of their customers while balancing operational considerations and responsibilities. All LDCs recognize the important value of utility funds and accessible LEAP emergency financial assistance to those who fall behind on their electricity bills – electricity customers whose accounts are in arrears and who may have met the 'low-income' criteria.

However, while supportive, and aware that LDCs can request an increase to level of funding, we have a few concerns that should be addressed if this recommendation is accepted wholly.

#### **EDA Recommendations:**

For the consideration of funding and the increased inclusion of customers who qualify yet were restricted by the funding limitation, we recommend that the OEB address and include the following in its final report:

#### **Establishment of a Generic LEAP-EFA Variance Account**

We recommend that to fulfil the needs of all eligible LEAP applicants in each LDC's service territory, and because of this new policy recommendation, the OEB **must** also grant LDCs a generic variance account to track the anticipated increase in funding requirements for the LDC's recovery. Affordability challenges have drastically increased due to broader inflationary trends in all aspects of living. We anticipate that many of the proposed changes and recommendations in the report are likely to increase the level of demand for funding. Additionally, LDCs will now be expected to ensure that all eligible customers are funded for LEAP-EFA, and no one is turned away if the previously board approved budgeted funds are exhausted. LDCs are aware that they can request increased funding, based on increased demand for LEAP EFA assistance during their Cost-of-Service applications, every four to five years, or extended up until ten years depending on other criteria. LDCs should have a board approved mechanism by which they are able to record cost variances in the years between their rebasing years to account for these impacts.

The mechanics of a generic account would be very straightforward, as the LEAP amount approved in rates during previous COS applications and LEAP amounts granted during yearly LEAP-EFA are readily available and currently tracked. The establishment of the DVA would also allow LDCs to gain better experience operating under the new LEAP-EFA funding policy to get a better baseline of the amount of LEAP funding to build and request into future rates. At the next COS application, the LDC could then incorporate the appropriate level of LEAP funding

forecast. Given the uncertainty of forecasting the uptake and that the recommendations are that no customers are turned away, our view is that a deferral account will be beneficial, and an essential tool to exercise the new policy in the most efficient manner. This will ensure that LDCs have the means to support as many customers as possible. The account would only capture any incremental funding given to customers above what is already in rates.

### **OEB LEAP-EFA Reporting**

We recommend that OEB staff produce and use consumption reporting averages to address the noted inconsistency between approving a funding mechanism using 0.12% of distribution revenue and evaluating the relationship of inflationary increases on electricity bills by line item or for average consumption. Billed consumption, 4080 Distribution Revenue, and customer numbers are information which LDCs already report to the OEB and could be used to monitor and generate updates in these categories on a periodic basis, and drive threshold reviews of added funding requirements across the industry. Additionally, discovery through this OEB LEAP-EFA reporting may occur determining if there is a large variance geographically, or between LDCs for LEAP. In that case, the LEAP-EFA should be reviewed again as an item that might be better socialized and funded through taxes rather than distribution rates. This concept may cross from economic regulation into social regulation.

### **4.4 Sustainability**

We support the OEB recommendation that ***program eligibility be revised to provide flexibility to agencies to accept other documents in lieu of proof of mortgage/lease (e.g., letter from MPP, attestation from a legal clinic or letter from a landlord)***. This is consistent with our previous recommendations for sustainability to ensure the process is efficient, agile and assists our customers in diverse living situations, particularly in a time of high inflation.

### **EDA Recommendation:**

Consistent with the recommendation to provide agencies with flexibility, we recommend that LDCs be given flexibility in grant approval and amounts where appropriate, given the nature of 'emergency' funding and LDCs' customer payment knowledge.

### **4.5 Program Awareness**

We support the OEB recommendation that **LDCs and USMPs should undertake regular communication with consumers about LEAP EFA and work with FAWG and OEB on suitable approaches**. LDCs thoroughly understand their obligations concerning LEAP EFA and highly support increasing awareness to their customers beyond what is already promoted by LDCs and their customer service staff. As noted on the OEB FAWG call on August 16, many LDCs have taken it upon themselves to promote LEAP, and OESP financial assistance options and have robust communication plans in place to access customers in need. Our members do not believe

that communication with customers is a barrier for customers accessing funds because LDCs currently communicate with their customers regarding the availability of the LEAP and OESP programs, as well as bill payment options/plans that aid customers in staying current on bills. Furthermore, LDCs have implemented tools and strategies that serve to proactively assist vulnerable customers at risk of disconnection. LDCs actively promote information related to LEAP for their customers through various channels, e.g., radio, bill inserts, newspaper, social media campaigns and customer service communications to name a few.

