



Canadian
Environmental Law
Association
EQUITY. JUSTICE. HEALTH.



Pathway Out of Energy Poverty in Northern Ontario

An Assessment in Northern Ontario and Recommendations on Next Steps

Prepared by:

Zee Bhanji

Zoé St Pierre

Rebecca Waxman

Jacqueline Wilson

March 22, 2023

CELA Publication No. 1519

ISBN: 978-1-77842-017-7

Canadian Environmental Law Association

T 416 960-2284 • 1-844-755-1420 • F 416 960-9392 • 55 University Avenue, Suite 1500 Toronto, Ontario M5J 2H7 • cela.ca

Low-Income Energy Network would like to thank the following organizations who generously spoke to us and offered their insights on energy poverty in their communities. It was enlightening to discuss energy poverty issues with frontline service providers in Northern Ontario, and we hope this report and the recommendations reflect their insights.

Elliot Lake & North Shore Community Legal Clinic

Sudbury Community Legal Clinic

Low Income People Involvement of Nipissing

Kinna-aweya Legal Clinic

Keewaytinok Native Legal Services

Manitoulin Legal Clinic

Lakehead Social Planning Council

Table of Contents

Description	Page
Summary of Recommendations.....	4
Introduction: Energy Poverty in Northern Ontario.....	7
ISSUE 1: Distribution and Transmission Costs and the Rural-Urban Divide.....	9
ISSUE 2: Emergency Assistance.....	14
ISSUE 3: On-Bill Financial Assistance Programs.....	19
ISSUE 4: Energy Efficiency and Renewable Energy Programs.....	22
ISSUE 5: Programs for Consumer Protection and Access to Information.....	27
Conclusions.....	30

Summary of Recommendations

Recommendation 1: People living in medium and low-density areas should not be charged up to an additional \$38.08 per month for distribution of electricity.

Recommendation 2: Apply the On-Reserve First Nations Delivery Credit automatically to a customer's bill based on the customer's address on a reserve.

Recommendation 3: The Ontario Energy Board should make permanent its expansion of the Low-income Energy Assistance Program – Emergency Financial Assistance (LEAP-EFA) to allow families to seek assistance more than once per year, to be eligible when in arrears, and to receive up to \$1000 for natural gas and \$1200 for electricity.

Recommendation 4: The funding model for the LEAP-EFA should be reviewed to ensure that funds for the program are not depleted before the end of the year in any area of the province.

Recommendation 5: The Homelessness Prevention Program (HPP) should be expanded to ensure that all eligible low-income people across the province using non-regulated fuels have access to emergency assistance for utilities bills.

Recommendation 6: For both the LEAP-EFA and HPP programs, the Ontario government should assess within one year and every two years thereafter whether the available amount of emergency assistance per family is sufficient to cover the energy costs of low-income people living in Northern Ontario.

Recommendation 7: Ontario Electricity Support Program (OESP) eligibility thresholds and OESP assistance rates should be reviewed to ensure the program is meeting the needs of low-income Ontarians.

Recommendation 8: Eligible households should not have to re-apply for OESP every two years.

Recommendation 9: The Ontario Energy Board (OEB) should create a new on-bill support program for natural gas users.

Recommendation 10: The Ontario government should create a monthly assistance program for eligible low-income people relying on non-regulated fuels.

Recommendation 11: The Ontario government should assess whether the process to receive energy efficiency upgrades can be simplified, including combining application forms with other programs. More households should be eligible for deep retrofits.

Recommendation 12: The Federal government should expand its Oil to Heat Affordability Grant to include all low-income Canadians relying on propane, oil, or natural gas. The program must be no-cost and turnkey.

Recommendation 13: The Ontario government should create a no-cost, turnkey program to transition low-income people from propane, oil, wood, or natural gas to cold-climate heat pumps.

