

Low-Income Energy Network (LIEN)



Mandate:

LIEN aims to ensure universal access to adequate energy as a basic necessity, while minimizing the impacts on health and on the local and global environment of meeting the essential energy and conservation needs of all Ontarians.

LIEN promotes programs and policies which tackle the problems of energy poverty and homelessness, reduce Ontario's contribution to smog and climate change, and promote a healthy economy through renewable and energy efficient technologies.

LIEN was formed to raise awareness of implications for low-income families of increases in energy prices and to suggest solutions. Building on this initial work, we are now hoping to work with governments, local utilities, community groups and the public to develop a more comprehensive and detailed energy strategy on low-income energy assistance and conservation.

The interim steering committee of LIEN is made up of representatives of:

Advocacy Centre for Tenants Ontario (ACTO)
Canadian Environmental Law Association (CELA)
Income Security Advocacy Centre (ISAC)

Share the Warmth (STW)
Toronto Disaster Relief Committee (TDRC)
Toronto Environmental Alliance (TEA)

Other LIEN members include:

Albion Neighbourhood Services
Canadian Auto Workers
Canadian Mental Health Association – Ottawa
Catholic Family Development Centre – Thunder Bay
Centre for Social Justice
Centre for Urban and Community Studies, University of Toronto
Community Legal Assistance Sarnia
Community Homelessness Initiative Network- Sarnia
Community Social Planning Council of Toronto
Conservation Council of Ontario
DisAbled Women's Network Ontario (DAWN)
Energy Action Council of Toronto (EnerACT)
Etobicoke Housing Help Centre – Toronto
Federation of Metro Tenants Association
Green\$aver
Guelph- Wellington Coalition for Social Justice
Housing Action Now
Kenora Community Legal Clinic

Nipissing Community Legal Clinic
North Kingston Community Health Centre
North Lanark County Community Health Centre
220 Oak St. Tenants Association
Ontario Coalition for Better Child Care
Ontario Coalition for Social Justice
Parkdale Liberty Economic Development Corporation
Parry Sound District Social Services
Phoenix Community Works Foundation
Public Interest Advocacy Centre (PIAC)
Rainy River District Community Legal Clinic
Renters Educating & Networking Together
St. Clare's Multifaith Housing Society
The Help Centre
T.H.R.I.V.E
Toronto Community
United Way of Greater Toronto
Woolwich Community Services – Waterloo

For information on LIEN-related publications and media releases, please visit CELA's web site at www.cela.ca or contact the LIEN Coordinator, Ana Jaramillo, at tel. (416) 596-0660; fax (416) 596-0345; or by e-mail at ana@torontoenvironment.org

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October 18, 2004

TO: All participants in RP-2004-0205

**RE: Regulated Price Plan
Funding for Stakeholder Participation**

The Board has considered the requests for funding participation in the Regulated Price Plan ("RPP") initiative.

The following discussion outlines the Board's approach to (i) eligibility; (ii) the reasonableness of the amounts requested; and (iii) the specific requests by reference to the interests represented.

(i) Eligibility

The Board has received requests for funding from the following eight participants:

Building Owners and Managers Association of Greater Toronto ("BOMA")¹
Canadian Federation of Independent Business ("CFIB")
Consumers Council of Canada ("CCC")
Electricity Distributors Association ("EDA")
Low Income Energy Network ("LIEN")
Power Workers' Union ("PWU")
School Energy Coalition ("SEC")
Vulnerable Energy Consumers Coalition ("VECC")

Of these, all but the PWU and the EDA have traditionally been considered eligible for funding in proceedings under the Board's *Practice Direction on Cost Awards* (the "*Practice Direction*"). With respect to the PWU, the Board recently provided a contribution to PWU's costs in the smart meter initiative but declined to do so in the 2006 electricity distribution rates process. In the former case, the Board considered that the PWU was in a position to bring a unique perspective to bear in the process. In the latter case, the Board determined that the PWU's interests mirrored those of electricity distributors who are not eligible for funding. The Board is of the view that the interests and perspectives of PWU are not unique in relation to the regulated price plan, and has therefore determined that funding will not be made available to the PWU in this process.

