

## Comments of the Consumers Council of Canada

Re: Revised Draft Report of the Emergency Financial Assistance Working Group (September 18, 2009)

September 23, 2009

### **Introduction:**

- p. 4 - It states that the group reached consensus on the certain things like roles and responsibilities and long term coordination and administration. From our perspective we did not have sufficient discussion to reach consensus on long-term coordination and administration. The consensus here is overstated.
- Will the templates form part of the final report? - I do not think they should;
- p. 5 - it states that more work is required to develop the details - what are program design and implementation details that require more work? What is the process for undertaking that work?

### **Roles and Responsibilities (3.1)**

- p. 11 - Within the Central Coordinating Body it states that it will create and maintain online screening and program tracking database and provide "training" - what training is referred to here? who will be trained?
- p. 13 - there is a comment at the top of the page that the OEB would collect program funds in the Fall of 2009 and collect interest in the funds until the program is implemented in 2010 to help with large one-time costs - I do not understand the comment - collect what funds ,from whom and on what basis?
- p. 17 - I reiterate a comment I made earlier - LDCs should also continue to work with their customers to facilitate bill payments and bill payment options;
- pp. 14 - 16 - in the chart on page 11 it indicated that the CCB will undertake training (as noted above) There does not seem to be a description of the training in the text.
- p. 18 - who decides what level of compensation should be provided to the CCB to provide the utilities with coordination among the Lead Agencies in its franchise area?;

### **Intake and Application Administration (3.3)**

- p. 31 - to give the Board some comfort I suggest adding in a comment that the group drew considerably on the current practices used within existing programs with respect to the intake and application administration process;
- p. 33 - The report states that the questions listed below require resolution - How will this be done - by the Board, by the working group (I assume not)?

### **Funding (3.6)**

- With respect to funding what was unresolved was how the .12% is recovered from ratepayers. From a practical perspective this needs to be discussed and resolved. It is a very important issue for ratepayers. Will the LDCs be required to budget the amounts as an expense in their rate case filings? How do you ensure that .12% is recovered from customers? - actual recovery may

depend upon actual load. Will it be recovered as a variable charge or on a per customer basis? I still cannot envision how this will be done.

### **Long-Term Coordination and Administration (3.7)**

- I think it is a stretch to say that there was consensus among the working group members that the framework established and the roles and responsibilities assigned will remain largely unchanged for the long-term. From my perspective the devil is in the details - many of which have not been worked out yet. We do not know if this model will work. In addition, experience may dictate a whole new model. We have no idea yet how much the administration of such a model will cost - if it is prohibitive the entire program may have to be reconsidered. I cannot say what I would support in the long-term in the absence of some real world experience.



**Coalition of Large Distributors  
Comments on the Financial Assistance Working Group (FAWG) Revised Draft Report  
Low Income Energy Assistance Program (“LEAP”)  
EB-2008-0150**

**September 23, 2009**

In addition to the submission made in response to the September 1, 2009 Draft Report of the FAWG, the Coalition of Large Distributors (CLD) would like to make several additional comments on the Revised Draft Report of September 18, 2009.

In describing the roles and responsibilities of Lead Agencies in Figure 1 on page 11, the Revised Draft Report states that Lead Agencies will “Perform intake in small or rural communities”. The CLD reiterates from its earlier submission that this comment is misleading. While it is very likely (but not required) that Lead Agencies will function as Intake Agencies in small and rural communities, Lead Agencies in urban centres may also be Intake Agencies. The CLD further observes that in existing financial assistance programs most Lead Agencies currently also function as Intake Agencies, in both rural and urban areas, and this is not expected to change with the introduction of LEAP. The CLD, therefore, would like to see this clarified in Figure 1 to note that Lead Agencies “May perform the role of an Intake Agency”, which is more reflective of the intentions of the FAWG (as noted in the detailed description of Lead Agency roles on page 19).

The first bullet point on page 13, in a new section outlining possible Additional Roles and Responsibilities for the OEB, suggests that the OEB “collect program funds” for the purpose of generating interest to fund start up costs for the LEAP program. The CLD notes that the OEB does not currently have the jurisdiction to “collect program funds” from customers, and while it can certainly direct utilities, over a period of time, to collect funds through rates for the purpose of funding an approved or mandated expense, it is not in the OEB’s practice to issue such directives for the sole purpose of potential investment gains. Given these concerns, the CLD cautions against including this statement as part of the Final Report.