Recommendation 14: The Ontario government should create a new wood stove replacement program which would allow eligible participants to replace their wood stoves with a high-efficiency wood stove or a heat pump.

Recommendation 15: Expand the no-disconnection ban to account for extreme heat in addition to cold.

Recommendation 16: The Ontario government should update its website at least once per year to outline all energy poverty programs available to low-income Ontarians, including programs funded by other levels of government.

Recommendation 17: All energy affordability program applications should include an option to allow low-income people to opt-in to sharing their information with other energy affordability program service providers.

Recommendation 18: The OEB should create a long-term advertising strategy to inform low-income people about all available energy poverty programs. Along with other outreach initiatives, there must be an effort to provide education materials in print through trusted local organizations.

Introduction: Energy Poverty in Northern Ontario

Across Ontario, low-income households are not able to afford rising energy costs. The burden of energy poverty is especially high in Northern Ontario. Although Ontario has created programs and policies to address energy poverty, large gaps still exist and some of the programs are ill-suited to the circumstances and high costs of energy in Northern Ontario. The purpose of this report is to survey the energy poverty programs that are available to low-income people in Northern Ontario, make recommendations to fill policy gaps, and address barriers to program uptake.

Energy poverty is “the inability to access and achieve adequate levels of social and material needs through energy services”.¹ Low-income people experience energy poverty when their energy costs rise above 6-8% of their total monthly budget.² Even on the Canadian Energy Regulator’s less stringent standard of energy poverty defined at 10% of a household’s monthly budget, it has recently found that 8% of Canadian households experience energy poverty.³

Access to affordable and adequate energy is a human right and a necessity.⁴ Adequate and affordable energy also relates to other rights, including the right to an adequate standard of living, the right to health, and the right to life. In rural areas, access to safe water and sanitation

¹ Runa R Das, et al., “A review and analysis of initiatives addressing energy poverty and vulnerability in Ontario, Canada” (2022) 165: Renewable & Sustainable Energy Rev 1 at 1 (Elsevier).

² Theresa McClenaghan, et al., “Energy justice & poverty – A Case Study for Ontario” (2021) Gaede, Hill and Winfield: Sustainable Energy Transitions for Canada: Challenges and Opportunities, in development for UBC Press Working Paper, at 6 <cela.ca/wp-content/uploads/2021/05/Energy-Justice-and-Poverty-Ontario-Case-Study-Working-Paper-Book-in-Press.pdf>; Adrienne J Scott, “In the Dark: An Exploration of the Human Rights Implications of Energy Poverty in Rural Ontario” (2016) Faculty of Law, University of Ottawa, at 15 <cela.ca/wp-content/uploads/2019/07/In-the-Dark.pdf>.

³ Canada, Canada Energy Regulator, *Market snapshot: Fuel poverty across Canada – lower energy efficiency in lower income households* (2021) <www.cer-rec.gc.ca/en/data-analysis/energy-markets/market-snapshots/2017/market-snapshot-fuel-poverty-across-canada-lower-energy-efficiency-in-lower-income-households.html>.

⁴ Adrienne J Scott, “In the Dark: An Exploration of the Human Rights Implications of Energy Poverty in Rural Ontario” (2016) Faculty of Law, University of Ottawa, at 33-34 <cela.ca/wp-content/uploads/2019/07/In-the-Dark.pdf>.

may be dependent upon access to electricity.⁵ When energy services are not affordable, households are forced to make impossible decisions between paying for energy and other necessities such as groceries and clothing.⁶

In Northern Ontario, the issues of energy poverty, high cost of living, and other poverty issues are intertwined and reflect the distinct challenges of living in a remote region of the province.⁷ Northern Ontario makes up a large portion of the province by landmass, but is home to only approximately 6% of the population.⁸ The Financial Accountability Office estimates that households in rural areas of Ontario spent an average of \$3,198 on home energy in 2019, compared with an average of \$2,002 spent by households in large urban centres.⁹ Households in the Northern region on average spent \$235 or 12% more on home energy than households in the Greater Toronto Area.¹⁰ Service providers interviewed for this report expressed concerns about inflation and high prices for electricity, natural gas, and other fuels, gasoline for cars and food, and how low-income people in their communities would be able to afford to live.

