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## **GLOBE Submission to EB-2008-0150**

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This submission is Green Light on a Better Environment's (GLOBE) response to the Board's opportunity for participants to provide written comments following completion of the stakeholder conference for the Consultation on Energy Issues Relating to Low Income Consumers. This submission highlights GLOBE's views and recommendations for each of the questions posed by the Board in the proceeding relevant to the mandate of GLOBE. Based on these views and recommendations, GLOBE has developed a set of general principles that we urge the Board to adopt for the treatment of low-income consumers by the Board and those regulated by the Board.

### ***Mandate of GLOBE***

As a subsidiary of Social Housing Services Corporation (SHSC), which is a provincially legislated, non-profit corporation that provides a broad range of housing related programs and services, including energy, to housing providers across Ontario, GLOBE is focused on the social housing sector. The social housing sector is comprised of over 267,000 housing units across Ontario, providing housing to some 667,000 Ontarians. There are about 1,900 social housing providers in Ontario and they own and operate the social housing units. Table 1 below presents a summary of the social housing profile in Ontario.

**Table 1 Summary of the social housing profile in Ontario**

<b>Type of housing provider</b>	<b>No. of housing units (approx.)</b>	<b>Type of households</b>	<b>Types of dwellings</b>
Local Housing Corporation	127,000	Families, seniors, singles and couples	Low- and high –rise apartments, row houses, and single family homes
Non-profit Housing Providers	83,000	Families, seniors, singles, couples, households paying full market rent	Low- and high –rise apartments, row houses, and scattered units
Supportive Housing Providers	11,000	Frail or cognitively impaired elderly persons, persons with physical disabilities, persons with developmental disabilities, persons with mental illness, people with psychiatric disabilities or acquired brain injuries, those living with HIV/AIDS	Group home setting (4-5 bedroom home), or small apartment complex (<20 units), and apartment buildings
Emergency and Transitional Housing	2600	Abused women and their children, homeless men, women and their families	Emergency shelters, and temporary and transitional housing
Co-operative Housing	44,000	N/A	Single unit townhouses and small buildings (4-12 units, large apartments with hundreds of units
Affordable Rental Housing	N/A	Low-income families, senior citizens, persons living with mental illness and victims of domestic violence	N/A

## ***Topic 1: Should the Board implement policies, programs or other measures designed to assist low-income energy consumers?***

### **GLOBE views**

#### ***All residents of social housing should be treated as low-income energy consumers***

Social housing in Ontario is an important part of the “social safety net” for low-income people that can’t afford market rents for accommodation. Social housing households have a disproportionately high proportion of elderly, disabled, and recent immigrant residents compared to the general Ontario population. There are social housing units built specifically for young single mothers, for people who are hard-to-house or who are homeless, and for seniors. Some residents - particularly disabled and elderly residents - receive support care services that allow them to live independently or to build life skills. Most buildings have some units that are modified for accessibility, while some have been built with the goal of integrating a larger number of residents with disabilities into their housing communities.

In Ontario, there are three types of residents in social housing from the point of view of paying rent: those on rent that is geared to income, recipients of Ontario Works (OW) and Ontario Disability Support Program (ODSP) and those that pay market rents. All three types receive government subsidies, either directly or indirectly, to be able to afford housing and energy costs.

Social housing rents, including market rents, are determined on the basis of need. Residents whose rent is geared to their income pay approximately 30% of their gross household income up to the equivalent market rent, regulated for a particular bed size in a particular geographic area. Those on OW and ODSP pay rent according to a regulated scale.

The market rent component of social housing is determined by the annual Rent Inflation Factor. In the private rental market, on the other hand, rent is determined by the type of unit (number of rooms, floor level, orientation etc.). Many social housing residents, therefore, pay market rents that are below the rent that would be paid in the private rental market for the equivalent accommodation. Unlike the private rental market, all rents paid in social housing are determined by the resident’s ability to pay.

