

Low Income DSM Programs for Toronto for Fall 2004

Report to Toronto Atmospheric Fund

Submitted by:

Advocacy Centre for Tenants Ontario,
Canadian Environmental Law Association,
Income Security Advocacy Centre and
Toronto Environmental Alliance

March 10, 2004

Summary of Results

With the support of the Toronto Atmospheric Fund and other partners, the Low-Income Energy Network has been able to:

- Develop a comprehensive approach to low-income energy issues, balancing social justice and environmental concerns, as demonstrated by the reports and presentations we have developed;
- Put low-income energy issues in the public spotlight and on the policy agenda, as demonstrated by our consistent presence in media coverage on energy issues and the shift in the position taken by the Ministry of Energy and Ontario Energy Board on low-income issues;
- Enhance our outreach and networking capacity, as demonstrated by the growth of LIEN membership from 7 organizations in early 2004 to 47 organizations today;
- Plan and host a two-day strategic planning session and one day conference to engage stakeholders in the design a low-income energy conservation program;
- Production and release of a low-income energy conservation program, the success of which is demonstrated by the fact that has been favourably received by the regulator (the Ontario Energy Board) and in the \$4.6 million currently allocated for low-income conservation programs to date, with more significant programs likely to be adopted in the future.

For more information, please contact the LIEN secretariat at (416) 596-0660.

Background

The 4 objectives from the proposal were:

1. Outreach and capacity-building for LIEN to broaden its membership and improve its networking ability in order to take the initiative on developing timely effective solutions to low income energy issues and to provide an informed, coordinated and effective response to requests from the provincial Ministers of Energy and Community and Social Services for input to the policy-making process and to engage other key decision-makers.
2. Sponsoring research on the design of, and delivery options for, a comprehensive set of low-income energy programs. This will include the development of a set of ready to implement low-income DSM programs that Toronto Hydro can implement in the fall of 2004. Subsequent work (outside the scope of this funding request) will involve the development of a set of ready to implement DSM programs that Toronto Hydro can implement in time for the 2005-2006 heating season.
3. Organizing and hosting a LIEN conference to raise awareness of, and refine recommendations regarding, program design and delivery for the low-income energy programs for the fall of 2004. A subsequent conference (beyond the scope of this proposal) will be held to discuss the recommendations for the DSM programs for the 2005-2006 heating season.
4. Preparing and submitting a report, endorsed by LIEN members, to Toronto Hydro and to the Ministers of Energy and Community and Social Services on a set of ready to implement DSM programs for Toronto Hydro for the fall of 2004. These programs could be used by other LDCs across Ontario. LIEN will ensure that the report is broadly distributed to other interested parties such as other local utilities, social housing providers, and municipal governments.

The four project proponents (Toronto Environmental Alliance, Canadian Environmental Law Association, Income Security Advocacy Centre and Advocacy Centre for Tenants Ontario) received \$35,000 from TAF to support this first phase of LIEN's work covering the June – November 2004 period. The project manager for the administration of the project and its funds was the Income Security Advocacy Centre (ISAC). We were also able to secure over \$10,000 in funding from the federal government through a wage subsidy program, a \$25,000 commitment from the Ontario Ministry of Energy, and cost-recovery funding from the Ontario Energy Board for LIEN's participation in hearings.

LIEN has recently received funding from the Ontario Trillium Foundation for developing a web-site and hosting our Spring conference.

Introduction

The Low-Income Energy Network (LIEN) has an Interim Steering Committee made up of representatives from:

- 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)

Throughout the duration of this project, the Interim Steering Committee has met at least once per month to plan and oversee activities related to this project, and has maintained almost daily contact through e-mail. This active involvement has entailed significant in-kind contributions from the Steering Committee members' respective organizations and has helped make to make this project a success.

1. Outreach and Networking

The bulk of the funds for Outreach and Networking were used for staff time for the LIEN secretariat. By employing a full time LIEN Coordinator for six months we have been able to reach out to new groups and to provide consistent support to member organizations and interested members of the public. TAF's funds were matched with additional funding received for this purpose from the federal government's On-Site Wage Subsidy program.

