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Ontario Ministry of Energy
900 Bay Street, 4th Floor,
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glenn.thibeault@ontario.ca

Attention: Minister Glenn Thibeault – Ontario Ministry of Energy

Re: Continued Delivery of HOME ASSISTANCE Program

On the energy conservation front, the saveONenergy HOME ASSISTANCE program is a direct-install energy-efficiency initiative that provides energy-efficiency measures (at no cost to participating customers) to the vulnerable segment of the population that confronts energy poverty every day.

My purpose in writing is to formally request that your office intervenes in a recent unilateral and ill-advised decision by IESO that is certainly not in the interest of London Hydro's most vulnerable low-income residential customers and appears entirely contrary to the Ministry's August 4th, 2017 directive (re: *2015-2020 Conservation First Framework and Partnering with Green Ontario Fund; Delivery of Conservation and Demand Management Programs Targeted to the Low-Income Customer Segment*).

The London Hydro organization (including its Board of Directors) are very proud of our dedication-to-excellence and achievements on the energy conservation front and see complete alignment between the HOME ASSISTANCE program and our mission, vision and values as a community electricity distributor. Indeed the City of London is equally euphoric of this accomplishment and specifically that the program leverages so many community-based organizations into a single customer-centric holistic offering.

Background

On August 4th, the Ministry of Energy issued a directive (re: *2015-2020 Conservation First Framework and Partnering with Green Ontario Fund; Delivery of Conservation and Demand Management Programs Targeted to the Low-Income Customer Segment*) that compels the IESO to "... centrally design, fund and deliver across all Distributors' licensed service areas a Province-wide CDM Program(s) targeted to the low-income customer segment ("Province-wide Low-Income CDM Program(s)"), beginning January 1, 2018, within the budget established under Section 1.4 of the CFF Direction."

Our Commitment is To Our Customers

Clause 3.9 of this directive is an exemption for LDC's like London Hydro that has demonstrated an unrelenting commitment to this vulnerable sector. The relevant clause is replicated following for convenience of reference: *... the IESO may continue to allow a Distributor to deliver, funded through their allocated CDM budget, a CDM program(s) targeted to the low-income customer segment in its service area if the Distributor demonstrates, in the determination of the IESO, a commitment to serving this sector.*

London Hydro provided both an immediate e-mail response¹ to both IESO and Ministry of Energy affirming its commitment to continuing to deliver its best-of-breed version of the HOME ASSISTANCE program and later a formal letter response pursuant to IESO's August 30th E-Blast re-affirming this commitment.²

On October 18th, the community of LDC's received an e-mail from Terry Young of IESO basically announcing that *"... the IESO will move to implement a centrally-managed, low-income program across all LDC service territories to ensure a consistent program offering with adequate funding and equitable access for all low-income customers across the province. This approach will allow us to better consider province-wide coordination with the Green Ontario Fund, gas utility programs, and the Affordability Fund Trust."*

Outline of HOME ASSISTANCE Program Differentiators

It is important to understand that London Hydro has taken a very holistic approach to servicing the low-income residential segment within the community and, consequently, not only is the London Hydro version of the HOME ASSISTANCE program very different from the provincial version, it is specifically designed and operated in collaboration with other community organizations and agencies to provide maximum value to this vulnerable segment of the community. And, it is on account of these differentiators that London Hydro's version of the HOME ASSISTANCE program has been repeatedly recognized as a *"best of breed"* offering. Specific differentiators are outlined following:

- At the outset London Hydro collaborated with the London Fire Department to incorporate a number of fire safety and education measures into its version of the HOME ASSISTANCE program. In June 2014 London Hydro was bequeathed the Ontario Fire Marshall's *Community Fire Safety Award* in recognition of this innovation and success.
- London Hydro collaborated with the City of London to incorporate a number of water conservation measures (toilet leak testing, repair of leaking faucets, replacement of vintage toilets with low-flow toilets, etc.) into the HOME ASSISTANCE program.

¹ E-mail, dated August 8, 2017 to Usman Syed (Ministry of Energy) and Terry Young (IESO) from Gary Rains (London Hydro), re: HOME ASSISTANCE Program.

² Letter, dated September 1, 2017 to Independent Electricity System Operator from Gary Rains (London Hydro); re: Delivery of HOME ASSISTANCE Program.

- London Hydro includes minor electrical repairs (e.g. replacement of cover plates, repair of exposed wiring, etc.) into the HOME ASSISTANCE program. The Electrical Safety Authority (ESA) has applauded our efforts to date and made some inquiries about their future participation.
- In instances where the opportunity for natural gas savings is apparent, London Hydro will (and with the customer's consent) provide contact information for enrolment in Union Gas' free *Home Weatherization Program*.³
- At the outset, London Hydro worked with a channel partner (Parachute Software) to develop a mobile work-management product to electronically handle every aspect of this program (including contractor invoicing, and financial reporting and settlements with IESO) to eliminate the administrative burden associated with the program, i.e. we are fully leveraging technology to make the entire team more effective.
- The “icing on the cake” occurred in early 2017 when London Hydro was the honoured recipient of the IESO's own “*Conservation Leadership*” award for all aspects of its version of the HOME ASSISTANCE program and the achieved success. To provide a frame of reference, throughout 2016, London Hydro completed 1,425 HOME ASSISTANCE projects within its franchise service territory or 28% of the 5,066 projects that were reportedly completed across the province.
- London Hydro has also developed deep relationships with various social agencies within the community (e.g. Salvation Army, Ontario Works, Ontario Disability Support Program, London Food Bank, etc.) to increase awareness and program uptake among eligible customers. We also work with such local agencies as the Cross-Cultural Learning Centre to provide language translation services largely for recent immigrants.