Typically, in social housing, the rent situation for any given unit changes on a monthly basis. As a result, one month the unit rent could be a market rent, the next rent geared to income, and the next OW or ODSP. To accommodate such volatility and to make sure that needy residents are not overlooked in any program offered to low-income consumers, all social housing units should be treated as being occupied by vulnerable and therefore low-income consumers, who should be included in any policies, programs or other measures offered to low-income consumers.

***The social housing sector should be treated as a distinct low-income market segment***

As Table 1 reveals, social housing buildings come in many different shapes and sizes, ranging from scattered homes, collections of single unit townhouses and small buildings to large apartment-style buildings with hundreds of units. What many of these buildings have in common is that they are very energy inefficient. Many were built in the era of 'cheap' energy and now require major retrofits. In the late 1980's the Government of Ontario specified that most newly constructed social housing should be heated by electric baseboard heaters in order to minimize construction costs, since other forms of heating were more expensive to install. A 2006 survey of 185 housing providers found that 26% of all social housing units in Ontario (about 60,500 units) and 61% of social housing apartments have electric heat. This lowest cost first approach has also resulted in the installation of poor insulation and inefficient windows.

Today, housing providers and social housing residents must pay the higher operating costs that result from this policy. One third of households in social housing pay their own electricity bills. About 39% of all social housing units pay their own utility bills; 74% of house-type social housing units pay their own utility bills.

GLOBE would like to emphasize that social housing providers and residents care deeply about energy consumption. Dr. Silk's commented, "the people in the social housing units paid little attention to the energy consumption because they weren't paying for it. The managers paid almost even less attention because they weren't paying for it. They just passed the bills along to the City, which then just passed the bills along to the Province." (Day 1, pg. 84, lines 18-25). GLOBE disagrees with this observation as it is not based on accurate information and assures the Board that energy consumption is a very important consideration to social housing providers. Under provincial Regulations, operating costs for housing providers are benchmarked, and are capped at a certain amount for what they can spend on utilities. If providers exceed that amount, they are responsible for paying for overage and therefore pay great attention to how much they are consuming and how much is spent. Energy consumption is also very important to social housing residents, as they want to keep bills low and want to participate in a conservation culture.

Social housing providers in Ontario spend well over \$400 million a year, or 40% of their overall budget, on energy and water - their most volatile operating costs. This is from a 2004 survey and so the number is now much higher. These increasing costs, and complex and outdated funding formulas and funding freezes over the years, have resulted in the deferral of existing and preventive maintenance and the use of capital funds to bridge operating deficits. This has resulted in a lack of capital and funds to invest in the buildings particularly in energy efficiency upgrades. This lack of up-front capital is further exacerbated because housing providers are not being permitted to either re-mortgage properties to make additional capital available, or to increase their borrowing against the value of the asset.

Social housing residents and their social housing providers have special circumstances and needs that differentiate social housing from the rest of the low-income market (e.g. from private rental low-income tenants and low-income homeowners), and as a result they comprise a clearly identifiable and distinct market segment.

***The social housing sector should receive services designed specifically for the sector***

The social housing profile depicts a sector that faces a unique situation and has unique needs. In order to address these considerations most effectively, programs and services must be designed specifically for the sector.

***The Board should implement policies, programs or other measures for low-income consumers, and specific to social housing***

In setting just and reasonable rates, the Board has a responsibility to consider the impacts of these rates on consumers and to segment the consumer market to understand these impacts in a manner the Board considers to be most useful. Most, if not all participants, to this consultation agree that low-income consumers face unique challenges that require different treatment from that of other residential consumers. Social housing as a unique market segment should be considered as part of the low-income market and also as a separate market segment, when considering rate impacts.