Sincerely,

Jack Lenartowicz  
Advisor, Regulatory Affairs  
Toronto Hydro-Electric System Limited

September 23, 2009

TO: Shona Adamson  
IndEco

Hydro One comments: Revised draft final report of the Emergency Financial Assistance Working Group to the Ontario Energy Board

3. Framework for low-income emergency financial assistance.

Ontario Energy Board; Additional roles and responsibilities. (pg 13)

Additional roles proposed by Hydro One are now part of this section, including setting guidelines for geographic allocations, and, developing a standard formula to set the level of compensation provided to the CCB.

The rationale for requiring these is not included in this area of the revised draft report, and so to clarify these are recommended to help avoid misunderstandings, inconsistencies and issues after the program has begun.

Utilities: Additional roles and responsibilities. (pg 16)

Further to the comment above, suggest adding “in accordance with Board rules” to the final bullet:

. Determining funding allocations within their service territory by geography, in accordance with Board rules.

Utilities: Additional roles and responsibilities. (pg 17)

A recommendation is made that utilities develop and adopt an early detection program for identifying customers who are likely to be low income, using their customer information systems.

We do not agree with this recommendation. Utilities do not have financial information to deem a customer as low income, and this is the role of the Social Service Agency. In addition, utilities also do not have personal situation information that may contribute to this evaluation. Information available in the customer information system will relate only to payment habits, and there may be no direct relation between this and income levels. Information collected when establishing payment arrangements or at time of service application would be verbal. Suggest these situations would be relevant for utility referral of customer to Social Service Agencies, for their evaluation of eligibility.

### 3.2 Eligibility and Screening.

What is appropriate level of the financial cap? (pg 28)

In considering this question, the Board should take into account the potential inequity in access to funding amounts for customers who have one commodity for all their household services (electricity), and that gas is not available in all areas of the province and other heating sources are not part of this Program.

On page 30, LIEN suggests a funding cap formula based on percentage of past arrears amounts. This would add complexity within the program, by establishing a funding cap for each of the Utilities involved, and, annual reviews and adjustments. This method would not reflect the wide variation between customer accounts and individual arrears amounts, given all variety of consumption patterns.

The existing financial programs have worked successfully on a set amount, and in many cases, the funding given is below the cap. In addition, the Financial Assistance program should be considered in context of LEAP, a broader program to include guidelines on payment extensions or fee waiving, all of which can reduce pressure on funding required.

### 3.6 Funding

What is the process for accepting contributions from non-ratepayer sources, and distributing these funds to successful applicants? (pg 42)

The revised draft report includes the proposal from Direct Energy of framework for contributions from Retailers. Funding from non-ratepayer sources should be used to increased total funds in the Program. I agree with the comments submitted by VECC and printed on page 44, including: Increasing a total fund would increase the number of low income customers receiving help, and; aligning 3<sup>rd</sup> party funding to 3<sup>rd</sup> party customers results in a disparity in funds available to different customers.

3.7 Longer-term coordination and administration of the emergency financial assistance program. (pg 44).

The revised draft says . . . “there should be a greater focus on coordinating applicants across all elements of LEAP, for example automatic referrals from one program component to the others (i.e., the low income DSM program). “

Hydro One submits that in the short term, before the Financial Assistance program is launched, the OEB should consider requiring customers to agree to allow retrofits recommended in future by the CDM portion of the program, when financial assistance is granted.

Barb Allen  
Hydro One

September 23, 2009

Shona Adamson  
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Dear Ms. Adamson,

Please accept this letter as the comments provided by the Low-Income Energy Network (LIEN) regarding the revised draft report on the proposed framework for low-income emergency financial assistance (Sept 18, 2009).

LIEN feels that the revised report, overall, is a fair representation of areas of consensus and non-consensus.

There are two points, however, that LIEN would like to reiterate. We hope they might be included in the final report.

### **3.1 Roles and Responsibilities**

#### **a) Steering Committee (page 13)**

LIEN concurs that a Steering Committee is necessary and important. LIEN maintains that it is critical to have an advocacy organization whose focus is on energy poverty and who does not have a direct stake in the FAP and who is not a service delivery agent represented on the Steering Committee.

To maximize the potential of LEAP, LIEN also maintains it is necessary to have a representative from the energy conservation program on the Steering Committee.

### **3.5 Tracking and reporting**

#### **a) Performance metrics (page 35)**

LIEN is concerned that the report overstates the degree of consensus. LIEN has a very clear idea of the necessary performance metrics. We would prefer to have the report explicitly acknowledge the metrics we have suggested and are included in the appendix.

