

B. Ontario Electricity Support Program (OESP)

- The OESP is an income-tested, application based program that lowers electricity costs of the most vulnerable consumers by a rebate directly on bills. The OESP is currently funded by the rate base.
- OESP credits vary by income level and family size, and there are two credit scales that include:
 - The basic program credit ranges from \$30/month to \$50/month.
 - An enhanced credit that ranges from \$45/month to \$75/month for consumers that are either Indigenous, use electric heat or have certain medical devices.
- The OESP launched on January 1, 2016, and in just over a year:
 - Almost 180,000 have been enrolled in the program representing 30% of the total targeted low-income population and some 278,000 applications have been received.
 - Almost \$50 million in credits have been provided to vulnerable consumers.
 - Some 172 intake agencies have been mobilized to assist low income consumers to apply for the OESP.
- To drive this uptake, the OEB has engaged in extensive outreach, including advertising in multiple languages, and continuing to work with partner agencies to develop a model for “application clinics” across the province to increase program awareness and uptake across the province.



B. Ontario Electricity Support Program (OESP) (cont'd)

- There are a numbers of ways that the OESP program can be enhanced:
 - Streamline the OESP process to drive participation toward 100%:
 - ENERGY and the Ministry of Community and Social Services (MCSS) have been working on automatic OESP qualification for Ontario Works (OW) and Ontario's Disability Support Program (ODSP) recipients who pay electricity bills.
 - MCSS estimates some 110,000 OW and ODSP recipients pay electricity bills;
 - This process could follow the “deemed eligibility” model used for the Healthy Smiles program. Using an existing model should simplify the implementation process.
 - The qualification process may have to be done manually at first, with a more automated IT solution in the longer-term.
 - Working with the CRA to make the application process easier / quicker to get through by finding an alternative to the requirement to mail-in signed consent forms;
 - Putting in place a more aggressive communications strategy and application intake clinics across the Province to increase awareness of/enrollment in the OESP.
 - Increasing the existing OESP credit scales by an additional 50%; and
 - Expanding the categories of OESP credits.
- It is also recommended that the OESP be supported from the tax-base as part of the rate mitigation package.

B. Ontario Electricity Support Program (OESP) (cont'd)

- The tables below outline the existing OESP credit scales and how the scales would be enhanced if increased by 50% and credits are extended to additional groups (represented in the circled boxes):

Existing OESP Credit Scales

Sliding Scale #1		Household Size						
		1	2	3	4	5	6	7 +
Income Bracket	< \$28,000	\$30	\$30	\$34	\$38	\$42	\$50	\$50
	\$28,001 - \$39,000			\$30	\$34	\$38	\$42	\$50
	\$39,001 - \$48,000					\$30	\$34	\$38
	\$48,001 - \$52,000							\$30

Sliding Scale #2		Household Size						
		1	2	3	4	5	6	7 +
Income Bracket	< \$28,000	\$45	\$45	\$50	\$55	\$60	\$75	\$75
	\$28,001 - \$39,000			\$45	\$50	\$55	\$60	\$75
	\$39,001 - \$48,000					\$45	\$50	\$55
	\$48,001 - \$52,000							\$45

Proposed +50% OESP Credit Increase*

Sliding Scale #1		Household Size						
		1	2	3	4	5	6	7 +
Income Bracket	< \$28,000	\$45	\$45	\$51	\$57	\$63	\$75	\$75
	\$28,001 - \$39,000		\$40	\$45	\$51	\$57	\$63	\$75
	\$39,001 - \$48,000			\$35	\$40	\$45	\$51	\$57
	\$48,001 - \$52,000					\$35	\$40	\$45

Sliding Scale #2		Household Size						
		1	2	3	4	5	6	7 +
Income Bracket	< \$28,000	\$68	\$68	\$75	\$83	\$90	\$113	\$113
	\$28,001 - \$39,000		\$60	\$68	\$75	\$83	\$90	\$113
	\$39,001 - \$48,000			\$52	\$60	\$68	\$75	\$83
	\$48,001 - \$52,000					\$52	\$60	\$68

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*Note: The proposed higher scale, including the amounts in circles are proposed and will be refined in consultation with the OEB.

B. Ontario Electricity Support Program (OESP) – Considerations

Fiscal Impact

- Changes to legislation / regulation may be required to establish and define the parameters for OESP to receive funding from the tax-base. The scope of changes would depend on the implementation / delivery mechanisms. -
- The OESP regulation will likely require changes to enable OW and ODSP recipients to be “deemed eligible” for the OESP.
- Financial flow-through mechanisms would need to be considered in consultation with IESO and LDCs. Likely to be modeled after processes used for the Ontario Rebate for Electricity Consumers (OREC).
- The OEB has been collecting program funding in excess of program costs and has accrued a positive balance. This balance must be addressed when moving to the tax base.
- If OESP amounts are increased, it will need to be confirmed that the credit is not treated as taxable income. This was addressed in the current iteration of the OESP.
- Adding additional categories to the OESP matrix will take time to implement as it will require changes to the central system as well as LDCs’ billing systems. As well, the matrix will no longer follow the Low Income Measure (LIM), which could put additional pressure on the OESP and other provincial programs.

Fiscal Impact (\$M)	16-17	17-18	18-19	19-20	20-21
Existing OESP credits	–	118	159	193	222
Incremental Enhance OESP credits by +50%	–	59	80	97	111
Incremental additional OESP categories	–	8	22	35	42
Total	–	186	261	325	375

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