In addition, the Board in setting rates has a responsibility to consider whether the services and programs offered by utilities meet the needs of its customers. As a result, the Board has a responsibility to implement policies and guidelines to ensure that the utilities it regulates meet these customer needs effectively. Where there are gaps that the Board can fill as a regulator of both natural gas and electric utilities, the Board should implement policies and programs for consumers, in particular for low-income consumers, and specific to social housing.

As the approval body of the OPA's IPSP and revenue requirement, the Board should develop policies and guidelines for the OPA on meeting low-income consumer needs to ensure consistency and coordination across the natural gas and electricity sectors. GLOBE supports the position of the EDA that consistent, rather than uniform, low-income support be offered across the province. (Transcript Day 2, pg.107, line 8). It is GLOBE's view that it is important to address local needs (geographically and by sector) by utilizing groups and organizations that are known and are trusted by low-income consumers.

IGUA raised the issue that the provincial government is providing reactive support to low-income energy consumers and that a potential role for the Board is to provide more proactive support. GLOBE supports the Board taking a proactive approach to low-income energy issues, particularly to consumer education and conservation programming, and interim rate relief (Transcript Day 1, pg.74, lines 15-28).

## Recommendations

GLOBE makes the following recommendations to the Board:

- The Board should take a proactive approach to low-income energy consumers
- The Board should implement policies, programs or other measures for low-income consumers and specifically to assist social housing residents and housing providers
- The Board should develop policies and guidelines which lead to the formation of a permanent, comprehensive energy management program to assist low-income residents in Ontario, with efforts focused on education and energy efficiency
- The Board's policies and guidelines should result in coordination and consistency, not uniformity, of programs and services across gas and electric utilities and the OPA
- The Board should initiate the formation of a working group comprised of SHSC, the Board, the Ministry of Energy and Infrastructure, the Ministry of Municipal Affairs and Housing, and the Ministry of Community and Social Services to develop options to prevent energy poverty among all social housing residents.

***Topic 2: Are there programs in place now, including emergency assistance programs, to assist low-income energy consumers and if so, are there agencies and organizations which currently work with utilities to co-ordinate to administer these programs. What more, if anything, should be done?***

There are programs in place now to assist low-income energy consumers and social housing in particular. GLOBE's role in providing programs to social housing is described below and in more detail under Topic 6. More needs to be done and GLOBE provides recommendations below to the Board on what should be done.

### **GLOBE views**

GLOBE provides education and DSM/CDM programs to social housing providers and residents. GLOBE concurs with LIEN that there currently exists a patchwork of low-income energy related programs and policies that are hard for low-income consumers, including social housing residents and housing providers, to muddle through (Transcript Day 1, pg. 133, lines 1-28 and pg. 118, line 25). GLOBE is experienced at working through this patchwork, providing this service through the delivery of its education and energy efficiency programs (for example, GLOBE's energy efficiency program was coordinated with participating gas and electric utilities, the federal government and the OPA).

GLOBE believes that to alleviate some of this muddling through, there needs to be a comprehensive province wide energy program strategy for low-income consumers. However, it is GLOBE's view that this strategy should consist of common principles to be adopted across programs, rather than a centralized approach to program design and delivery, as special resources and expertise are required to handle particular needs either geographically or by sector. GLOBE makes recommendations at the end of this submission on what these principles should be; these recommendations should be considered as a starting point for further discussion and refinement among stakeholders and the Board.

GLOBE agrees that there is a need for a province wide information clearinghouse on energy programs (e.g. education/DSM/CDM), customer care policies and practices, and in particular, for low-income consumers. The Board should take on this clearinghouse role; it is consistent with the Board's objective to communicate with consumers more effectively (Day 1, pg. 138, lines 1-3).

However, it is also GLOBE's view that there is a need for specialized clearinghouses for specific sectors, and in particular the social housing sector. With such an array of programs and services for low-income consumers, GLOBE believes there is a need for a specialized clearinghouse for this information that social housing residents and housing providers can readily access and understand. There is also a need for a trusted advisor to provide social housing residents and housing providers with information on CDM/DSM programs, utility customer care opportunities and how to access them as well how to access educational programming on energy efficiency and conservation.