Although many different types of people experience energy poverty, some groups of people are disproportionately impacted by high energy costs including Indigenous people, people

⁵ Adrienne J Scott, “In the Dark: An Exploration of the Human Rights Implications of Energy Poverty in Rural Ontario” (2016) Faculty of Law, University of Ottawa, at 28 <[cela.ca/wp-content/uploads/2019/07/In-the-Dark.pdf](https://www.cela.ca/wp-content/uploads/2019/07/In-the-Dark.pdf)>.

⁶ Adrienne J Scott, “In the Dark: An Exploration of the Human Rights Implications of Energy Poverty in Rural Ontario” (2016) Faculty of Law, University of Ottawa, at 17-18 <[cela.ca/wp-content/uploads/2019/07/In-the-Dark.pdf](https://www.cela.ca/wp-content/uploads/2019/07/In-the-Dark.pdf)>.

⁷ For the purposes of this report, Northern Ontario includes the following regions: Nipissing, Parry Sound, Manitoulin, Timiskaming, Sudbury, Algoma, Cochrane, Thunder Bay, Rainy River, and Kenora.

⁸ Ontario, Health Quality Ontario, “Health in the North: A report on geography and the health of people in Ontario’s two northern regions” (Toronto: Queen’s Printer for Ontario, 2017) at 6.

⁹ Financial Accountability Office of Ontario, “Home Energy Spending in Ontario: Income and Region Distribution” (2021), at 1, 9, online: <[Home Energy Spending in Ontario: Income and Regional Distribution \(fao-on.org\)](https://www.fao.on.ca/Home-Energy-Spending-in-Ontario-Income-and-Region-Distribution)>.

¹⁰ Financial Accountability Office of Ontario, “Home Energy Spending in Ontario: Income and Region Distribution” (2021), at 12, online: <[Home Energy Spending in Ontario: Income and Regional Distribution \(fao-on.org\)](https://www.fao.on.ca/Home-Energy-Spending-in-Ontario-Income-and-Region-Distribution)>.

living on fixed incomes, low wage earners, single parents, and seniors.¹¹ In order to successfully address energy poverty, the specific needs and circumstances of different people living in Northern Ontario need to be considered and reflected in program design.

We are concerned about the rising cost of all fuel types. We are also concerned that low-income Ontarians using propane, oil or wood to heat their homes are not well served by Ontario's current energy poverty programs.

The Low-Income Energy Network's recommendations in this report address (1) distribution and transmission costs, (2) emergency assistance, (3) low-income rate affordability programs, (4) energy conservation or efficiency programs, and (5) consumer protection and access to information. As a priority, two new programs should be created to provide on-bill support for low-income Ontarians. The Ontario Energy Board should create an on-bill credit for natural gas users similar to the Ontario Electricity Support Program for electricity users. The provincial government should also create a monthly assistance program for low-income people reliant on non-regulated fuels such as propane, oil and wood.

ISSUE 1: Distribution and Transmission Costs and the Rural-Urban Divide

Historically, distribution and transmission costs for electricity in Northern Ontario were significantly higher than in Southern Ontario because of an Ontario Energy Board policy decision to charge for distribution and transmission of electricity based on population density.¹² The Low-Income Energy Network disputes the fairness of that premise. There are countless reasons why a person will choose to live in less densely populated parts of the province,

¹¹ David Bruce, *Housing Needs of Low-Income People in Rural Areas* (Canada: Canada Mortgage and Housing Corporation, 2003) at 18.

