
Ontario Electricity Support Program

Foundation Briefing
January 2018

Program History

- The Ontario Clean Energy Benefit was launched as a five-year rate-relief program starting in 2010. The Ministry began considering options to ensure protection for vulnerable consumers when the Benefit ended on December 31, 2015.
- In March 2014, the Ministry received Cabinet direction to report back on options for a rate-payer funded assistance program for low-income electricity consumers. The Minister then wrote to the OEB for a report on program design options.
- The OEB submitted a report to the Minister in December 2014 that included options and recommendations for the design of the OESP.
- In February 2015, Cabinet approved proceeding with the OESP based on the OEB's recommendations, and the Minister asked the OEB to move forward with the implementation of the OESP, and that the program be in place by January 1, 2016.
- In March 2015, the OEB procured IBM Canada as project manager for the OESP, and to help with the timely and effective implementation of the program.
- In May 2015, the OEB procured ICF Consulting Canada Inc. to be the central service provider (CSP) responsible for the design, build and deployment of the OESP solution.
- Application intake opened on October 29, 2015 and the program took effect January 1, 2016.
- In March 2017, Ontario's Fair Hydro Plan was announced, which included increasing OESP credits by 50%, increasing eligibility to customers who do not currently qualify, tax-basing the program, and increasing program uptake as much as possible.

OESP Program Details

- To mitigate the impact of rising electricity prices on low-income electricity consumers, the Ministry of Energy asked the OEB to develop and implement the Ontario Electricity Support Program (OESP) for January 1, 2016.
- The OESP provides an ongoing rate reduction directly on the bills of low-income electricity consumers who have applied and meet the eligibility requirements.
- The fixed monthly credit eligible electricity consumers receive is determined based on household after-tax income and household size. Credit amounts range between \$35 and \$75 per month.
- Consumers who face unique challenges with respect to electricity affordability and outreach will receive higher credit amounts ranging from \$52 to \$113 per month. This includes Indigenous consumers, consumers who use electric heating as the primary source of heating, and households using certain electricity-intensive medical devices.
 - Slide 15 includes the full credit scales.

OESP Eligibility Criteria

- The two primary eligibility criteria for the OESP are the number of people living in the household and total household income.
- To be counted in the total number of people living in a home, a resident must reside in the home for six months or more per year.
- To be eligible, you must be a residential consumer who receives a bill directly from an electricity utility and live at that address.
 - Ontarians whose electricity is included in their rent are not eligible for the program.
- The OESP is an application-based program. As a result, low-income electricity consumers have to apply to the program to determine if they are eligible.
 - OESP recipients will have to reapply every two years for the program.
 - If the recipient is 65 years of age or older, or is receiving a disability benefit under the Canadian Pension Plan, they would only have to reapply every 5 years.
- Once an electricity customer applies for the OESP, it takes approximately 6-8 weeks to process the application. Credit amounts will be applied to qualified customers' bills as soon as possible after eligibility is confirmed.
- Credits are not applied retroactively; however all eligible customers will receive on-bill credits for the entire two or five year eligibility period.

Roles and Responsibilities

OEB

- The OEB is responsible for overseeing the implementation of the OESP. It oversees the Central Service Provider (CSP), as well as IBM, which is the OESP project manager.
- The OEB also sets the OESP charge used to collect the money to fund the OESP, and will set any changes to the sliding scale credit amounts.
- As the regulator of the electricity sector in Ontario, the OEB oversees LDCs and Unit Sub-Meter Providers (USMP), including overseeing their role in the OESP.

Central Service Provider

- ICF Olson (ICF) is the CSP, and is responsible for primary intake for the OESP by operating the OESP application website.
- In addition, ICF is responsible for the design and management of the OESP system, operating the OESP contact centre, and providing the settlement function for intake agencies.

Roles and Responsibilities – Cont'd

Electricity Providers (LDCs and USMPs)

- Electricity providers have a direct interface with the CSP, where it is responsible for verifying the account information of program applicants.
- When alerted by the CSP, electricity providers begin delivering the credit to successful applicants by applying the credit amount to their bills. They also help to promote the program, including web links and bill inserts.