The clearinghouse and trusted advisor roles are functions that GLOBE can fulfill and already provide to some extent. Under its energy management pilot known as The Green Light Initiative, GLOBE provided single-window access to a wide-range of government and gas and electric utility programs and incentives available to the social housing community for implementing energy efficient measures. GLOBE continues to provide this role, however, this service would need to be enhanced and expanded to fulfill the clearinghouse and trusted advisor roles in a more fulsome and robust manner.

Coordination among the clearinghouses is essential. The Board should take a proactive role in facilitating this coordination.

The possibility of the Board taking on a caseworker role was raised (Transcript Day 1, pg. 139, lines 11-23, and pg. 141, lines 13-28). It is GLOBE's view that the Board should not take on a caseworker role for low-income consumers. This role should be designated to specialists for particular sectors (e.g. CSRs for the gas and electric utilities, and GLOBE for social housing providers and residents).

## Recommendations

GLOBE makes the following recommendations to the Board:

- The Board should act as a general clearinghouse for province wide information on low-income energy programs, policies and practices. As part of this clearinghouse, the Board should provide low-income consumers with information on, but not limited to:
  - The energy market, including pricing and how it operates
  - Gas, electricity and other fuels relevant to consumers
  - DSM and education programs available federally and from provincial ministries/agencies
  - DSM/CDM and education programs available by utility and links to utility websites for more detail
  - Customer care policies for electric LDCs set by the Board and that apply to low-income consumers
  - OEB guidance on customer care provided to the gas utilities

And access to:

- An on-line tool that consumers (low-income or otherwise) can use to identify their gas utility and electric utility
  - Links to sector clearinghouses such as the social housing sector clearinghouse
  - Links to major provincial/regional services (e.g. Winter Warmth Fund of the United Way or provincial emergency energy fund)
  - Provincial and regional statistics on utility customer care service (province wide and by region and fuel type) that includes, for example, the number of disconnections, reconnections, security deposit waivers implemented, arrearage management programs accessed (and categorization of reasons) per year
  - A hotline to answer questions, provide referrals and accept feedback (Transcript Day 1, pg. 138, lines 18-23).
- The Board should encourage and support the development of specialized clearinghouses for specific sectors, in particular for the social housing sector. GLOBE should provide the specialized clearinghouse for social housing
- GLOBE recommends that the Board encourage and support the addressing of local and sectoral needs by those groups and organizations that are known and trusted in those areas
- The Board should take a proactive role in facilitating coordination among the clearinghouses



- The Board should not take on a caseworker role for low-income consumers. This role should be the responsibility of specialized clearinghouses and then ultimately the utility CSRs, who should assist individual consumers to navigate through the range of services the particular utility offers

***Topic 3: What is the experience with low-income energy assistance programs in other jurisdictions?***

GLOBE has no comments on Topic 3.

***Topic 4: Rate-related measures and issues associated with the implementation of rate-related measures to assist low-income energy consumers.***

GLOBE supports the development of rate support in the form of bill discounts for low-income consumers that is offered on an interim basis until education and DSM/CDM result in lower and manageable energy bills for the particular consumer. This is discussed under Topic 7.

***Topic 5: Customer Service Issues (Payment Period, Disconnection Rules, Security Deposits and Specific Service Charges) and Arrears Management Programs***

GLOBE is concerned with issues regarding accessibility to utility customer care services available to social housing residents.

**GLOBE views**

As discussed in Topic 1, social housing residents face issues around accessibility to information because their first language may not be English, they may not be literate and may have physical/mental disabilities. These issues all need to be taken into account by utilities when offering customer care services. This includes considering how services are to be offered and the type of communication materials and vehicles to be used.