¹² Ontario Energy Board, "EB-2012-0410: Board Policy, A New Distribution Rate Design for Residential Electricity Customers" (2 April 2015) at 2, online (pdf): <https://www.oeb.ca/oeb/Documents/EB-2012-0410/OEB_Distribution_Rate_Design_Policy_20150402.pdf>.

including that some Indigenous communities may have long connections to land which is outside of urban areas. The fairness of these calculations is also problematic given that it is hotly disputed that a very centralized electricity generation system dependent on nuclear energy, with the associated long distribution and transmission networks, is the preferable approach to power generation in the province.¹³

Fortunately, the inequity between urban and rural electricity customers has significantly improved because of two programs: (1) Rural and Remote Rate Protection Program (“RRRP”), and (2) On-Reserve First Nations Delivery Credit. These recommendations seek to improve both programs and address the ongoing higher delivery cost for rural users.

(1) What are distribution and transmission costs?

A. Distribution Costs

Distribution rates are designed to recover the costs for the poles, wires, meters, transformer stations, trucks and computer systems that bring electricity from the high voltage transmission system to the individual homes and businesses across the province. These charges represent about 20% to 25% of a residential customer’s total electricity bill. The other parts of the electricity bill relate to charges for electricity generation, transmission, and system operations.¹⁴

B. Transmission Costs

Transmission costs refer to the cost of moving power from Ontario power plants and other sources to a local utility. The transmission costs for different local utilities are calculated through

¹³ Theresa McClenaghan, et al., “Energy justice & poverty – A Case Study for Ontario” (2021) Gaede, Hill and Winfield: Sustainable Energy Transitions for Canada: Challenges and Opportunities, in development for UBC Press Working Paper, at 15 <cela.ca/wp-content/uploads/2021/05/Energy-Justice-and-Poverty-Ontario-Case-Study-Working-Paper-Book-in-Press.pdf>.

¹⁴ Ontario Energy Board, “EB-2012-0410: Board Policy, A New Distribution Rate Design for Residential Electricity Customers” (2 April 2015) at 1, online (pdf): <https://www.oeb.ca/oeb/Documents/EB-2012-0410/OEB_Distribution_Rate_Design_Policy_20150402.pdf>.

a “retail transmission charge”. Electricity distributors recover transmission costs from their customers through Retail Transmission Service Rates (RTSRs), which are established for each rate class annually, some for rates effective January 1 and some for rates effective May 1.

(2) Rural or Remote Rate Protection Program (RRRP)

The RRRP is a “behind the scenes” program to address some of the historical price discrepancy between urban and rural users, which means that there is no required application, subsidy or credit to an individual customer.¹⁵ Distribution charges for people living in less densely populated areas of the province are calculated based on two charges: (1) the fixed distribution charge, and (2) the distribution volumetric charge.

With respect to the fixed distribution charge, the RRRP has created a price cap. It is almost identical across the province.

However, the distribution volumetric charge is only charged to rural customers. Rural customers therefore pay up to an additional \$38.08 per month or \$456.96 per year for distribution costs as compared to urban customers.

As an illustrative example, Hydro One has 3 different ratepayer classes for year-round residents: Urban High Density, Medium Density, and Low Density.

- Urban high density zone customers:
 - Residences in an area that contains 3,000 or more customers, with at least 60 customers for every kilometre of power line used to supply energy in the zone.
 - Fixed distribution cost: \$38.86 per month
 - Distribution volumetric charge: N/A
 - Total maximum distribution charge: \$38.86 per month¹⁶

¹⁵ Financial Accountability Office of Ontario, “Ontario’s Energy and Electricity Subsidy Programs” (16 February 2022), online (blog): <<https://www.fao-on.org/en/Blog/publications/energy-and-electricity-2022>>.

¹⁶ Hydro One, “Density Reviews & Rate Classes” (viewed last 2 March 2023), online: <<https://www.hydroone.com/rates-and-billing/density-review-and-service-type-information>>.