LIEN Membership

LIEN has been able to recruit 47 organizations as members (see attached membership list, with a description of the various groups); 25 of these organizations are based in Toronto. This has broadened LIEN's membership, improved our networking ability and allowed us to share perspectives and information between anti-poverty organizations, environmental groups and service providers. We have also been able to educate and inform the public through the media and events sponsored by LIEN and/or its members.

There are two types of memberships in LIEN: members and supporters. The conditions for becoming a LIEN member include formally endorsing LIEN's Mission Statement (below) and being a non-profit and/or non-government organization. Supporters are individuals and/or for-profit organizations who endorse the Mission Statement. The key difference between the two is that only members can vote for the steering committee.

Mission Statement:

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 members have the opportunity to:

- Participate in information sharing with other LIEN members;
- Participate in LIEN-sponsored events and invite LIEN members to participate in their events;
- Comment on and formally endorse LIEN position papers;
- Invite other LIEN members to support their position papers or reports.

LIEN meetings are anticipated to take place at least once per year. Among other benefits of becoming a LIEN member is the ability to vote for and become a member of the LIEN Steering Committee at our upcoming conference on April 7th, 2005.

Meetings with Policymakers and Outreach to the Public

LIEN met with representatives from the Ministry of Energy and Ministry of Community and Social Services in order to provide an informed, coordinated and effective response to input requests on the policy-making process and to engage other key decision-makers. LIEN also prepared and delivered presentations to Ontario Energy Board and legislative committee on Bill 100 (copy of OEB presentation is attached).

The OEB presentation has resulted in a shift in the OEB's approach to this issue, and has also informed media coverage of the issue (see attached article from the front page of the Star's Business section on September 11).

In response to this media coverage, Minister of Energy Dwight Duncan made a public commitment to work with LIEN on a conservation initiative for low-income housing (letter to the editor in September 15 Toronto Star).

2. Research and Consultation

Introductory research includes:

- Preliminary work on energy burden in Ontario (see attached powerpoint presentation).
- *Low Income Energy Conservation and Assistance Programs* report on principles and programs in other jurisdictions

Overseen by the Interim Steering Committee, the research process has involved the review on the design and delivery options for a comprehensive set of low-income energy programs, upon existing programs in Toronto and in Ontario, where not available in Toronto, delivered by social and environmental groups.

Strategic Planning Session

The main portion of the funds designated for research and consultation were allocated towards preparing for and conducting a strategic planning session. Prior to the session, LIEN reviewed new rules for electricity Demand-Side Management (DSM), which involved identifying other low-income DSM programs offered in Toronto and Peterborough and meeting with Enbridge and Toronto Hydro delivery agents.

The session involved preparation of the planning materials, release time for attending Interim Steering Committee members, facilitation of the session and the preparation and review of the draft program design as a result of the working session.

LIEN has raised awareness of the issues around home energy consumption by low-income households and engaged affected communities and organizations in developing solutions. IndEco Strategic Consulting Inc., acting as LIEN Consultants, facilitated this session that dealt with obtaining feedback on the recommendations from energy experts and utility representatives from Toronto Hydro, Enbridge, Hamilton Hydro and Green\$aver for the proposed program.

The first day of the session, September 30th, 2004, addressed several issues:

- Energy Efficiency Programs – general
- Energy Efficiency Programs offered by your organization
- Reaching Low-Income Households
- Developing Low-Income energy efficiency programs

The second day was used to reflect on the present state, the preferred state and the S.W.O.T. (Strengths, Weaknesses, Opportunities and Threats) analysis for the program.

The analysis coming out of this session informed the development of the draft program, which was the subject of the LIEN workshop in October.

3. LIEN Workshop

LIEN organized and hosted a one-day conference in Toronto on October 20th, 2004 to raise awareness of, and refine the recommendations regarding, program design and delivery for low-income energy programs.