Local organizations already serving local/regional low-income communities should be used as a delivery channel for the distribution of information/materials related to customer care policies and services (as well as education and CDM/DSM). GLOBE is well positioned to provide this service to social housing residents and housing providers on behalf of utilities, the OPA, and the OEB. GLOBE can also provide advice to these organizations on the types of materials to prepare and their content.

When utility CSRs meet with clients, the CSR should recognize that difficulty in paying utility bills should not be taken as the only sign of low-income status. Social housing residents that pay their utility bills directly are likely to pay those bills first before others in a tradeoff between food and heat or food and electricity, for example. The client may need utility support close to the end or after the heating season/electricity peak because of having made this tradeoff.

## **Recommendations**

GLOBE makes the following recommendations to the Board:

- The Board should ensure that the customer care policies of the gas and electric utilities provide adequate support for social housing residents that pay their bills directly to stay connected
- The Board, OPA and the gas utilities should use local and regional organizations now serving the low-income community to distribute information/materials on customer care policies and services, CDM/DSM and energy education programs available in the local/regional area
- The Board should encourage gas and electric utilities to consider other factors in addition to difficulty in paying utility bills as a sign of low-income status when determining the appropriate customer care services available for a particular customer
- As recommended under Topic 2, the OEB should track customer care statistics as part of its clearinghouse role

### ***Topic 6: Conservation Demand Management and Demand-Side Management Programs for Low Income Consumers***

CDM/DSM programs and related education designed specifically for the social housing sector is essential. What is needed is discussed below.

#### **GLOBE views**

##### ***Social housing is a good opportunity for CDM/DSM***

Social housing residents are easier to access than other low-income consumers who live in the private rental or homeowner markets because they can be readily identified. Social housing buildings provide the opportunity for significant energy savings due to the quality of the social housing building stock. Social housing residents and providers lack resources, both financial and technical, to carry out energy efficiency measures, and would benefit from CDM/DSM designed to overcome these barriers. For all of these reasons, social housing is a good opportunity for CDM/DSM.

***Energy conservation and efficiency education is essential for social housing providers and residents***

It is GLOBE's view that energy conservation and efficiency education is essential to social housing providers and residents. Both want to be engaged and to be part of the global culture of conservation. They simply need the opportunity and right tools to participate.

Providing social housing residents with education and information to effect change empowers individuals to take action and provides long-term solutions to energy and financial problems. Education also allows social housing residents to make behavioural changes to accompany and to help maximize the energy savings from any energy upgrades or retrofits that may be implemented. This focus on education is based on the philosophy of "helping individuals to help themselves." This approach is consistent with objective of Union Gas' DSM programs to empower low-income energy consumers to control their gas usage through ongoing education and conservation programming (Transcript Day 3, pg. 168, line 10) and with Enbridge's customer model (Transcript Day 1, pg.110, lines 14-17, and pg. 116, lines 16-21 and 23-26).

Providing social housing providers with energy conservation and efficiency education allows them to better understand their buildings and where and how energy is used. Education will help housing providers to use their knowledge to identify and implement opportunities to conserve energy through energy retrofits and resident engagement.

***GLOBE is a key provider of energy efficiency/conservation education to social housing***

GLOBE has a mandate to educate stakeholders in the social housing sector including social housing residents and housing providers. GLOBE has experience providing energy conservation and efficiency education to social housing residents and housing providers. GLOBE supports LIEN's position that it is vital to have tenants engaged in the energy programs provided to them (Transcript Day 3, pg. 130, lines 10-17). This support is demonstrated through the development and delivery of GLOBE's Community Champion Program. The objectives of this program are to educate low-income residents (Community Champion) and key staff (member of Conservation Committee) to be able to communicate effectively about the needs for and benefits of energy conservation in their communities and propose strategies that will change values, attitudes and behaviours of residents in regard to energy use.