## Comments received from Low-Income Energy Network

Participating in the FAWG has been interesting. We are optimistic that the group's work will bear fruit that will result in a good emergency energy assistance program that will make a positive difference in the lives of many low-income Ontarians.

Sincerely,

Jennifer Lopinski and Sarah Blackstock

ON BEHALF OF THE:  
Low-Income Energy Network (LIEN)



**uniongas**

A Spectra Energy Company

**September 16, 2009**

## **UNION GAS LIMITED – COMMENTS ON REVISED DRAFT FINAL REPORT OF THE EMERGENCY FINANCIAL ASSISTANCE WORKING GROUP**

Thank you for the opportunity to review the draft final report. Union Gas remains committed to the guiding principles for low-income emergency financial assistance (page 7), which offer a clear framework from which to develop a new program. In particular, those principles that focus on administrative ease and minimize impact to ratepayers take front and centre for our organization.

At this time we have no further comments on the revised draft final report. As we pointed out in our original response (September 9), our first consideration is to ensure how the LEAP program will operate with our current Winter Warmth program, which is funded through LPP settlement proceeds. We would appreciate an opportunity to discuss these issues with Board staff as soon as possible.

We also pointed out a number of issues regarding the proposed concept for the organizational structure. And as the revised draft final report points out, many other operational issues are contingent with and will flow from how this structure is executed.

It is Union's view that the proposed organizational model will be administratively expensive and complicated to operate. We believe it should be simplified to ensure operational and cost efficiency. The strawman structure we had proposed, in fact, takes the Winter Warmth model and streamlines it to eliminate overlap and ensure that social service agencies are focused on program delivery and utilities are focused on delivering energy to customers at as low a cost as possible.

As a follow-up, we would be very pleased to meet with Board staff to discuss these issues in more detail and answer any questions that arise from our submission.

## **VECC'S Comments Re: September 18, 2009 Draft Report of the Emergency Financial Assistance Work Group to the Ontario Energy Board**

Note: Comments submitted earlier regarding the September 1<sup>st</sup> draft are repeated if: a) they were not addressed in the current draft report (via editing or direct reference) and b) based on this review they are still considered to be relevant.

### Section 1 – Introduction

- No Comments

### Section 2 – Guiding principles for low-income emergency financial assistance

- No Comments

### Section 3 – Framework for low-income emergency financial assistance

- Section 3.1, Pages 10-11, Under Ontario Energy Board:
  - As noted in VECC's September 1<sup>st</sup> comments, presumably the Board will also have a role in approving and/or providing direction on the amount to be provided to the Lead/Intake Agencies to fund program administration.
  - The sixth bullet under "agreed" responsibilities makes reference to establishing evaluation requirements for the utilities. The third bullet under "additional roles and responsibilities" speaks to establishing objectives and targets for the evaluation of the emergency financial assistance program by the Central Coordinating Body. The report notes on pages 35-36 that there is a need determine the "reporting" requirements of each stakeholder and suggests that the Central Coordinating Body establish a process for doing so. In VECC's view the same issue arises with "evaluations" and the identification of the associated requirements should be done on a coordinated basis in order to a) minimize duplication of work and b) ensure the appropriate data is collected to undertake the required evaluations.
  - The second bullet under "additional roles and responsibilities" suggests that the OEB would be collecting program funds from distributors starting in the fall of 2009 until the program is implemented in 2010. However, as noted during the meetings most distributors do not have any provision in their current 2009 rates for such funding. Also, to the extent utilities do have funding dollars, reference is made on page 5 to a contingency plan for the period prior to implementation later in 2010

based on existing emergency financial assistance programs. Presumably, the contingency plan would require access to these program funds. Finally, VECC does not agree with the suggestion that the OEB should hold and invest the funds – this is not its role.