The funds allocated for the LIEN Conference covered release time and various activities:

- Develop agenda
- Prepare presentations
- Develop materials
- Arrange logistics
- Facilitate the workshop
- Draft (document) recommendations

There were 43 participants in the conference, including representatives from all three levels of government, 5 utilities, housing providers, tenant organizations, contractors, and LIEN members.

Based on discussion at the conference, the draft program was revised prior to its release.

4. Report and Media Release

A report was prepared and submitted, endorsed by the LIEN Interim Steering Committee members, to Toronto Hydro, the Ontario Energy Board, and the Ministers of Energy and Community and Social Services on a low-income conservation programs for local utilities.

LIEN ensured that the report was broadly distributed to other interested parties such as other local utilities, social housing providers, and municipal governments. In response to the submission of the LIEN report, the Ontario Energy Board has urged (but not required) local utilities to include low-income programs in their conservation programs.

The report was submitted to the OEB in December, but the media launch was in January 2005. Unfortunately, our press conference was overshadowed by a scandal-of-the-day at Queen's Park, but we were able to get a Canadian Press story and a CBC television news story on the report.

The LIEN program can be summarized as follows:

Benefits of the program

LIEN considers that the mentioned program has several benefits, among them:

1. Lower bills for those least able to afford higher energy prices: Energy use reduced by between 15% and 55%, depending on the home and the extent of measures undertaken (see below).
2. Better for environment: Less energy use means less pollution from home energy use, which is the source of 15% of greenhouse gas emissions in Ontario.
3. Potential savings are higher than in the average home: Low-income housing is typically older and less energy efficient.
4. Savings won't be achieved without this program: Barriers to energy conservation gains in low-income housing include:
 - o Lack of capital to invest in big-ticket, big savings items such as improved insulation and draftproofing, new appliances and/or heating systems.
 - o Most low-income households are renters who face split incentive:
 - They don't own building/appliances so can't benefit from long-term investment and can't undertake significant retrofit without landlord approval
 - Landlord can pass on higher energy costs (whether tenant pays energy bill directly or not), so no incentive to conserve.
5. Proven success: Retrofits of Toronto Community Housing units done by Green\$aver have achieved permanent 35% – 40% reduction in energy use, more comfortable

homes, and reductions in greenhouse gas emissions of over 3 tonnes per house annually. Contact: Keir Brownstone, General Manager of Green\$aver at 416-203-3106, ext. 225.

How the program works

1. An energy auditor assesses energy use (and waste) in the home and determines the best ways to reduce home heating/cooling and electricity use.
2. The auditor does the basic, low-cost measures while they are there (e.g. install compact fluorescent lightbulbs, some basic draftproofing, provide a clothes line/rack, insulates the hot water heater and pipes; installs a low-flow shower head and faucet aerators, installs a programmable thermostat) and educates the residents on how these things work as well as other ways they can reduce energy use.
3. Where the audit determines that significant savings are achievable, a second visit will be scheduled to implement more costly measures such as appliance replacement, increased insulation, and/or heating equipment replacement.

Program implementation cost

- Basic measures will cost approximately \$1000. More extensive measures (e.g. appliance replacement), will cost more (but result in higher energy savings) resulting in an average cost of approximately \$3,700 per home. This is comparable to similar programs in the United States.
- Energy bill savings will be ongoing, and the value of these savings will increase as prices rise.

Utilities already involved

- Hydro One's Conservation and Demand Management Program includes \$4.5 million over the next three years for low-income energy retrofits.
- Brantford Power has allocated \$100,000 for low-income programs this year
- Enbridge Gas is piloting a low-income energy retrofit program in Toronto this year.
- Enersource Hydro Mississauga, Hamilton Hydro, Hydro Ottawa, PowerStream (serving Vaughan, Richmond Hill and Markham), and Toronto Hydro have allocated \$2.129 million for social housing projects. The Ontario Energy Board has encouraged them to consider other low-income programs as they roll out their programs.

LIEN members will continue to promote this program and are actively working on on-the-ground implementation of low-income energy conservation programs.