Intake Agencies

- The OEB has contracted intake agencies across the province to help customers complete applications. There are over 130 different intake agencies (e.g. United Way) in over 170 different locations across the province.
- These agencies help customers who have not filed taxes in the last two years, whose economic situation has recently changed, or who generally need more assistance filling out their application.
- The OEB also has a separate agreement with the Ontario Native Welfare Administrators Association (ONWAA) to support intake for First Nation customers living on reserves.

Ministry of Finance

- The Ministry of Finance (MOF) verifies the income of an applicant's household if the members who have filed a tax return in the past two years. MOF then determines the total household income and ~~also~~ the credit amount that eligible households receive.
- To do this work, MOF has an agreement with the Canada Revenue Agency to verify income and directly interfaces with the CSP to confirm OESP eligibility.

Independent Electricity System Operator (IESO)

- The IESO is responsible for providing the settlement function for those delivering and administering the OESP, including the OEB, the CSP, electricity providers, and MOF.

How to Apply for the OESP

1. Self-Serve Application

- An easy online application for the OESP is available at OntarioElectricitySupport.ca
- Paper applications are also available for those who do not wish to submit an online application. These are available on the OESP website, or one can be requested by calling the contact centre.
- Applicants who have applied online or using a paper application must sign and mail a consent form to the central service provider, who will coordinate income verification with the Canada Revenue Agency.

2. Assisted Application

- There are intake agencies across the province that applicants can visit if they need assistance filling out the application, if their situation has recently changed, or if anyone in the household has not filed a tax return in the last two years.
- Intake agencies can manually verify the applicants' household income.
- To find an intake agency, applicants can either access a list on the OESP application website, or call the contact centre.

3. First Nation Application

- First Nations customers can apply using the same tools available as other customers. However, additional support is available through the Ontario Native Welfare Administrators Association (ONWAA).
- ONWAA travels to First Nation communities across the province to help complete applications and present to communities about the OESP.

OESP Metrics

- The Ministry receives data on OESP performance from both the OEB and the IESO on the monthly basis.