**EDA Recommendation:**

We recommend a thorough and collaborative review at FAWG of the enquiries and IREs which the OEB receives and has outlined in this recommendation. LDCs are uncertain that customers engaging with the OEB to request more social program information through enquires and IREs is directly correlated with the lack of LDC communication of LEAP and OESP in their communities. Their experience engaging with customers in their territories could indicate that the information on the OEB website is considered confusing to customers in stressful situations and does not connect them to an agent that can readily assist – as most current top businesses might provide immediately through a chat function on their website. Customers who require accessible options and speaking directly to a representative do not understand fully the stepped approach outlined on the OEB website.

Additionally, the OEB website encourages customers to contact them with concerns, but only makes available the list of agencies, and the “File a Complaint” section. This could imply that LDCs have done something incorrectly as the end of the webpage ends in customer protection and not a helpful resource to get the relationship started with the LDC or USMP. We and several LDCs on the call informed the FAWG members of the proactive communication that currently exist between LDCs and customers to share LEAF-EFA. It is not clear what the OEB considered a suitable approach, particularly while LDCs currently communicate frequently. Nonetheless, we look forward to working with FAWG to determine how this can be best achieved across the industry.

We do not oppose efforts to the OEB increasing the program awareness. However, we sense that LDCs already communicate effectively with their customers. We recommend that the OEB investigate the categories underpinning the report, such as cost of living impacts, to determine common themes either of misunderstanding eligibility criteria or possibly the addition of criteria that may be helpful to the program or the OEB website itself.

We also encourage the OEB to communicate to customers the dangers of falling too far behind on bills during the disconnection ban period, the true purpose of the disconnection ban, and the cyclical trend that might happen if the ban is used beyond its intended purpose.

Finally, we suggest that the OEB staff also provide social intake agencies with communication literature for customers assisted through LEAP to better understand energy conservation and home energy reviews that would assist in reducing bills, and/or educating customers to better understand their RPP options and load profiles.

## **4.6 Program Performance Metrics**

We understand there is a need for appropriate performance metrics to evaluate effectiveness of the LEAP EFA program. We support the OEB recommendation for metrics that measure the LEAP EFA effectively reaching eligible low-income customers in a timely manner **AND** do not increase the current reporting requirements of LDCs and social agencies. The two metrics added to this policy change which ensure that (1) no eligible LEAP EFA application is denied due to lack of funding, and (2) that all LEAP EFA applications are processed within 21 days, are much more favourable than the originally presented metrics that did not correspond to the LEAP program, and these metrics do not result in additional reporting requirements for LDCs or agencies. At this time, the metrics as proposed would require minimal ongoing administration effort on the LDC or agency to provide this confirmation to the OEB.

### **EDA Recommendation:**

We recommend the following be considered to the final OEB report for LEAP EFA reporting metric consideration to effectively reach eligible low-income customers in a timely manner:

#### **Metric #1: No eligible LEAP EFA application is denied due to lack of funding**

We agree that this metric is supportive of measuring the effectiveness outcome and the new policy expectation for LDCs to monitor the balance and release of LEAP-EFA funding to eligible customers. Providing a statement to this effect is an effective measurement tool to ensuring that there is not an event where an eligible customer is denied due to lack of funding, and if they are, why this might occur. However, as stated in our submission above in *4.3 Program Funding*, to best support LDCs in achieving this outcome of effectively reaching all program eligible customers, they will require approval of a generic variance account as a tool to record approved amounts above and beyond the approved level of funding. LDCs would be expected to provide a statement that no eligible applicant was denied due to lack of funds or provide the number of applicants denied due to lack of funds.

We encourage the OEB in future engagements to track the rate of customers who repeatedly access funding year over year as another indicator of program effectiveness, and the value of a 'one-time' emergency funding policy.

#### **Metric #2: All LEAP EFA applications are processed within 21 days**

The recommendation to measure efficiency of the LEAP EFA program by providing data for applications that are processed within 21 days is a metric that will suffice to identify any program issues or policy gaps within the province. Applications that cannot be processed within 21 days are rare, and most often are a result of a gap in the process, or the applicant failing to provide required documentation in a timely manner.