- Section 3.1, Pages 14-16, Under Central Coordinating Body (CCB):
  - Steering Committee Support, 2<sup>nd</sup> Bullet: Need to be clear that the CCB should be responsible for ensuring the required program evaluations, as established by the OEB and Steering Committee, are completed. It is not responsible for independently determining the need for or initiating program evaluations nor does it necessarily actually have to perform the program evaluations.
- Section 3.1, Under Utilities (pages 16-17):
  - Funding, 3<sup>rd</sup> Bullet – May wish to note that this could be an OEB responsibility – as outlined on page 12 under additional responsibilities.
  - Additional Roles and Responsibilities – Not immediately clear that a utility-developed early detection program would be all that accurate or useful with respect to the emergency financial assistance program without sizable expenditures and effort on the part of the utilities..
- Section 3.1, Under Lead Agencies (pages 18-19):
  - With respect to the third paragraph and the non-consensus issue for this section, the problem may be with the suggestion that there can be multiple Lead Agencies. One could alternatively view the example as one where each of the supposed Lead Agencies is really just an Intake Agency and the CCB is providing the Lead Agency role. Under such a paradigm the CCB would receive funding from the program commensurate with that applicable to a Lead Agency.
  - Under “additional roles and responsibilities”, providing utilities with a list of agencies available for intake is a critical requirement in order for the utility to properly direct customers interested in applying for the program. Also, Intake Agencies will be contacting the utility to obtain information regarding those customers who have applied and it will be critical for the utility to be aware of what agencies can legitimately contact it for such information.
- Section 3.2, Under Consensus (pages 22-24):
  - The first bullet at the top of page 23 and the text on page 26 both suggest that there is an issue regarding whether future ability to pay should be a non-binding aspect of the application process. However, the second bullet on page 23 carries the implication that the customer must be able to pay (i.e., maintain service) in the future. If criteria around future ability to pay is a non-consensus issue (i.e., disputed by

more than one party) then it should be discussed as a separate point distinct from “prior attempts to pay”.

- On page 24 (and page 31), it is suggested that applicants who do not meet the eligibility criteria may still be approved at the discretion of the intake agency but that there would be additional tracking and reporting required using the central online data base. Given that the circumstances around such “exceptions” are likely to be unique and case specific, tracking of reasons, etc. may be difficult through a “central data base” other than through the provision of text fields where individual explanations can be provided.
- Section 3.2, Under Non-Consensus re: Threat of Disconnection (pages 27-28):
  - VECC agrees that a customer should not have to produce “final disconnection notice” in order to be eligible for the program. At the same time, customers should not be considered as in threat of disconnection if their most recent bill is a couple of days past due. Some middle ground should be sought.
- Section 3.2, Under Non-Consensus re: Level of the Cap (pages 28-31):
  - No further comments apart from what are referenced in the current draft.
- Section 3.2, Under Non-Consensus re: Additional Benefits (page 31)
  - It is VECC’s understanding that that the purpose in listing certain social benefit programs is to facilitate the “low income qualification” process, i.e., if customers are in receipt of one of these programs it can be assumed they meet the low income qualification and do not need to go through that part of the application process. If there are other programs that meet this “definition” they should be added. However, in VECC’s view, Employment Insurance is not one of them. Customers on EI are not all low income.
- Section 3.3, Under Consensus (pages 31-32)
  - No comments
- Section 3.3, Under Non-Consensus re: Development of Appeals Process (pages 33-34)
  - In view of the comments provided by other parties (see pages 33-34) VECC believes it would be useful to clarify its original comments. VECC is not suggesting that the CCB be responsible for establishing the detailed appeal procedures but rather that it establish the principles that such procedures should be based on. VECC fully expects that current appeal procedures used by Social Agencies would meet these criteria and therefore be acceptable. VECC saw the setting of such criteria as being a useful guide in those instances where an appeals

process did not currently exist and also serve to provide some level of standardization across the province.

- Section 3.4, Promotion and Outreach (pages 34-35)
  - No comments
- Section 3.5, Tracking and Reporting (pages 35-38)
  - Page 38, 2<sup>nd</sup> Paragraph: Pages 36-37 address the fact that the CCB should develop a process that will identify the data requirements of each party involved in the program. A parallel function exists with respect to evaluations. The scope and requirements of the program evaluations should be established by the various participants (with the CCB facilitating) and the CCB assigned responsibility for ensuring the required evaluations of the program are performed.
- Section 3.6, Non-Consensus re: Amount to Spend on Administration (page 41)
  - VECC does not agree with the first sentence in the first paragraph unless it is expanded to include Intake Agencies.
  - No further comments apart from those referenced in the current draft.
- Section 3.6, Non-Consensus re: Accepting Contributions
  - No further comments apart from those referenced in the current draft.
- Section 3.7, Long Term Coordination (page 44)
  - The first and the last paragraphs under “Consensus” are somewhat at odds with each other. One suggests there could be program changes after the first year while the other suggests there won’t be.