***Social housing providers and residents require the right tools and programs in order to participate effectively in DSM/CDM***

As discussed in Topic 5, to address the unique needs of social housing residents requires consideration of these needs in the design of customer care services, in particular how the services are offered and the type of communication and vehicles used. The same approach applies to the design and delivery of DSM/CDM. The right tools and programs are needed in order to garner strong program uptake and effective participation.

There are already a number of CDM/DSM programs that are available to, but not specifically targeted at, social housing residents and housing providers from the OPA and gas utilities. Like LIEN, GLOBE believes that these programs should be tailored to meet the needs of specific groups (Transcript Day 3, pg 125, line 7). In particular, it is GLOBE's view that specific programs tailored to the social housing sector are needed. This view is supported by the OPA which has separated its Multi-family Buildings Program into a social housing segment and a private/market rental segment; as these segments are seen by the OPA as distinct enough to take a distinct approach (Transcript Day 3, pg. 146, line 6).

One example of a CDM/DSM program that is not specifically targeted at the social housing sector is the Helping Homes Conserve program delivered by Union Gas. Union Gas has a target to service over 10,000 low-income customers by expanding their Helping Homes Conserve program from Hamilton and Brantford into Windsor and Sudbury. This direct install program also includes an education element with an education guide specific to low-income customers, outlining low-cost and no-cost, conservation tips for their homes (Transcript Day 3, pg. 170, line 1-20). It is GLOBE's view that this program should be expanded to include all social housing residents and also expanded into all of Union's franchise areas and with GLOBE as a delivery agent for social housing.

### ***Types of CDM/DSM measures and programs needed for social housing***

GLOBE supports LIEN's call for low-income programs that result in deep energy reductions and that employ a wide suite of measures (Transcript Day 3, pg. 124, lines 4-6). This view is also supported by the Green Energy Coalition (GEC), which supports a comprehensive approach to low-income programming using deep measures (Transcript Day 3, pg. 177, line 24). More specifically GLOBE believes that the programs specifically designed by the OPA, electric and gas utilities to meet the needs of social housing residents and housing providers have the following characteristics:

- They take a comprehensive approach;
- They include the direct installation of measures; and
- They include access to upfront capital.

To ensure that the CDM/DSM programs for social housing residents and housing providers are comprehensive, the CDM/DSM programs should offer a full range of energy efficiency measures. These measures include: appliance upgrades, lighting, insulation, heating/cooling and building envelope improvements and fuel switching where appropriate. The programs should also be simple to understand, sufficiently adequate to encourage action and outcome-based.

Education for both the social housing residents and housing providers, including the property managers and building maintenance staff, should accompany the installation of these energy efficiency measures to help these groups maintain the measures and make behavioural adjustments that will enhance the energy savings achieved.

GLOBE supports LIEN's view that programs should be offered at no-cost to low-income consumers (Transcript Day 3, pg. 122, line 24). GLOBE also believes that measures that are provided free of charge to low-income customers in private residences to homeowners or renters by gas and/or electric utilities and the OPA as part of their CDM/DSM programs should be extended free of charge to all social housing residents. This will ensure more equitable treatment of all social housing residents and will recognize the financial constraints facing social housing providers.

As part of their Multi-family Buildings Program the OPA provides funding to housing providers to prop up projects that are not cost-effective and also provides a loan guarantee with a cap to backstop loans (Transcript Day 3, pg. 148, line 26). GLOBE is pleased to see that OPA is providing gap funding and assistance with loans, however, this assistance does not go far enough to address the upfront access to capital barrier that social housing providers face. It is GLOBE's view that the CDM/DSM programs offered to housing providers should provide some up-front capital that housing providers can leverage. This is necessary as housing providers do not have adequate up-front capital to invest in their buildings, particularly in energy efficiency upgrades. Building condition assessments in social housing reveal a looming problem with aging housing infrastructure in the order of \$1-3 billion.

