



**Ontario Energy Board**

Commission de l'énergie de l'Ontario

# **Overview of Consultation on Energy Issues Relating to Low-Income Consumers (EB-2008-0150)**

LEAP Financial Assistance Working Group

June 30, 2009

- Background of the Consultation on Energy Issues Relating to Low-Income Consumers
- What does the LEAP Report say about Financial Assistance?
- Mandate of the Financial Assistance Working Group
- Mandate of the Conservation Working Group

# How Did We Get Here?

- In EB-2006-0034 (Enbridge Gas Distribution rates), LIEN proposed a “rate affordability assistance program”:
  - Board decided (with a dissenting opinion) that it did not have jurisdiction to consider rates based on income.
- On May 16, 2008, the court ruled (with a dissenting opinion) that the Board has the jurisdiction, but not the obligation to consider ability to pay in setting rates.
- On July 2, 2008, the Board announced it was beginning a consultation process on the subject of low-income energy consumers in relation to their use of natural gas and electricity. Consultation began with:
  - Stakeholder conference in Sept. 2008, followed by written comments.
  - Report by Concentric Energy Advisors on measures used in other jurisdictions to assist low-income energy consumers.

# How Did We Get Here?

- March 10, 2009:
  - ***Report of the Board: Low-Income Energy Assistance Program***
    - Financial Assistance & Conservation components of LEAP
  - ***Notice of Proposal to Amend Codes***
    - Customer Service component of LEAP
- Parties submitted written comments.
- May 11, 2009: invitation for nominations for participation on 2 LEAP working groups – Conservation & Financial Assistance.
  - ***NOTE: customer service component addressed through code amendment process, and not working groups.***
- June 5, 2009: announcement of working group membership.



# What does the LEAP Report say about Financial Assistance?

- Available year-round & province-wide, to customers of both natural gas & electricity distributors.
- Assistance is emergency and temporary.
- Greater of 0.12% of total distribution revenue or \$2,000 is a reasonable commitment.
  - Retailers & marketers encouraged to contribute to distributor LEAP funds.
  - Distributors can augment LEAP funds through voluntary donations.
  - Non-rate regulated distributors encouraged to collect similar level.
- Leftover funds rolled over to following year.

# How much is 0.12% of distribution revenue....

...approximately \$3m for electricity, and \$2m for natural gas.

UTILITY	0.12%**
Enbridge Gas	\$1 million
Union Gas	\$826,000
Hydro One Networks Inc.	\$1 million
Toronto Hydro	\$530,000
Hydro Ottawa	\$150,000
Enersource Hydro	\$137,000
PowerStream Inc.	\$132,000
Horizon Utilities	\$100,000
Burlington Hydro Inc.	\$33,000
Waterloo North Hydro	\$30,000
Guelph Hydro	\$28,000
Cambridge & N. Dumfries Hydro	\$25,000
Greater Sudbury Hydro	\$25,000
PUC Distribution Inc.	\$14,000

UTILITY	0.12%**
Kingston Electricity Dist.	\$12,000
Fort Frances Power	\$7,500
Brant County Power	\$7,000
COLLUS Power	\$5,500
Centre Wellington Hydro	\$3,000
Northern Ontario Wires	\$2,700
Kenora Hydro	\$2,300
E.L.K. Energy	\$2,000
<i>Rideau St. Lawrence</i>	\$1,800
<i>Sioux Lookout Hydro</i>	\$1,700
<i>Clinton Power</i>	\$700
<i>Cooperative Hydro Embrun</i>	\$700
<i>Chapleau Public Utilities</i>	\$700
<i>Hydro 2000 Inc.</i>	\$300



# Mandate of Financial Assistance Working Group

- To propose for approval by the Board a framework for the delivery of financial assistance to low income energy consumers.
  - The framework will include rules, guidelines, policies and procedures to be followed by distributors and social agencies.
- To consider the need for, and structure of, a permanent coordination function to administer LEAP.
- Elements of the framework – *to be discussed later today!*



# Mandate of the Conservation Working Group

- Provide advice to the Board on:
  - Short-term (2010) natural gas framework for low-income DSM
  - Long-term (beyond 2010) natural gas framework for low-income DSM
- The framework includes:
  - Program eligibility and screening methods
  - Low-income DSM portfolio budget and targets
  - Shareholder incentive structures for gas utilities
  - Appropriate DSM programs for low-income consumers (general characteristics)

