



**Ontario Energy Board**

Commission de l'énergie de l'Ontario

# **Recommendations for Implementation of Emergency Financial Assistance**

**LEAP Financial Assistance Working Group**

**September 2, 2010**

## Overview

- Implementation target of January 2011. Considerations:
  - Unlikely to have Central Coordinating Body, as envisioned by FAWG, for 2011.
  - 2009 recommendations included & relied on significant role for Central Coordinating Body.
  - Framework not “set in stone” – it can be modified & improved over time.
  - FAWG recommendations needed by end of Sept. 2 meeting (today!) in order to meet OEB internal approval deadlines.
  - 2009 recommendations may need revising.
- What do we need to do to ensure LEAP emergency financial assistance is in place by January?



# Elements of the Financial Assistance Framework

- Guiding Principles
- Eligibility & Screening
- Intake & Application Administration
- Funding
- Tracking & Reporting
- Promotion & Outreach
- Roles & Responsibilities





# *Guiding Principles*



# Guiding Principles

## (Consensus reached)

In addition to the guiding principles set out in the Board Report, FAWG recommended the following guiding principles:

1. Emergency financial assistance should be available to low-income energy consumers of natural gas and electricity.
2. Funding for low-income energy consumers should be accessible on a province-wide basis.
3. There should be consistency in the emergency financial assistance program across the province regarding access, with flexibility in delivery.
4. Partnerships should be developed between social service agencies and utilities and other stakeholders.
5. Eligibility for the emergency financial assistance program should be based on need, and screened using the emergency financial assistance program eligibility criteria applied with the judgment and discretion of the responsible social service agencies.
6. An emergency financial assistance program should not be unduly costly or complicated to administer or access.



## Guiding Principles continued (Consensus reached)

### Guiding principles continued:

7. The process for applying to the emergency financial assistance program should be clear and transparent.
8. Administration of the emergency financial assistance program should be efficient and effective in minimizing ratepayer impact.
9. The emergency financial assistance program should help low-income energy consumers maintain energy services.
10. The emergency financial assistance program should complement the existing landscape of assistance to low-income energy consumers.
11. The emergency financial assistance program should be coordinated with other energy and emergency financial assistance programs at the delivery level to avoid duplication of administration and effort.
12. The emergency financial assistance program should promote the transfer of the applicant to non-emergency energy and social service programs.





# Eligibility & Screening

(\*Some areas of non-consensus)

- **Income related criteria:**

- Be a recipient of social assistance benefits\* **OR** Household income below pre-tax LICO+15%, taking into account family & community size & using most up-to-date table. (% adder to be reviewed after 1 year)

## **AND**

- **Non-income related criteria (all of the following):**

- customer of utility,
  - reside at address with arrears,
  - prior attempt to pay\*,
  - threat of\* disconnection or be disconnected,
  - funding will ensure (re)connection, and
  - access once per year per fuel, up to a financial cap\*.
- If applicant does not meet eligibility criteria, in exceptional circumstances, intake or lead agencies may exercise discretion.





# Eligibility & Screening - Non-Consensus Views *FOR DISCUSSION*

- **Should other social benefits be added to this list? Suggestions:**
  - Add Old Age Security, Employment Insurance, and “etc” to capture others.
  - Add others only if they are only available to low income people (i.e. exclude Employment Insurance as not all recipients are low income).
- **How should prior attempt to pay be demonstrated? Suggestions:**
  - Attempted to pay in the last 4 months
  - Determined at discretion of social agency
  - Satisfactory payment history, as verified by utility
  - Binding eligibility criteria or simply part of overall assessment
- **What constitutes a threat of disconnection? Suggestions:**
  - Be in arrears
  - Arrears of certain age
  - Disconnection notice issued
- **What is appropriate level of financial cap? Suggestions:**
  - \$500 per utility
  - Higher for electrically heated homes? (i.e. \$600 vs. \$450)
  - Such that 90% of customers receiving a disconnect notice would fall below the cap.