¹ BOMA is participating together with the Canadian Institute of Public and Private Real Estate Companies and the Federation of Rental Housing Providers of Ontario.

With respect to the EDA, its interest in this process is its representation of electricity distributors on whom the RPP will have a direct impact. The EDA has also been requested to serve on the working group that will assist in developing the RPP. The Board most recently considered the benefits and drawbacks of providing funding to the EDA in the context of the 2006 electricity distribution rates process. The Board's conclusions in that regard apply equally to the RPP process. The Board will therefore grant the EDA's request for funding in the amount of up to \$8,000.00 (representing 60 hours at \$130.00 per hour), again with the clear caveat that this should not be taken as a precedent for future decisions.

The Board will also make funding available to the other six participants that requested it, subject to the discussion below.

(ii) Reasonableness of Amounts Requested

The RPP process contemplates two phases where participation will be by invitation. These are the working group phase (relating to the development of an initial strawman for the RPP) and the workshop phase (relating to the review of a more fully articulated strawman).

The Board recently completed the process of selecting participants for the working group, and only those participants that were selected to be part of the working group will be provided funding for that particular phase. The Board has not yet determined which participants will be invited to participate in the workshop phase. The Board anticipates that the workshop phase will likely be sufficiently expansive to accommodate those participants that have requested funding for that phase and that anticipate taking part in it. The Board therefore considers it expedient to allocate funding for that phase now, with the caveat that this in no way dictates the outcome of the workshop participant selection process.

The amounts requested by each of the participants for participation, legal and/or expert representation and basic disbursements varied from a low of \$8,000.00 (EDA) to a high of \$64,365.40 (LIEN). Although the hourly rates contained in the funding requests were generally consistent, there was variation in the number of hours and persons expected to be devoted to this process, as well as in the amount of time required for preparation and reporting. The Board understands some of the difficulties encountered by participants in determining the precise time that will be required in each phase of this process, particularly in respect of phases involving meeting time.

The Board approach to funding for the RPP process is a hybrid one, reflecting the hybrid nature of the consultations contemplated. More specifically, for funding purposes the Board will draw a distinction between the working group phase and the remaining phases (workshop participation, written comments on the pricing methodology strawman, participation in the technical conference and oral presentations and comments on the draft and final Regulated Price Plan Code ("RPPC") and associated amendments to other Codes). The former phase is clearly one where input is being solicited by the Board for the principal purpose of assisting the Board in developing the regulated price plan. By contrast, the remaining phases are at least equally for the benefit of participants, to assist in their understanding of the regulated price plan or to allow an opportunity for submissions in relation to their more specific issues or concerns.

The working group phase will therefore be treated in a manner similar to the treatment of funding for working groups in each of the smart meter and 2006 electricity distribution rate initiatives. The remaining phases will be treated in a manner similar to the treatment of funding in the Natural Gas Forum initiative.

For the working group phase, the Board has determined that participants will be entitled to receive funding at the requested hourly rate for one person to participate in the working group. The allowed time will be limited to the time actually spent in the working group (currently estimated at 48 hours), plus an additional 45% of that time for preparation and reporting.

For the remaining phases of the RPP consultation process, the Board will provide funding as follows:

- For the "meeting" phases (workshop and technical conference/oral presentation), participants that represent residential or not for profit interests will be entitled to receive funding at the requested hourly rate for one person to participate in each of these activities. The allowed time will be limited to the time actually spent in the workshop or at the technical conference/oral presentation (currently estimated at 5 hours and 24 hours, respectively), plus an additional 45% of that time for preparation and reporting. The groups that will receive this funding are CCC, VECC, LIEN and SEC.
- For the written phases (written comments on the pricing methodology strawman and comments on the draft and final RPPC and associated amendments to other Codes), participants that represent residential or not for profit interests will be entitled to funding at 100% of the amounts requested. The groups that will receive this funding are CCC, VECC and LIEN. Although SEC also falls within this category of participant, the Board considers that the request for funding submitted by SEC is high when considered relative to the requests made by other members of the group. Accordingly, SEC's entitlement to funding for the written phases will be limited to a total of \$10,080.00, which represents 48 hours at an hourly rate of \$210.00 per hour. 48 hours is the average funding requested for these phases by other members of this group. The Board notes that it is not clear from SEC's request whether it is requesting funding for submitting written comments on the pricing methodology strawman. The Board's decision allows SEC some flexibility in this regard. If SEC chooses not to submit such written comments, then its maximum funding (for comments on the draft and final RPPC and associated amendments to other Codes) will be limited to \$5,880.00, which represents 28 hours at an hourly rate of \$210.00 per hour. Again, 28 hours is the average funding requested for these phases by other members of this group. If SEC can demonstrate to the Board that there are exceptional circumstances that would justify its need for funding in excess of the average funding requested by and provided to other members of this group, SEC is invited to do so.
- Participants that represent commercial interests will be entitled to funding at a fixed amount of \$2,500.00 as a contribution to their participation in the meeting and written phases. The groups that will receive this funding are BOMA and CFIB.

As noted earlier in this letter, the EDA will be entitled to a fixed amount of \$8,000.00 as a contribution to its participation in the RPP process.

SEC requested funding for its participation at the September 10, 2004 consultation day. That phase of the process is not eligible for funding, and SEC will therefore not receive any contribution towards its participation at that consultation day.

Two participants requested additional funds for travel and accommodation as follows: VECC requested \$800.00 and SEC requested \$2,000.00. The Board considers these amounts to be reasonable.

Several participants included a claim for GST in their funding requests. The Board is presently examining the issue of the treatment of GST in relation to its stakeholder funding initiative. Pending completion of that examination, the Board's allocation of funding for each participant is exclusive of GST. Participants will be advised by separate letter of the manner in which the Board will deal with claims for GST.

(iii) Interests Represented

The Board seeks, in the RPP process, to ensure that a broad range of interests is represented, including those of various classes of consumer.

At the present time, the consumers that will be eligible for the RPP is not known, and the Board wishes to ensure that it has the views of residential, commercial, industrial and institutional consumers. The Board also recognizes that the beneficiaries of this effort may well go beyond the specific interest represented by a particular commercial or institutional consumer group. The Board is therefore prepared to make funding available to representatives of consumer groups that may be eligible for the RPP, including consumer groups that represent commercial or institutional interests.

The Board notes that two participants – VECC and LIEN – appear to represent very similar interests. To some degree, any duplication of efforts is limited by the fact that (a) VECC has been invited to participate in the working group whereas LIEN has not; and (b) LIEN has requested funding for the workshop whereas VECC has not (VECC's request for funding for the workshop was included as an alternative in the event that VECC was not selected to be part of the working group). In its funding request, VECC indicated that it believes that its work will not be duplicative of the work of LIEN, and that it has initiated discussions with LIEN regarding areas of mutual interest and cooperation in order to achieve this result. Similarly, in its funding request LIEN indicated that it will continue to explore opportunities for joining efforts with VECC on matters where their respective interests coincide. The Board expects VECC and LIEN to work together to ensure that their respective participation in this process is not duplicative with that of the other.

The issue of the interests represented by the EDA is addressed earlier in this letter.

The Board reminds participants that funding is being made available only for participation on issues that are relevant to and within the scope of the RPP.

The funding provided to each participant will be the maximum available. These funds will be distributed to participants at the close of the proceeding and are subject to the comments made in this letter respecting the duplication of positions. To receive funds, parties must demonstrate that their costs and disbursements were reasonably and actually incurred, using the forms provided for in the *Practice Direction*.

Yours truly,

John Zych
Board Secretary