The foregoing points should amply demonstrate why London Hydro's version of the HOME ASSISTANCE program has been a resounding success and is very deserving of being labelled “*best of breed*”.

Underlying Objection and Straight-forward Solution

London Hydro finds the referenced IESO decision problematic from three (3) perspectives, namely:

- From a customer perspective, London Hydro's holistic version of the HOME ASSISTANCE program offers far greater value to participating vulnerable customers than offered by the provincial program; hence it is not in London Hydro's interest to even consider the IESO's proposal of lesser value for our vulnerable customers.
- London Hydro sees the natural integration of the HOME ASSISTANCE program and forthcoming Affordability Trust program and expects to be quick to market

³ For a description of the Union Gas Home Weatherization Program, see URL::
<https://www.uniongas.com/residential/save-money-energy/rebates-promotions/weatherization>

because we will simply be using existing experienced resources and channel partners to deliver the Affordability Trust offering. London Hydro has already formally expressed interest in being early out of the gates with equally aggressive delivery of the Affordability Trust program.⁴ From a rate-payer value perspective, the optics is far better having London Hydro continue to deliver the HOME ASSISTANCE program and soon also the Affordability Trust program (as opposed to the implied arrangement in IESO's correspondence wherein the IESO's contractor is to deliver the HOME ASSISTANCE program and London Hydro will deliver the Affordability Fund program. Of course the other benefit of London Hydro's approach is it promotes the "*one-stop shopping*" concept that is advocated by the Ministry of Environment with their GreenON programs (i.e. no matter which customer approaches London Hydro, we are able to make a program offering based on their particular circumstances). This leads to another more subtle reason that London Hydro wants to integrate and operate the HOME ASSISTANCE and Affordability Trust programs in tandem – and it has to do with "*dignity*". We don't want the message ever to be: "*You aren't poor enough to participate HOME ASSISTANCE – call London Hydro and see if they can do something for you under the Affordability Fund*"

- Over the years, London Hydro has developed the in-house capacity (both in terms of staff complement and expertise) to successfully deliver a multitude of CDM programs, both for itself and in partnership arrangements with neighbouring LDC's. London Hydro typically manages all of its CDM programs in-house (as opposed to having a third-party contractor provide turn-key program delivery services). This philosophy inherently provides our organization with much flexibility combined with nimbleness and control over the London Hydro brand and direct customer engagement. It is ironic and sad that London Hydro has done everything right to contribute towards developing a "*culture of conservation*" in this province, and yet is being confronted with the prospect of having one of our most successful CDM programs pulled away presumably so the IESO's provincial contractor won't be confronted with London Hydro continuing to set the benchmark for immense success.

The very first guiding principle in the Minister's March 31, 2014 directive (re: *2015 – 2020 Conservation First Framework*) is replicated following for convenience of reference:

1. *Distributors are the face of electricity conservation to their customers in all sectors.*

This is an important principle to which London Hydro strongly subscribes and wishes to uphold into the future (as opposed to having foreign contractors deliver a lesser program within our franchise service territory).

It seems to me that the easiest path forward is to allow London Hydro to continue delivering its best-of-breed HOME ASSISTANCE program in London, Tillsonburg

⁴ E-mail, dated October 4, 2017 to Joyce Mankarios (EDA) and Giuliana Rossini (HONI) from Gary Rains (London Hydro): re: Affordability Fund: Follow Up.

and Stratford (as per the Ministry's August 4th directive) and simply carry out financial settlements with the IESO on a monthly basis (fundamentally as we do now, and as IESO would do with their chosen Contractor) subject to the following understandings:

- For financial equity with other communities, the expenditures related to delivery of the HOME ASSISTANCE program in the London, Tillsonburg and Stratford communities should be removed from their LDC's respective CDM Plans.
- London Hydro expects full reimbursement of incurred costs with a cap structured such that IESO will never pay more to London Hydro than it pays to its selected contractor for the same service.
- London Hydro is indifferent whether the resulting energy savings are attributed to London Hydro or assigned to IESO.
- Whatever performance bonus arrangement is in place with the IESO's contractor should be extended to London Hydro.

I trust this matter will receive your early attention.

Yours truly,

LONDON HYDRO INC.

Vinay Sharma, P.Eng.
CEO

VS/ghr/lv

cc:	Peter Gregg	President & CEO, IESO
	Joyce Mankarios	Policy Advisor, Electricity Distributors Association
	Usman Syed	Director, Conservation and Energy Efficiency