# Pre-tax LICO tables with 15% Adder - 2009

Size of family unit	Community size				
	Rural areas	Urban areas			
		Less than 30,000	30,000 to 99,999	100,000 to 499,999	500,000 and over
Current dollars					
1 person	15,302	17,409	19,026	19,144	22,229
<i>plus 15%</i>	<i>17,597</i>	<i>20,020</i>	<i>21,880</i>	<i>22,016</i>	<i>25,563</i>
2 persons	19,050	21,672	23,685	23,832	27,674
<i>plus 15%</i>	<i>21,908</i>	<i>24,923</i>	<i>27,238</i>	<i>27,407</i>	<i>31,825</i>
3 persons	23,419	26,643	29,118	29,299	34,022
<i>plus 15%</i>	<i>26,932</i>	<i>30,639</i>	<i>33,486</i>	<i>33,694</i>	<i>39,125</i>
4 persons	28,435	32,349	35,354	35,573	41,307
<i>plus 15%</i>	<i>32,700</i>	<i>37,201</i>	<i>40,657</i>	<i>40,909</i>	<i>47,503</i>
5 persons	32,250	36,690	40,097	40,345	46,850
<i>plus 15%</i>	<i>37,088</i>	<i>42,194</i>	<i>46,112</i>	<i>46,397</i>	<i>53,878</i>
6 persons	36,374	41,380	45,223	45,504	52,838
<i>plus 15%</i>	<i>41,830</i>	<i>47,587</i>	<i>52,006</i>	<i>52,330</i>	<i>60,764</i>
7+ persons	40,496	46,071	50,350	50,661	58,827
<i>plus 15%</i>	<i>46,570</i>	<i>52,982</i>	<i>57,903</i>	<i>58,260</i>	<i>67,651</i>





# ***Intake & Application Administration***



## Intake and application administration

(\* *Some areas of non-consensus*)

- Undertaken by Intake agencies (or Lead where no Intake), and includes screening of applicants for eligibility.
- Application process should be available via phone to address difficulties in mobility, transportation or remote location. Forms should be available online & in multiple languages.
- Intake agency to contact utility to hold any collections or disconnection action.
- Should be a central online database for completing applications, including appropriate privacy provisions.
- Lead agencies responsible for providing training, based on program manual to be developed by Central Coordinating Body, and modified by lead agencies to meet local needs.
- Should be an appeals process, implemented by the Lead Agency, for applicants that are not satisfied with result of application process.\*



## Intake & Application Admin. - Non-consensus Views FOR DISCUSSION

- Who is responsible for developing the applicant appeals process? Suggestions:
  - Central Coordinating Body
  - Lead agencies to use their existing appeals process
  - Lead agencies to develop, since they will administer it. General guidelines could be provided.
  - Appeals process must be standardized across the province.



# Intake and Application Administration FOR DISCUSSION

- Are any changes to the intake & application process needed for inclusion of suite metering customers?
- Program Manual is needed:
  - Can be drafted by Board staff, based on Winter Warmth manual, updated to reflect FAWG recommendations. Draft presented at Sept. 16 meeting.
- Training is required:
  - Board can hold series of webcasts in Nov or Dec for utilities & agencies on rules as set out in the Manual & relevant customer service rules.
- Utility – agency pairings:
  - Sub-group of FAWG members can identify gaps and report back to the rest of the group.



# *Funding*



# Funding

(\* *Some areas of non-consensus*)

- Utilities to pay appropriate administration fee to Lead Agencies, set as a percentage\* of the total amount of financial assistance money administered by the Lead Agency.
- Lead Agencies to negotiate with their Intake Agencies what proportion, if any \*, of administration fee goes to Intake Agency(ies).
- Administration fees also paid to Central Coordinating Body from the emergency financial assistance funds collected from ratepayers. Level to be based on budget put forward by successful proponent.
- Utilities to transfer funds to their Lead Agency. Approved funds credited to utility account, and not given directly to customers. Lead Agency to remit payment back to utility upon instruction from Intake Agency. Intake Agency should determine amount of assistance an applicant receives.
- Program should accept contributions from non-utility sources\*.





