

KEY MESSAGES:

- **The Affordability Fund is part of Ontario's Fair Hydro Plan. The \$100 million fund is supporting the no-cost installation of household improvements such as energy-saving LED light bulbs, power bars, improved insulation, and energy efficiency air conditioners and refrigerators.**
- **The program is intended to help electricity customers who do not qualify for low-income conservation programs, and who otherwise couldn't make energy efficiency improvements without the support.**
- **Energy efficiency improvements can help customers reduce their energy usage, and get on a more sustainable path with their energy bills.**
- **The Affordability Fund is administered by an independent trust, which includes representation from electricity distributors and community organizations.**
- **Whether a customer rents or owns, or lives in a house or apartment, they may qualify. Customers may be eligible to receive varying levels of support based on their total household income and average electricity bill.**
- **Ontario is lowering electricity bills by 25 per cent on average for residential customers as part of a significant system restructuring that will address long-standing policy challenges and ensure greater fairness.**
- **Lower-income Ontarians and those living in eligible rural communities are receiving even greater reductions, as much as 40 to 50 per cent.**
- **In the last decade the government has rebuilt our transmission and distribution grid, invested in clean generation, and closed the last coal-fired power plant. Prices have increased because our electricity system is being transformed – more than \$50 billion has been invested to modernize the system.**
- **Under the Fair Hydro Plan, these changes are delivering the single largest reduction to electricity rates in Ontario's history.**

Q's and A's

Affordability Fund:

Q1. How is this \$100 investment being funded?

The Affordability Fund is being funded through the tax base. In March 2017, the Ministry of Energy entered into a Transfer Payment Agreement to flow \$100 million from the tax base to the Affordability Fund Trust.

Q2. How many households are expected to benefit from the Affordability Fund?

The number of households that the \$100 million investment in the Affordability Fund will support will depend on the types of measures installed per household. Customers may be eligible to receive varying levels of support based on their total household income and average electricity bill.

Q3. What type of impact will this have on low-income energy consumers in Ontario?

The program is intended to help electricity customers who do not qualify for low-income conservation programs, and who otherwise couldn't make energy efficiency improvements without the support.

The Affordability Fund will provide similar measures to the Save on Energy Home Assistance Program (HAP), at no or minimal cost, including:

- Energy-saving light bulbs (LEDs)
- Power bars
- Energy-efficient window air conditioners
- Energy-efficient refrigerators
- Basement, wall or attic insulation

Electricity bill savings for households participating in the program will depend on the types of measures installed. For example, a Home Energy Kit with two LED light bulbs and a power bar can help a household save about \$10 on their annual electricity costs, while an energy efficient refrigerator can help save about \$90 in annual electricity costs

Q4. How does the province define 'low-income', and determine eligibility?

The definition of 'low-income' is unique to specific programs and often depends on the number of members in a household and the total household income. For example, under the Save on Energy Home Assistance program, a 4 person household with an after tax household income of about \$43,000 and under is considered to be eligible for the program.

The Affordability Fund is intended to help electricity customers who do not qualify for low-income conservation programs, and who otherwise couldn't make energy efficiency improvements without the support.

It is expected that individuals receiving funding will have demonstrated a need for financial support, and that their electricity bills represent a financial burden relative to their financial resources.

Eligible customers must own, rent or lease a home in Ontario, and be an electricity account holder.

Q5. How does the Affordability Fund fit in with the broader efforts of the government to support vulnerable energy consumers?

Over 2015 to 2017, Electricity distributors and other stakeholders indicated to the government that there was an immediate need to help customers in bill arrears and facing service disconnection.

This is why the government has introduced several support programs under the Fair Hydro Plan to assist vulnerable energy consumers. This includes the establishment of the Affordability Fund that will provide energy efficiency measures to electricity customers who do not qualify for the Save on Energy Home Assistance Program (HAP), and who are unable to undertake energy efficiency improvements without support.

Other support programs include the Ontario Electricity Support Program (OESP), which provides an ongoing rate reduction directly on the bills of low-income electricity consumers who have applied and meet the eligibility requirements.

Vulnerable customers can also access emergency financial support through the Low-income Energy Assistance Program (LEAP), which provides one-time a one-time grant for electricity or natural gas bills and introduces special rules for how utilities treat these customers.

There are also tax credits available: the Northern Ontario Energy Credit can provide up to \$148 for individuals and \$227 for families dealing with higher energy costs in the north, and the Ontario Energy and Property Tax Credit provides up to \$227 to help with the sales tax on energy.

Q6. Are there limits on the amount of improvements installed per household?

The Affordability Fund is supporting the no-cost installation of household improvements such as energy-saving LED light bulbs, power bars, improved insulation, and energy efficiency air conditioners and refrigerators.

Customers may be eligible to receive varying levels of support based on their total household income and average electricity bill. For information on the levels of support and eligibility requirements, customers can visit the Affordability Fund website.

Q7. How can the government ensure that electricity distributors apply to the Fund and that consumers in need of support are aware of the fund and its benefits?

Electricity distributors are well positioned to identify their customers who are in need of support, such as those that are in bill arrears, on repayment plans, facing service disconnection, or who are otherwise in frequent contact with a distributor's customer care centre regarding difficulty keeping up with their electricity bills.

It is expected that community organizations such as social service agencies will play a key role in helping to market the program and identify eligible participants to ensure that energy consumers are aware of the Fund and its benefits.

Q8. How did the government determine that \$100 million is an appropriate amount to ensure the successful implementation of the fund?

Over 2015 to 2017, electricity distributors and other stakeholders indicated to the government that there was an immediate need to help customers in bill arrears and facing service disconnection.

Electricity distributors reported to the Ontario Energy Board (“OEB”) that ~56,500 customers were disconnected in 2015 and over 58,000 customers were disconnected in 2016. Electricity distributors also reported about 400,000 residential electricity accounts in arrears in 2016.

In January 2017, Hydro One submitted to the Ministry of Energy a report, “Addressing Affordability” which outlined a number of recommendations on electricity rate mitigation, including a recommendation to establish an Affordability Fund to assist struggling customers who cannot qualify for low-income conservation programs.

Q9. How much can the average household expect to save on their energy bills after receiving energy-saving household improvements?

Electricity bill savings for households participating in the program will depend on the types of measures installed. For example, a Home Energy Kit with two LED light bulbs and a power bar can help a household save about \$10 on their annual electricity costs, while an energy efficient refrigerator can help save about \$90 in annual electricity costs

Q10. When will customers be able to receive supports through the Affordability Fund?

As of today [date of announcement] people can apply online at affordabilityfund.org, or call the toll free number 1-855-494-FUND (3863).

Q11. Why was the decision made to have an independent trust? Why is the program not managed by the Ministry of Energy, or the IESO?

The trust structure establishes an independent entity with expertise from the community sector and the electricity distributor sector. The Board of Trustees for the Trust includes representation from two social agencies (United Way Ottawa and the Hamilton-based Neighbour to Neighbour Centre) and three electricity distributors (Thunder Bay Hydro, Hydro One and Alectra).

The Ministry of Energy is represented on the Board of Trustees as a non-voting observer. The Ministry is also responsible for establishing and providing funding to the Trust, based on identified needs, and facilitating reporting on results to government.

The trust structure also provides an effective solution to an otherwise challenging problem of distributing funding to electricity distributors. With approximately 70 electricity distributors in the province, the Province entering into agreements with each distributor was not feasible.

The IESO, who has significant expertise, resources and infrastructure for the design and delivery of conservation programs in Ontario, will continue to oversee delivery of the low-income province-wide conservation program (the Home Assistance Program).