Social housing uses the capital reserve approach to building upgrades and renewals because, unlike private sector buildings, social housing providers cannot increase their borrowing against the value of the asset. The buildings were financed with no equity contribution. Existing capital reserves are insufficient to meet the challenge and on-going operating budgets are under pressure due to deferred maintenance/upgrades and increasing volatility of utility costs. In addition, the Province has forbidden housing providers to re-mortgage properties to make additional capital available. These constraints make access to upfront capital a major concern in social housing. Therefore, it is essential that any DSM/CDM program to facilitate energy upgrades and retrofits in social housing address this financial barrier.

Housing providers lack technical support and advice for retrofits to get them from ideation to completion of a retrofit program. Typically, they do not have the resources and/or do not understand the benefits of obtaining such advice except for the largest scale retrofits. CDM/DSM targeted at social housing providers should address this institutional barrier.

***GLOBE is an effective delivery agent of CDM/DSM to social housing***

GLOBE is well positioned to manage and deliver energy efficiency and conservation programming on behalf of energy utilities and the OPA. GLOBE is an experienced delivery agent of CDM/DSM with previous contracts with Hydro One, Toronto Hydro, Powerstream, Milton Hydro, and Enbridge and Union Gas. GLOBE is also currently delivering another low-income CDM program for Toronto Hydro, which involves the installation of in-suite lighting upgrades as well as resident education.

GLOBE has entered into a partnership with the Clinton Foundation to help finance social housing retrofits. As a result of the provincial budget announcement in March 2008, SHSC has also been approached by Ontario Strategic Infrastructure Financing Authority (OSIFA) to administer \$500M available to the sector for capital and energy retrofits.

## **Recommendations**

GLOBE makes the following recommendations to the Board:

- The Board should adopt a focus on education and on helping individuals to help themselves
- The Board should ensure that energy efficiency/conservation education is provided to all social housing providers and residents to complement and facilitate the uptake of CDM/DSM programs
- The Board should ensure that education programs are presented to social housing residents and housing providers by the OPA, gas and electric utilities in a consistent and coordinated fashion
- The Board should ensure that there are DSM/CDM programs specifically designed by the OPA and gas utilities to meet the needs of social housing residents and housing providers
- The Board should ensure that the CDM/DSM programs specifically designed for social housing by the OPA and gas utilities have the following characteristics:
  - They take a comprehensive and deep approach;
  - They offer a full range of energy efficiency measures that include appliance upgrades, lighting, insulation, heating/cooling and building envelope improvements and fuel switching, where appropriate;
  - As a starting point, they provide each housing unit in all social housing buildings with \$1000 worth of services including an energy audit, conservation education, and up to \$850 in energy efficiency measures
  - They include the direct installation of measures;
  - They include access to upfront capital;
  - The programs should be simple to understand, coordinated, easy to access and participate in, sufficiently adequate to encourage action and outcome-based
- The Board should strongly encourage the gas utilities to include DSM programs designed specifically for social housing residents and housing providers in their next multi-year DSM plans

## ***Topic 7: Miscellaneous Issues – Time of Use Pricing; Sub-metering issues; Consumers on direct market contracts.***

Time of use pricing is a major concern for social housing providers and residents because of the lack of flexibility that residents and providers have in adapting to the higher prices over the course of a day.

### **GLOBE views**

The Ontario government has directed that by the end of 2010 each separately metered Ontario home be fitted with a smart meter that can report on how much electricity is being used and when it is being used. This is being done to encourage conservation of electricity, particularly at times of peak usage.

GLOBE strongly supports the use of tools and technologies to encourage energy conservation and a culture of conservation within Ontario. GLOBE supports the view of VECC that people should be billed for the electricity that they use (Transcript Day 4, pg. 37, line 27). However, GLOBE also believes that people should not be penalized if they can't shift their electricity use during times of higher prices.

