

Affordability Fund: Presentation to the Ministry of Energy

October 20, 2017

What is it?

- In March 2017, the Government of Ontario established the Affordability Fund as part of the Fair Hydro Plan to assist electricity customers who do not qualify for low-income conservation programs.
- The Affordability Fund provides assistance to households who do not qualify for low-income conservation programs and are unable to make energy efficiency improvements without financial assistance.
- Eligible customers will benefit from upgrades to their home that will help make it more energy-efficient and in turn, will reduce their electricity bills over the long-term.
- The Affordability Fund is an additional tool for utilities to assist customers in need of assistance.
- The Affordability Fund is governed by an independent Board of Trustees comprised of representatives from both the social service and utility sectors.

Who qualifies?



- The Affordability Fund has been designed to target those electricity customers who are above the poverty line, but who are feeling the burden of their electricity bills.
- To be eligible, individuals:
 - self-identify as struggling with their electricity bill;
 - must own, rent, or lease a primary residence in Ontario
 - must be the utility account holder named in respect of the residence
- Individuals who reside within the service area of a non-participating utility will work with a neighbouring utility participating in the Affordability Fund.
- Individuals who qualify for the Home Assistance Program, Low-Income Energy Assistance Program and the Ontario Electricity Support Program are not eligible for the Affordability Fund.
- There are different levels of support depending on the level of burden a customer experiences and whether their home is electrically-heated.

How to apply?

Online Intake Form

Applications can be made online by visiting :

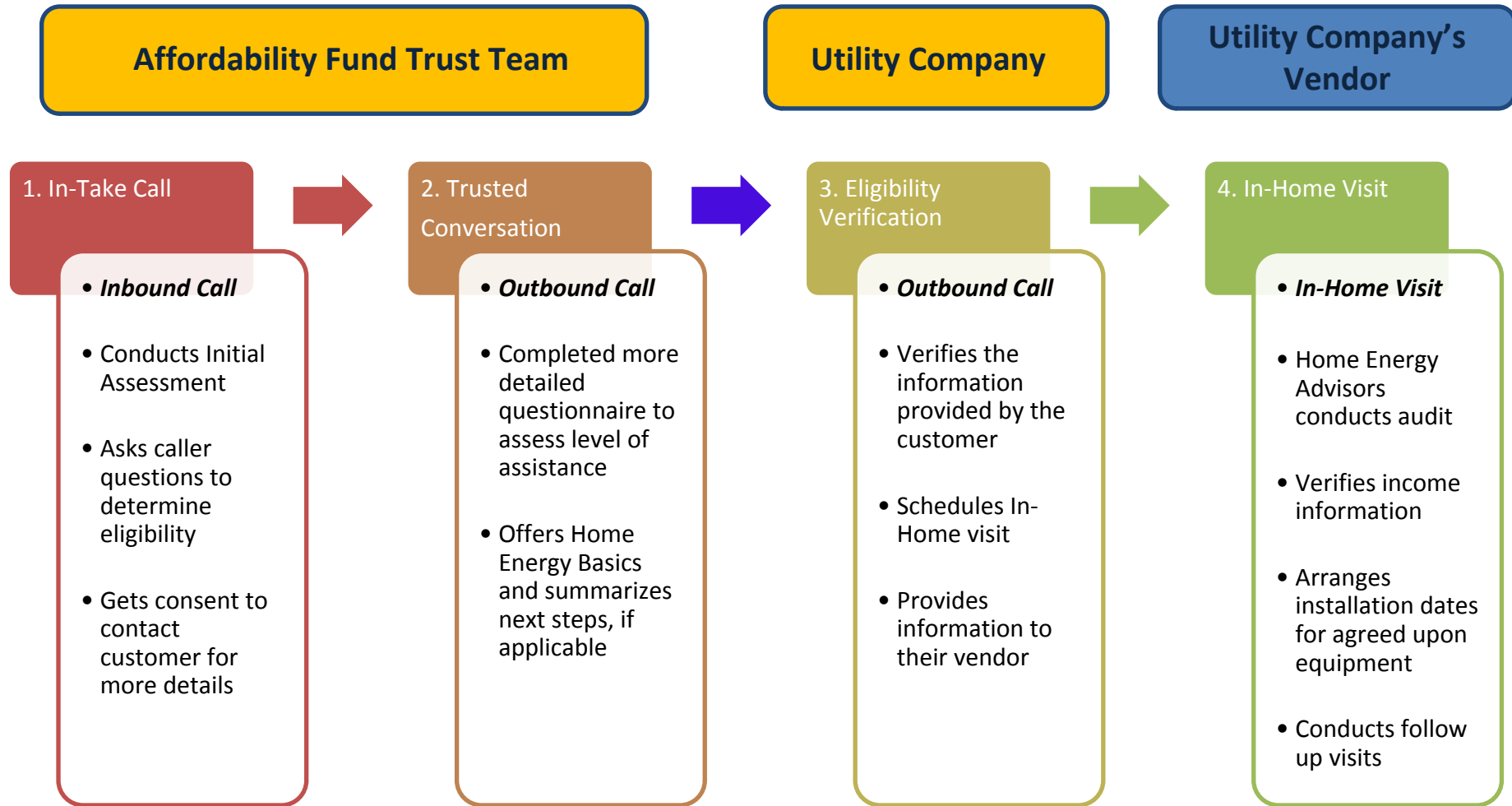
[Affordabilityfund.org](https://affordabilityfund.org)

or by calling:

1-855-494-FUND

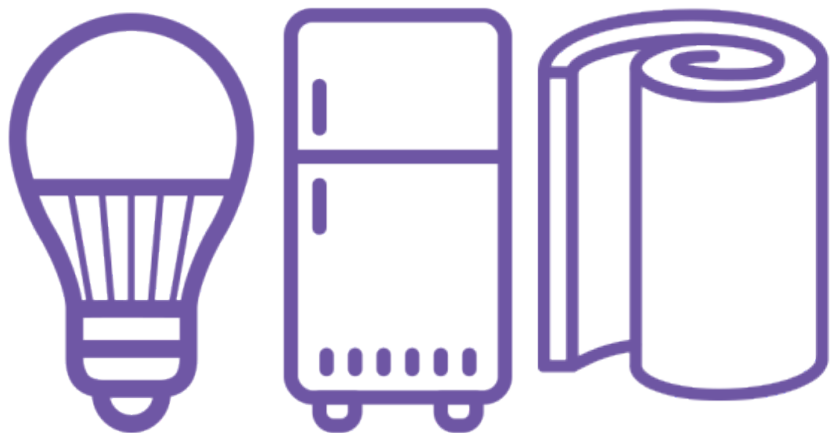
Applicants will only have to answer 4 simple questions to get the process started.

How does it work?



What type of assistance is available?

- Eligible customers will benefit from upgrades to their home that will help make it more energy-efficient and in turn, will reduce their electricity bills.
- Customers eligible for Level 2 and 3 support require an in-home visit.



Eligible Equipment List

Engagement	Eligible Equipment	Exceptions
Level 1	• Block heater timer • Smart Power bar • Efficient shower heads • Aerators • DWH pipe insulation • LEDs	Eligible Residence need <u>not</u> have electric water heating to receive equipment
Level 2	• Refrigerator • Freezer • Window air conditioners • Dehumidifiers • Programmable thermostats	Equipment can be 'right-sized' to fit the household needs Equipment can be provided in multiples to fit household needs
Level 3	• Heat pumps • Comprehensive draft proofing • Attic insulation • Wall insulation • Basement insulation	<u>Only</u> electrically-heated homes are eligible for Level 3 equipment Part 3 buildings (high rises) are <u>not</u> eligible for Level 3 equipment

How will LDCs determine appropriate support?

- **CONFIDENTIAL**

- LDCs are determining the level of support required through Electricity Affordability Burden (EAB)
- $EAB = (\text{Electricity Bills} + \text{Installment Payments} + \text{Fees}) / \text{Net Household Income}$
- LDCs will have the flexibility to determine the most appropriate period to calculate the EAB based on household circumstances however for the initial program launch, a 12 month period from June 2016-June 2017 will be used.

Electricity Affordability Burden Thresholds

EAB	Level of Engagement	Spending Cap	Program Details
< 3%	Level 1	Up to \$500	EAB assessed based on self-reported data Equipment provided via kits distributed to the Beneficiary OR In-Home installation occurring during initial In-Home visit
Between 3% and 5%	Level 2	Up to \$5,500	Income is certified during In-Home visit Level 1 equipment installed directly HEIP provided Beneficiary Equipment scheduled for installation
> 5%	Level 3	Up to \$15,000	Participants will be required to contribute to cost of equipment exceeding spending cap

Who is participating?

- There are currently **16 LDCs** conducting outreach to customers at risk of disconnection in advance of the formal announcement on October 24.
- As of October 20, there are **52 applicants**.
- The participating LDCs represent an approximate **4M** customer base.
- The Affordability Fund it is expected to help approximately **80,000 customers/year**.

LDC	Start Date
Alectra Utilities	13-Oct-17
Brantford Power	17-Oct-17
Essex Power Corporation	19-Oct-17
Greater Sudbury Power	17-Oct-17
Hydro One Networks	13-Oct-17
Hydro Ottawa	17-Oct-17
London Hydro	19-Oct-17
Newmarket-Tay Power Distribution	19-Oct-17
Niagara Peninsula Energy	17-Oct-17
North Bay Hydro	19-Oct-17
Oshawa Power and Utilities Corporation	17-Oct-17
Thunder Bay Hydro Electricity Distribution	13-Oct-17
Toronto Hydro Electric System	19-Oct-17
Veridian	17-Oct-17
Waterloo North Hydro	19-Oct-17
Westario Power Inc.	19-Oct-17

LDC Outreach

- Over the summer, LDCs were consulted in the design of the Affordability Fund and several meetings with United Way to discuss the involvement of community sector agencies.
- Information sessions for LDCs were held on September 22 and 27 and further information was circulate to LDCs via the Electricity Distributors Association. The next LDC information is scheduled for Tuesday October 24 from 1-3PM. This includes the following agenda items:
 - Quick Status for the Affordability Fund Trust Program
 - Approach in Place Today and Target Market
 - Review of Agent Scripting – Warm Transfer, Intake Calls, and the Trusted Conversation
 - Walk-through of the Microsite and How BlackBerry Workspaces Work
 - Q&A
- It is expected that participating LDCs will be able to make amendments to their HAP vendor agreements for the Affordability Fund.