



Low-Income Energy Network

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December 13, 2007

Ms Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
Toronto, Ontario, Canada
M4P 1E4

Dear Ms Walli,

Re: **Integrated Power System Plan (IPSP) Review and energy conservation programs for low-income consumers**

I am writing on behalf of the Low-Income Energy Network (LIEN) which was formed in 2004 to raise awareness of the impact of rising energy prices on low-income consumers and to work with policymakers and the utility sectors on solutions to energy poverty. We use the term energy poverty to describe the disproportionate burden of electricity, natural gas and other utilities costs on low-income households which reduce the funds available for food, clothing, medicine, transportation and other basic necessities.

A rate affordability program is one of the key components in LIEN's comprehensive strategy to address energy poverty in our province, along with:

- targeted low-income energy conservation/efficiency programs at no-cost to participants, and with as extensive measures as practicable to provide deep reductions in energy use,
- extensive consumer education about energy conservation and available programs to support conservation activities, and
- adequately funded emergency energy assistance to help low-income households in short-term financial crisis.

Rising electricity costs affect all Ontarians, but low-income households are hit the hardest. The Ontario Power Authority (OPA) has forecast that its IPSP will result in real cost-to-customer increases of 15 to 20 percent, and has suggested that Ontarians who aggressively conserve will likely see a decrease in their real costs.

Low-income consumers are eager to participate in provincial efforts to reduce energy consumption. However, low-income consumers do not have the financial resources to make the investments required to produce significant energy savings. Measures such as weatherization and upgrading heating equipment and other appliances are out of the financial reach of most

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low-income consumers. In addition to financial barriers, the majority of low-income consumers are also faced with the dilemma that they are tenants¹ and as a result have little, if any, control over their physical home. Typically, landlords are responsible for appliances, heating equipment, fuel type and the general state of the unit.

Through the Ontario Power Authority, pilot energy conservation programs are underway to reduce energy demand and consumption in the low-income residential and social housing sectors. The OPA is currently involved in developing a Multifamily Buildings Program to be launched in 2008. LIEN has been working with the OPA on these pilot programs that we anticipate will lay the groundwork for a comprehensive, permanent package of programs that will be available and delivered in all communities across Ontario to eligible low-income households.

Our concern is that future funding allocations beyond 2010 for low-income conservation and demand-management (CDM) programs are still to be determined. We strongly recommend that the Ontario Energy Board, in its review of the OPA's IPSP, ensure that targeted and adequately funded low-income CDM programs - designed to achieve deep energy use reductions for low-income consumers - are explicitly included in the conservation component of the IPSP and in the OPA's procurement plan.

Thank you for giving consideration to our recommendation.

Yours sincerely,
PER: Low-Income Energy Network



Zee Bhanji
LIEN Coordinator

¹ There are 759,590 Ontario households with at least one low-income person present (using Statistics Canada's pre-tax, post transfer payment Low-income Cutoffs (LICOs) to define low income), the majority of which (65%) are renters.