

BY EMAIL ONLY

January 10, 2022

- To: All Licensed Electricity Distributors All Rate-Regulated Natural Gas Distributors
- Re: Providing Flexibility to Assist Consumers through the Low-income Energy Assistance Program Emergency Financial Assistance

To support Ontarians through the ongoing COVID-19 pandemic, the Ontario Energy Board (OEB) is once again temporarily increasing the flexibility of the Low-income Energy Assistance Program-Emergency Financial Assistance (LEAP EFA). In addition, the maximum value of grants amounts has been increased.

By <u>letter</u> dated July 14, 2021, the OEB advised electricity and natural gas distributors of temporary changes to the LEAP EFA screening guidelines for 2021. These temporary adjustments were intended to provide increased flexibility and to maximize emergency financial assistance when consumers needed it most.

The OEB understands that a significant number of distributors have carried over a large amount of their LEAP EFA 2021 funding into 2022 and, that in some cases, the unused LEAP EFA 2021 funding amount is more than the distributor's annual LEAP EFA contribution. The OEB has also been advised by several distributors that uptake for LEAP EFA was lower in 2021 than in prior years, despite their concerted efforts to guide consumers to the program.

With the COVID-19 pandemic continuing and many consumers still facing financial difficulty, the OEB has determined that the increased flexibility outlined in the July 14, 2021 letter (as excerpted below), will extend to the end of 2022:

While the eligibility criteria for LEAP EFA (i.e., must be an existing customer, reside at the address for which there are arrears and have an after-tax household income at or below the applicable income threshold) remain unchanged, the OEB has decided to temporarily modify the following screening guidelines that agencies should consider in assessing applications:

- To be eligible for LEAP EFA, the applicant still needs to be in arrears but does not need to be in threat of disconnection or have been disconnected; and
- The limitation on receiving LEAP EFA only once per year is waived; however, the total amount received by a household may not exceed the maximum grant amount of for the year (see below).

Further, distributors have informed the OEB that the amount of arrears that consumers may be facing in 2022 is higher than normal. Therefore, distributors (and their agencies) will have additional flexibility in determining the appropriate grant amount to a maximum of \$1,000 (\$1,200 for consumers with electrically heated premises). This step is being taken in consideration of the significant amount of funding reported as currently available, and as an effort to make sure, to the greatest degree possible, that low-income consumers with higher-than-average arrears are afforded the opportunity to receive assistance. Distributors should continue, however, to ensure that sufficient LEAP EFA funds remain available for consumers who may face disconnection at the end of the winter disconnection ban period.

The increased flexibility in grant amounts does not affect the agency administration and program delivery fees, which is a maximum of 15% of the distributor's total LEAP EFA budget.

The OEB appreciates that distributors and their LEAP EFA agencies are in the best position to understand the particular circumstances within their communities and assess the needs of consumers. In applying the flexibility outlined in this letter, distributors and agencies should use their discretion to balance early intervention with ensuring sufficient availability of funds when consumers do face disconnection.

Any questions related to this letter should be directed to <u>IndustryRelations@oeb.ca</u>.

Sincerely,

Brian Hewson Vice President, Consumer Protection & Industry Performance