## Funding - Non-consensus Views FOR DISCUSSION

- What is the appropriate amount to spend on program admin?  
Suggestions:
  - Range of 15 to 30%
- Should intake agencies be guaranteed payment for their services?
- What is the process for accepting & distributing contributions from non-ratepayer sources? Suggestions:
  - Pooled with utility funds, & made available to same customers, under same terms as utility funds. Do not use as a top-up;
  - Process should not create unfair incentive to sign up with a retailer;
  - Donors should work directly with social agencies. Should have discretion over where funds are directed & offer funds as top-up to utility amounts.



# Funding FOR DISCUSSION

- For 2011, should 0.12% be adjusted (up or down), given:
  - Electricity late payment settlement funds available late 2011.
  - Gas distributors likely still “tied” to the Winter Warmth program for several years through the Garland settlements.
  - Levels can be reviewed and adjusted in future years.
  - Other considerations?
- Could gas distributors deliver Winter Warmth for the winter period, and LEAP during the rest of the year?
  - If yes, what is the appropriate level of LEAP funding?



# ***Tracking & Reporting***



# Tracking & Reporting

## *(Consensus reached)*

- Critical for ensuring accountability, program evaluation & identifying improvements, but should not create unnecessary burden.
- Central Coordinating Body, in consultation with the Board, utilities, and Lead Agencies, should be responsible for determining the metrics to be tracked and reported.
- Central online database to be developed and maintained by the Central Coordinating Body.
- Lead Agencies should report to their utility(ies) on a regular basis outlining program operations over the period.
- Central Coordinating Body should provide regular (e.g. monthly) reports to all utilities on program operations including year-to-date information & be responsible for conducting program evaluations using info tracked in online database. Results to be reported to Steering Committee for purposes of making recommendations to the Board.
- Utilities should report to the Board on program activities and performance, based on reporting requirements developed by the Board.



# Tracking & Reporting FOR DISCUSSION

- Two types of reporting requirements:
  - Regulatory reporting by utilities to the Board
  - Program Improvement tracking & reporting by utilities and social agencies
  - *See handout of suggested metrics.*
- Reporting to the Board can be through Board's online system
- Agencies can track info and report to utilities using standard excel spreadsheets
- Gas distributors could submit to the Board reports on Winter Warmth (if applicable).
- Who should report to the Board on funds dispersed to suite meter customers – utilities or suite metering providers?







# *Promotion & Outreach*



## Promotion and Outreach (*Consensus reached*)

- Promotion and outreach should be extensive enough so those in need are aware of the program, but avoid having the Intake/Lead Agencies being inundated with applications.
- Multiple points of distribution and range of media.
- *Specific types of materials & distribution of them to be determined through the development of a promotion and outreach strategy, developed by a qualified organization, engaged by Central Coordinating Body.*
- *Central Coordinating Body responsible for producing standardized materials (templates) for customization by utilities.*
- Board & utilities (where possible) should include up-to-date information about the emergency financial assistance program on their websites.





## Promotion and Outreach FOR DISCUSSION

- What role do suite meter providers have in promotion and outreach?
- Board can provide program information on its Consumer site, bill inserts, community outreach meetings. Written info can be provided in multiple languages.
- Program information can be provided to 211 to assist with referrals.