There are aspects of the smart metering initiative that are of concern to GLOBE and they are:

- Smart meters will result in additional costs to social housing residents or housing providers, depending on who is paying the electricity bills. The additional costs may be expressed either through increases in fixed electricity charges, rate riders or some other cost recovery mechanism for the utility for purchasing, installing and maintaining the smart meters and related infrastructure
- Like LIEN, GLOBE believes that low-income consumers, including social housing residents, have less capacity than the average tenant to adapt to time of use pricing without potential damage to health and welfare (Transcript Day 4, pg. 18, line 4). This is particularly problematic for the elderly, the infirm, the disabled, and the mentally challenged who are over-represented in social housing compared to the general Ontario population. It is likely that these residents spend more time at home due to mobility and other issues and therefore, are unlikely to be able to shift much of their electricity use. This is especially a problem in winter as these residents are likely to be in electrically heated units and will require adequate heat when they are at home
- The present arrangements for social assistance and rent subsidies that are a necessity to many social housing residents and housing providers do not account for the increased costs that will be associated with time of use pricing

- Social housing buildings that have smart meters installed have to be brought up to certain energy standards
- Adjustments will need to be made to the rent and rent geared to income calculations to reflect the installation of smart meters and the use of time of use rates and the fact that energy is no longer included in the rent
- Rent scales, which have not been kept up, will need to be adjusted upon installation of the smart meters and the shift to time of use rates
- There is insufficient provision of effective education for social housing residents and housing providers about the need for energy conservation and the measures that can be used to achieve it, including education related to smart meters and time of use rates. Smart meters and time of use rates are only effective in resulting in electricity conservation and load shifting if social housing residents and housing providers are aware of the initiative and understand how they can make changes to reduce or shift their electricity use. If not, then the initiative is only going to result in increased costs for the residents and housing providers
- Energy bill discounts for social housing residents are needed at least on an interim basis for those that are utility customers, in recognition of their reduced ability to pay, and in particular their inability to adapt to the upcoming change to time of use electricity pricing. This discount should be designed to work in tandem with both education and CDM/DSM to these residents such that when both are fully effective and residents see their energy bills go down, the discounts can be removed accordingly. CDM/DSM and education specifically for social housing providers and residents is necessary to ensure that they are aware of the smart meter initiative, its potential impacts and how they can adapt their behaviour to limit the adverse impacts of the time of use pricing

## Recommendations

GLOBE makes the following recommendations to the Board:

- The Board, in partnership with GLOBE, should conduct a smart meter pilot in a social housing building to obtain a greater understanding of the issues facing the sector, however, this pilot should not delay action on the recommendations suggested below
- The Board should provide bill discounts on an as needed basis for social housing residents who pay their energy bills, in recognition of their reduced ability to pay their electricity costs. This discount should be designed to work in tandem with both education and CDM/DSM to these residents such that when both are fully effective and residents see their energy bills go down, the discounts can be removed accordingly



- The Board should ensure that there is education specifically for social housing providers and residents to ensure that they are aware of the smart meter initiative, its potential impacts and how they might be able to adapt their behaviour to limit the adverse impacts of the time of use pricing

## ***Topic 8: Program Funding Mechanisms***

GLOBE has no comments on Topic 8.

### ***General principles***

GLOBE recommends that the Board adopt the following general principles for addressing the energy issues of low-income consumers and in particular social housing residents and housing providers:

- Energy poverty is a serious issue in Ontario that must be addressed using a number of tools that must work together: education, DSM/CDM, utility customer care policies and programs to keep low-income consumers connected, and energy affordability tools (bill assistance, emergency assistance etc).
- All residents of social housing should be considered low-income energy consumers.
- The social housing sector should be treated as a distinct low-income market segment.
- Education is the foundation of any low-income assistance or program and should focus on “helping individuals to help themselves”.
- Low-income energy programs should be equitably accessible province wide.
- Low-income households, whether in social housing or the private market, should be provided energy programs at no cost to the household.
- Using local delivery agents that have expertise and experience in serving low-income client needs is essential.
- There must be distinct energy programs specifically designed for social housing residents and housing providers.