We request that several items be considered for this metric as the LDC is not the social agency and is not entirely in control of the 21-day process for approvals but is the owner of this reporting metric.

LDCs maintain positive working partnerships with their chosen social agencies, and with their customers to achieve the best outcomes for customers requiring LEAP funding. Part of maintaining good partnerships involves developing a flexible process to help the customer to gather the necessary information in the required timeframe. While supportive of it, we are concerned for the potential impacts of the proposal recommendation 4.4 *Sustainability* that could negatively extend the 21-day timeline in this process. If customers now gather their documentation from their MPP, legal clinic, or other parties, this adds more days for engagement on the customer side, and this will add time to the normal process, and unintentionally negatively impact the 21-day period. Therefore, the communication to customers, and their responsibilities should be performed accurately or could result in a misunderstanding of the 21-day period and what the timeframe represents as a reasonable processing timeline.

In its explanation the OEB stated the metric to be that all applications are processed in 21 days, which is reasonable if LDCs were responsible for each step and day in the process. However, in its document, the OEB quotes the disconnection action:

*“With respect to processing of applications within 21 days, the OEB’s Distribution System Code and the Gas Distribution Access Rule (together, Rules) require distributors to suspend any disconnection action for a period of 21 days from the date of notification by a LEAP EFA intake agency that it is assessing whether a consumer is eligible for LEAP EFA, provided such notification is made within 14 days from the date on which the disconnection notice is received by the consumer”.*

We wish to confirm that the OEB has chosen 21 days to align with this policy and is not proposing the measurement include details of the disconnection notice as a metric of reportable action.

We also request that the OEB, in its final report, provide the industry with an illustrative example for this metric timeline of 21 days. An end-to-end illustrative example will provide the industry guidance it requires to interpret clearly the OEB’s intentions of meeting the 21-day LEAP-EFA application processing timeline. We recommend that the OEB consider reviewing the timeline in segments of workstream processes between each party’s responsibility, including the customers. LDCs would like to understand if there will be a stop period in the 21 days where the customer is given flexibility to gather their documents, or follow through with their tasks, or whether this is included in the metric of 21 days.

It was noted that the OEB will monitor complaints and concerns brought to the OEB’s attention from relevant parties relating to agencies taking longer than 21 days to assess applicants. We

suggest that this be done in a transparent ticket manner, and that the reporting mechanism be divided for these occasions being investigated.

**Conclusion:**

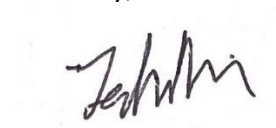
We commend the OEB staff for its excellent work on this engagement and the quality of the proposal delivered. The recommendations are significantly aligned with our early submission and those of the FAWG. The stakeholders did an excellent job advocating for the customers affected by this policy, and establishing reasonable and balanced approaches to supporting emergency financial assistance to those who require it. We are pleased to see that LDC and social agency expertise are reflected in this proposal, and the addition of our above recommendations could further enhance the OEB's report.

We strongly recommend that LDCs be given flexibility **to determine the level of support and grant that is issued to their customers, above and beyond the current policy, to reach and assist customers who fall outside the parameters and require emergency assistance.** LDC customer service staff are trained experts in reviewing customer bills and payment history and could inform social agencies of the best method to get a customer in a manageable payment position. As a point of clarity, we are not recommending removing intake agencies; however, there is a need for LDCs to have greater flexibility and discretion in administering the LEAP program in a way that is effective for their customers, and geographic region.

We would also like to reinforce that the intent of LEAP is for one-time assistance, and not a continual mechanism for customers to pay electricity charges. Therefore, in the spirit of assisting customers to return to a manageable payment position, giving LDCs flexibility and discretion to release funds to customers assessed in need, would support the intent of LEAP for one-time assistance subsequent to a process to streamline LEAP and OESP application processes, and ensuring that low-income customer bills benefit from ongoing OESP credits.

Thank you for considering our recommendations. Please do not hesitate to contact Brittany Ashby, Senior Regulatory Affairs Advisor at 416.886.4420 or at [bashby@eda-on.ca](mailto:bashby@eda-on.ca) if you require anything further in this matter.

Sincerely,



Ted Wigdor  
Vice President, Policy Government & Corporate Affairs