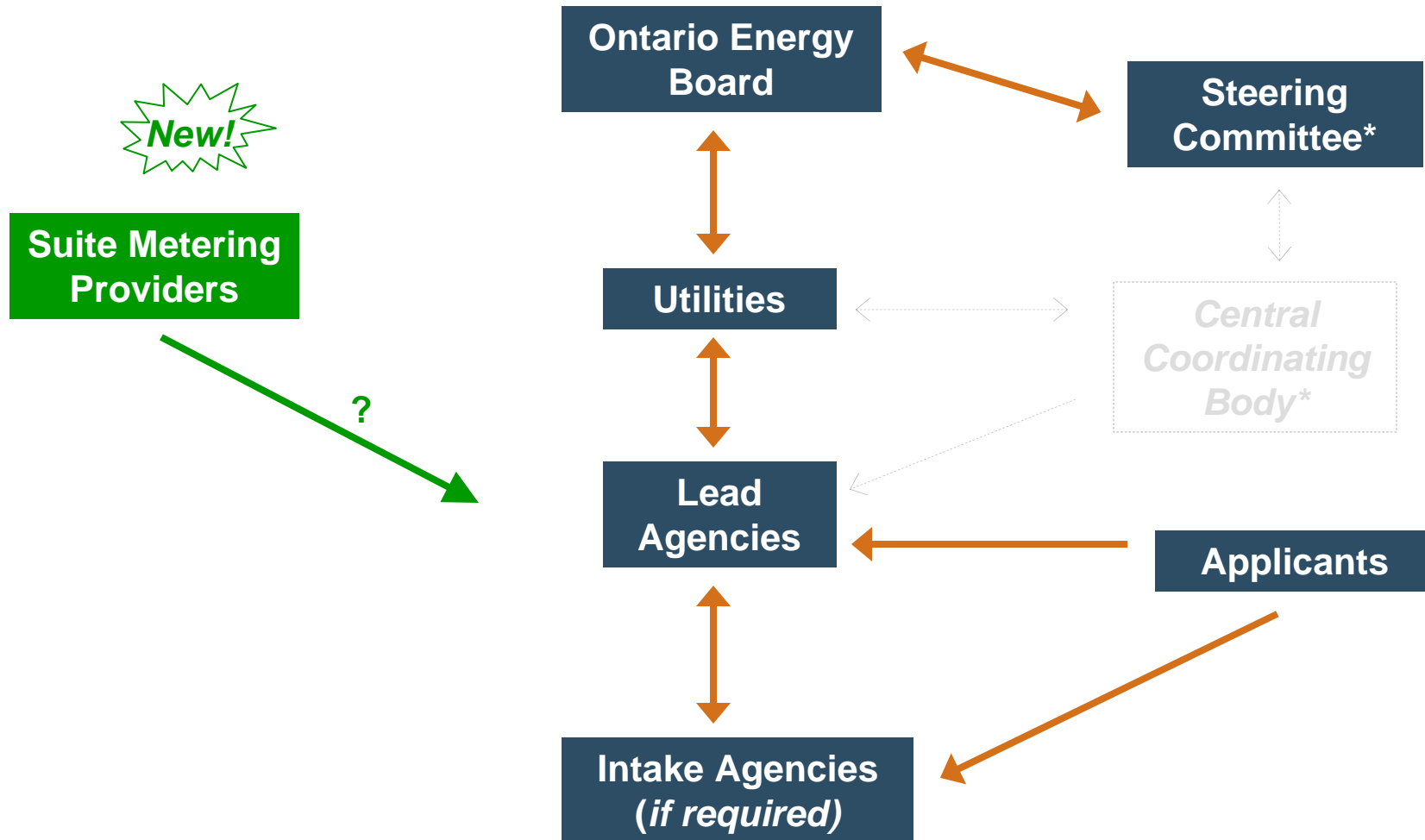


# ***Roles & Responsibilities***



# Roles & Responsibilities

(\* Some areas of non-consensus)



## Roles & Responsibilities - Non-Consensus Views FOR DISCUSSION

- What are the roles and responsibilities of the parties?  
Suggestions:
  - Steering Committee should not be separate layer, but rather governance body within the Central Coordinating Body.
  - There should only be one organization that executes all coordination functions, not both Central Coordinating Body and lead agencies.



## Roles & Responsibilities FOR DISCUSSION

- What is the appropriate role of suite meter providers?
- Is there a need for program support to address questions from utilities & agencies? (i.e. “help line”)
  - If yes, who should assume responsibility?
- Are there any remaining responsibilities assigned to the Central Coordinating Body that are needed?
  - If yes, who can assume responsibility?

