RE: Affordability Fund - Eligibility

From: "Strang, James (TBS)" <james.strang@ontario.ca>
To: "Katona, Keley (ENERGY)" <keley.katona@ontario.ca>, "Gounden, Pratima (ENERGY)" <pratima.gounden@ontario.ca>, "An, Tai (ENERGY)" <tai.an@ontario.ca>
Cc: "Morgenstern, Madeleine (TBS)" <madeleine.morgenstern@ontario.ca>, "Fung, Felix (TBS)" <som.felix.fung@ontario.ca>
Date: Sun, 05 Mar 2017 19:36:09 -0500

Thanks Keley,

I do know that the list of principles provided below appear in the submission under Section 3 Fund Principles and Eligibility Criteria. Within the sub-section these principles are identified as "eligibility principles" and as eligibility criteria. Can this be taken as the same as the province's policy principles for the Affordability Fund? Or is the later (the Province's policy principles) broader than strictly eligibility.

I ask because under Section 1 Proposal these eligibility principles appear (in paragraph form) plus additional statements such as "the measures funded through the Fund would be similar to, or build on those available through the HAP", "The program would assist eligible customers by providing energy efficiency measures at no or minimal costs," and "the Fund would provide LDCs with an additional tool to help those electricity customers in need to reduce their future electricity bills and avoid future disconnection."

I'm looking for the explicit, concise list of the Province's policy principles for the initiative.

James

From: Katona, Keley (ENERGY)
Sent: March 5, 2017 11:58 AM
To: Strang, James (TBS); Gounden, Pratima (ENERGY); An, Tai (ENERGY)
Cc: Morgenstern, Madeleine (TBS); Fung, Felix (TBS)
Subject: Re: Affordability Fund - Eligibility

Thanks, our comments are attached as well as an answer to the question below. Can you confirm what time we are on the agenda at? Thanks.

Question

Would Energy have more information in terms of the eligibility criteria for the Affordability Fund - specifically, she would like to know what is considered to be in “frequent arrears” and how can the program ensure that the efficiency measures will go those most in need (and not those who “choose” to not pay their bills).

Response

As outlined in the TB Submission, ENERGY has developed high-level principles by which the Affordability Fund will operate and will continue to refine these principles through discussion with all LDCs. LDCs are best positioned to provide further guidance on principles as they are closest to the customer and will be responsible for identifying the customers in need and delivering assistance to them. All LDCs will be able to apply to access to the Affordability Fund so they may address the needs of their customer base. The principles outlined in the TB Submission include (with additional explanation below):

- Customers do not qualify for low-income conservation programs (i.e. are above Statistics Canada's Low-Income Measure).

- LDC has reasonable evidence to indicate that the customer requires financial assistance to pay for energy efficiency measures.

o The Trust will be expected to consider the appropriate indicators for determining whether customers are reasonably in need. The Ministry does not expect that a new income threshold would be established, due to the administrative costs and timelines required to implement income-eligibility tests. The Ministry believes that other indicators available to LDCs would be sufficient.

- Customers may have triggered action by an LDC collection department (e.g., customers are in arrears, have been placed on one or more payment plans, are due to be disconnected, etc.).

o Arrears are defined by the OEB as accounts that are 30 or more days past the 16-day minimum payment period.

o LDCs have communicated that their customer care departments keep track of their customers who are in "frequent arrears" or "chronic arrears."

o These terms are qualitative (i.e. do not refer to a set length of time or number of times customers are in arrears); however, generally ENERGY understands the bounds of these terms to be, on one end, customers who are in arrears for more than one billing period, and on the upper end, customers that have several thousand dollars in payments owing, accumulated from a number of missed or partially missed billing periods.

o While arrears are an important indicator of need to LDCs, LDCs have also indicated that there may be customers who are keeping up with their bills, but at the expense of paying for food or other basic needs. LDCs have asked for discretion to also offer energy efficiency measures to these customers.

- Priority could be given to eligible customers in electrically-heated homes, or other unique circumstances.

- Other factors as agreed by the Trustees.

Hydro One is expected to use the principles developed by ENERGY (with input from LDCs) to establish the Trust Deed. It is critical that there be fair and appropriate eligibility criteria for LDCs to consistently apply across the province to ensure that support is provided to those customers in need and to prevent any potential gaming. The Trustees must be given some flexibility to determine this criteria. Flexibility is also desirable as it is expected that the Trustees will have knowledge of the LDC sector, customer needs and/or low-income and conservation programs to further refine appropriate customer eligibility criteria. It is also expected that Trustees will engage with other LDCs and industry experts as needed to inform eligibility criteria.

From: Strang, James (TBS)
Sent: Sunday, March 5, 2017 11:31 AM
To: Katona, Keley (ENERGY); Gounden, Pratima (ENERGY); An, Tai (ENERGY)
Cc: Morgenstern, Madeleine (TBS); Fung, Felix (TBS)
Subject: RE: Affordability Fund - Eligibility

Hi, based on discussions here, we've added additional clarifying text on page 4 of the note (highlighted).

James

From: Strang, James (TBS)
Sent: March 4, 2017 8:06 AM
To: Katona, Keley (ENERGY); Gounden, Pratima (ENERGY); An, Tai (ENERGY)
Cc: Morgenstern, Madeleine (TBS); Fung, Felix (TBS)
Subject: RE: Affordability Fund - Eligibility

Hi everyone, attached is the draft TB note, it reflects input from OPCD, COE and Karen H.

James

From: Fung, Felix (TBS)
Sent: March 3, 2017 11:57 PM
To: Katona, Keley (ENERGY); Gounden, Pratima (ENERGY); An, Tai (ENERGY)
Cc: Strang, James (TBS); Morgenstern, Madeleine (TBS)
Subject: Affordability Fund - Eligibility

Hi Keley,

We briefed our Associate DM tonight on the Affordability Fund, and she asked if Energy has more information in terms of the eligibility criteria for the Affordability Fund - specifically, she would like to know what is considered to be in "frequent arrears" and how can the program ensure that the efficiency measures will go those most in need (and not those who "choose" to not pay their bills). I understand there may be some further principles on who would be eligible under the program - so whatever information that you can share with us would be very much appreciated.

Thanks
Felix