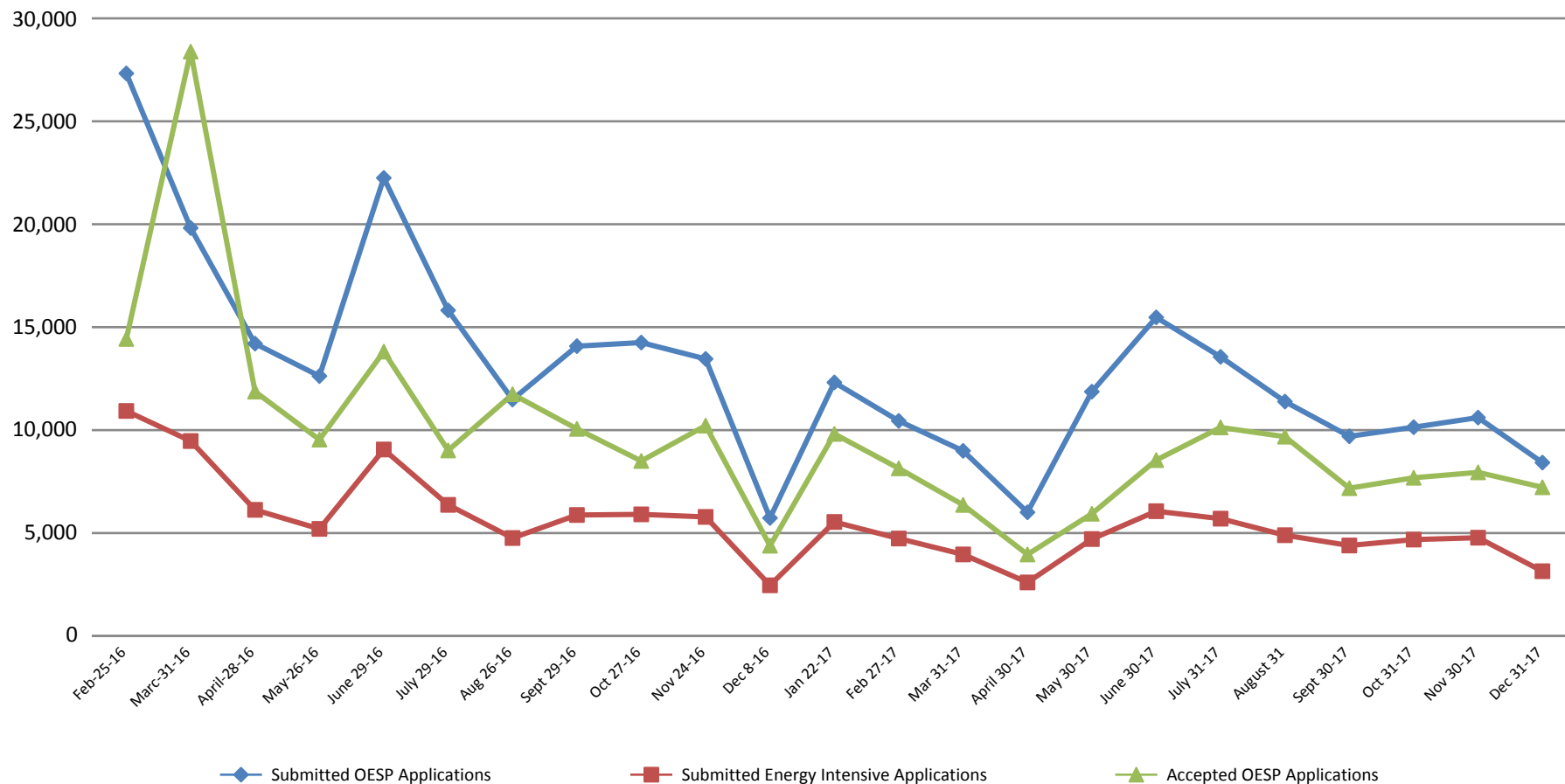
OEB Metrics

- The OEB provides cumulative metrics on applications, including the total number of:
 - Applications submitted,
 - Enhanced credit applications:
 - First Nation
 - Inuit
 - Métis
 - Other energy intensive (primary heating + medical devices),
 - Declined applications, and
 - Accepted applications.

IESO Metrics

- The IESO provides metrics that are based on data submitted by electricity providers and program administrators seeking compensation. This includes:
 - Total number / value of credits provided by credit class and by LDC / USMP, and
 - Total value of administrative costs by the OEB, the CSP, and the MOF.
 - NOTE: the CSP collects costs for ONWAA and the intake agencies.

OESP Monthly Uptake



Ontario's Fair Hydro Plan: OESP Program Changes

- In March 2017, Cabinet approved Ontario's Fair Hydro Plan, a suite of initiatives to reduce electricity costs for customers. This included several changes and enhancements to the OESP:
 - 1) increase funding to existing OESP-eligible consumers by 50%,
 - 2) provide for a number of new classes of rate-assisted consumers,
 - 3) increase enrolment into the OESP by aligning eligibility criteria with other social assistance programs, and
 - 4) shift funding for the program to the tax base by eliminating the OESP charge for electricity customers.
- The 50% increase and eligibility expansion came into effect on May 1, 2017, as a result of a regulatory amendment to O. Reg. 314/15 by the Ministry of Energy.
- MCSS has aligned programs but further work is underway (see slide 14).
- Regulatory changes to transition costs to the tax base are being developed. These are the final legal steps to implement OESP changes under the Fair Hydro Plan, and will ensure that the appropriate rules are in place for ongoing OESP administration. This includes financial oversight of program spending.

