

**Ontario Energy
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**Commission de l'énergie
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Reference #: EB-2008-0150
EB-2014-0227
EB-2015-0148

BY EMAIL & WEB POSTING

October 19, 2015

To: All Licensed Electricity Distributors
All Licensed Unit Sub-Meter Providers
All Natural Gas Distributors
All LEAP Lead and Intake Agencies
All Participants in EB-2008-0150, EB-2014-0227, and EB-2015-0148

Re: Results of the 2014 LEAP EFA Program Review

The OEB is pleased to announce the results of the OEB's 2014 review of the Low-income Energy Assistance Program Emergency Financial Assistance (LEAP EFA) program. The OEB initiated the review to assess how effective LEAP EFA has been in providing emergency relief to low-income energy consumers and identify any changes to improve program performance.

This letter provides an overview of the review process and key issues identified by stakeholders. It also outlines the refinements to LEAP EFA being implemented in October 2015.

1.0 BACKGROUND

LEAP EFA was implemented in 2011 to provide emergency financial relief to eligible low-income customers of utilities and unit sub-meter providers who are facing disconnection. Low-income customers can get up to \$500 in emergency assistance for their electricity bills (\$600 if the home is heated electrically) and \$500 for natural gas bills. It is for emergencies only and does not provide ongoing assistance. Since its

inception, LEAP has provided nearly \$12.5 million in emergency financial assistance to more than 35,000 low-income electricity and natural gas customers throughout Ontario.

LEAP EFA is funded by the ratepayers of each distribution company, through the distribution rates. Utilities partner with an intake agency to administer LEAP. The OEB provides guidance to utilities and intake agencies as to how the program should be delivered in the program manual.

2.0 THE CONSULTATION PROCESS & WHAT WE HEARD

The review process included the following activities:

- Workshops with the OEB's Financial Assistance Working Group and members of low-income advocacy groups
- A survey of a sample of past LEAP applicants
- 19 in-depth interviews with LEAP lead and intake agency partners and electricity utilities
- An online survey tool to seek feedback from all utilities and LEAP agency partners
- An analysis of annual LEAP data collected as part of the OEB's Reporting and Recordkeeping Requirements (RRR) and the monthly monitoring reports provided by intake agencies.

Through consultation, stakeholders raised a number of issues including the following:

- LEAP EFA being relied on repeatedly in the absence of ongoing bill assistance;
- Limited funding available to support the high number of applications; and
- The administrative burden on utilities and intake agencies.

3.0 RESULTS OF LEAP EFA PROGRAM REVIEW

The OEB has considered stakeholder input and is implementing certain changes to address them. The OEB is also mindful that the OESP may help to address many of these stakeholder concerns. For example, by providing a credit on every bill, the OESP might reduce the number of customers who are in arrears and facing disconnection and who apply repeatedly for LEAP EFA.

Informed by input from past LEAP applicants, intake agency partners, natural gas and electricity distributors and other key stakeholders, the OEB is implementing the following changes:

1. Effective immediately, the eligibility requirements for LEAP EFA will be derived from Statistics Canada's Low Income Measure (LIM), after tax, instead of Statistics Canada's Low-Income Cut-Off (LICO). This will align the income eligibility requirements with the Ontario Electricity Support Program.
2. The requirement that all adults in the household must attend the application interview has been removed. Only the utility account holder must attend the application interview going forward.
3. The Ontario Child Benefit, Canada Child Tax Benefit, and Universal Child Care Benefit are to be *excluded* when calculating income eligibility. They may, however, be taken into consideration when assessing whether an applicant will be able to sustain utility service going forward, should they be given an EFA grant.
4. The LEAP EFA consent form has been revised. Among other changes, the form now includes default consent to be contacted by a utility representative about participation in low-income energy conservation programs offered by the utility, unless the applicant specifically opts out.
5. The *Monthly Monitoring Reporting* has been renamed *Demographic Reports* and, instead of being collected and filed annually, the data must only be collected and filed once every three years. The OEB will provide advance notice when it expects this information to be collected and reported. A template for the *Demographic Reports* is attached to this letter.
6. The physical remittance of LEAP EFA funds between agencies and utilities may be eliminated at the discretion of utilities and agencies.

All of the changes are reflected in the *OESP & LEAP Program Manual*. The Manual is available on the OEB's website. The changes, including the rationale for each, are explained in more detail in Attachment 1 to this letter.

Some minor changes have been made to the LEAP EFA application form. These changes were made to reflect adjustments to the manual income verification process (made to ensure there is alignment with the manual income verification process for the Ontario Electricity Support Program) and changes to the LEAP reporting requirements.

The OEB would like to thank all the stakeholders who participated in its review of the EFA program for their thoughtful input. The OEB believes that, with the refinements that have been made the LEAP EFA program will continue to provide meaningful assistance to low-income energy customers in a more efficient, effective manner.

Questions about this letter should be directed to industryrelations@ontarioenergyboard.ca. The Board's toll-free number is 1-888-632-6273.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary

Attachments:

1. Description of Changes to LEAP EFA
2. Template for LEAP EFA Demographic Reports