Aligning OESP with Social Assistance

- As part of the Fair Hydro Plan commitment to increase OESP uptake, the Ministry of Energy and the Ministry of Community and Social Services (MCSS) have been working on streamlining OESP qualification for Ontario Works and Ontario's Disability Support Program recipients who pay electricity bills.
 - These programs are collectively known as social assistance (SA) for the purposes of program alignment.
 - Similar to OESP, these programs determine financial eligibility by looking at total household income and total number of household members. Since they use similar low income measures, there was already significant alignment between eligibility requirements.
 - The main difference is that MCSS treats the household as a "benefit unit". Only family members are part of a benefit unit. Under OESP, the "household" is anyone at that account address.
- The Ministry made regulatory and legislative changes to enable program alignment:
 - First, it amended the OESP regulation to ensure that anyone deemed financially eligible for SA would automatically be eligible for OESP (see slide 15).
 - Second, the OEBA was amended to allow MCSS to collect new information needed to complete OESP applications on behalf of customers. The amendments also allowed a data exchange between the OEB and MCSS to identify which SA clients were eligible for but currently not receiving OESP.
- With that data, MCSS found that about 90,000 of the 113,000 SA clients eligible for OESP were not enrolled in the program.
- To target these clients for OESP enrolment, MCSS received TB/MBC approval additional resources to establish a Dedicated Contact Centre, and to create training material for client case workers. It also began work with the OEB to electronically automate enrolment of new SA clients, which is expected to complete in summer 2018.

OESP Credit Amounts

OESP Credit Scales							
Household Income (After Tax)	Household Size (Number of people living in household)						
	1	2	3	4	5	6	7+
< \$28,000	\$45	\$45	\$51	\$57	\$63	\$75	\$75
\$28,001 - \$39,000	\$40	\$40	\$45	\$51	\$57	\$63	\$75
\$39,001 - \$48,000	\$35	\$35	\$35	\$40	\$45	\$51	\$57
\$48,001 - \$52,000	\$35	\$35	\$35	\$35	\$35	\$40	\$45
Over \$52,001	\$35	\$35	\$35	\$35	\$35	\$35	\$35

Household Income (After Tax)	Household Size (Number of people living in household)						
	Energy Intensive						
	1	2	3	4	5	6	7+
< \$28,000	\$68	\$68	\$75	\$83	\$90	\$113	\$113
\$28,001 - \$39,000	\$60	\$60	\$68	\$75	\$83	\$90	\$113
\$39,001 - \$48,000	\$52	\$52	\$52	\$60	\$68	\$75	\$83
\$48,001 - \$52,000	\$52	\$52	\$52	\$52	\$52	\$60	\$68
Over \$52, 001	\$52	\$52	\$52	\$52	\$52	\$52	\$52

Red cells: new eligibility categories under the FHP that came into effect on May 1, 2017.

Orange cells: new eligibility categories to ensure that OESP is available to those deemed financially eligible for social assistance but were previously ineligible for OESP.

Purple cells: new eligibility categories to ensure that, if financial eligibility categories for social assistance change in the future, clients will remain eligible for OESP.

Ongoing Delivery of OESP

- After moving to the tax base, the OEB will continue to administer the program, and recipients will not notice any change to delivery. However, to ensure that Fair Hydro Plan objectives are met and outcomes are improved, several steps are underway:

Wet Signatures

- The Canada Revenue Agency (CRA) requires MOF to receive signed consent forms from applicants before income tax information is released to determine eligibility.
- OEB worked with ICF to develop an electronic signature option. The CRA accepted this approach, and ICF is working on implementation for Q1 2018.
- This should make it easier to apply, particularly for those without easy access to printers.

Communications

- The OEB is responsible for marketing and advertising the OESP. It has materials for distribution, and had launched successive waves of multimedia communications, including print, transit ads, radio, social media, and even Tim Horton's TV. These 'waves' have seen a noticeable spike in applications.
- Now that the program will be tax-based, Ministry Communications plans to become more closely involved in marketing and advertising activities to help increase uptake as much as possible.

Behavioural Insights

- The Behavioural Insights team in the Treasury Board Secretariat will continue to be engaged for expert advice on ways to improve performance and better reach target audiences.