- Medium density zone customers:
 - Residences in an area that contains 100 or more customers, with at least 15 customers for every kilometre of power line used to supply energy in the zone.
 - Fixed distribution cost: \$38.08 per month
 - Distribution volumetric charge: Up to \$38.08 per month
 - Total maximum distribution charge: \$76.16¹⁷

- Low density zone customers:
 - Residences in an area not covered by urban high or medium zones.
 - Fixed distribution cost: \$38.08 per month
 - Distribution volumetric charge: Up to \$38.08 per month
 - Total maximum distribution charge: \$76.16¹⁸

This additional delivery charge is included under the delivery line on the consumer's bill if you live in low or medium density areas.¹⁹ LIEN opposes any additional charge for low-income customers based solely on whether they live in more urban or rural areas of the province.

Blended Distribution Charge – Ongoing Transition

Residential distribution rates are transitioning to an all-fixed monthly service charge. Urban customers transitioned to a blended charge in 2021. Medium density users will transition to a blended charge by the end of 2023. Low-density users will not see a completed transition to a blended charge until the end of 2032.²⁰

¹⁷ Hydro One, "Density Reviews & Rate Classes" (viewed last 2 March 2023), online: <<https://www.hydroone.com/rates-and-billing/density-review-and-service-type-information>>.

¹⁸ Hydro One, "Density Reviews & Rate Classes" (viewed last 2 March 2023), online: <<https://www.hydroone.com/rates-and-billing/density-review-and-service-type-information>>.

¹⁹ Hydro One, "Rates and Billing" (viewed last 2 March 2023), online: <<https://www.hydroone.com/rates-and-billing>>.

²⁰ Ontario Energy Board, "EB-2022-0186: Decision and Rate Order" (16 June 2022) at 1, online (pdf): <https://www.oeb.ca/oeb/Documents/EB-2012-0410/OEB_Distribution_Rate_Design_Policy_20150402.pdf>.

After the transition to all-fixed distribution rates is complete, the delivery line on a consumer's bill will be made up of a flat charge, retail transmission rates (cents per kilowatt hour), and an adjustment for line losses.

The new blended distribution charge is not predicted to change the total distribution cost for most users. Therefore, although the distribution charge is changing to a blended rate, we expect that medium and low-density residents will still face a significantly higher monthly delivery charge than urban residents.

Within the low density and medium density population groups, the transition to a blended rate will have mixed results from an equity perspective. Low-income, low energy users may see an increase in their bills, which is not a good outcome. However, high energy users may see a small decrease in their bills. We note that many low-income customers live in energy inefficient homes and cannot easily retrofit their homes to lower their bills. For these households, the new blended rate will provide a welcome, small cost saving.²¹ However, the best outcome for all low-income energy users will be better access to low-income energy efficiency programs to lower overall bills, which will also benefit people by improving their comfort and lowering greenhouse gas emissions.

Recommendation 1: People living in medium and low-density areas should not be charged up to an additional \$38.08 per month for distribution of electricity.

²¹ Hydro One, "Moving to Fixed Distribution Rates" (viewed last 2 March 2023), online: <<https://www.hydroone.com/rates-and-billing/rates-and-charges/fixed-distribution-rates>>.

(3) On-Reserve First Nations Delivery Credit

The **On-Reserve First Nations Delivery Credit** is a credit which removes all delivery costs for First Nations people living on-reserve.²² We are very supportive of this credit, which addresses the past, serious injustice of remote First Nations community members paying astronomically high distribution costs for electricity.

However, to be eligible for the credit, the customer whose name is on the bill must be eligible and exempt from HST. The HST exemption applies to a First Nations person living on a reserve. It would be preferable if this credit was automatically applied to all customers based on address to avoid any missed customers or households. We are not aware of any assessment of how many eligible customers are not currently receiving the credit because of this requirement to first apply for an HST exemption.

Recommendation 2: Apply the On-Reserve First Nations Delivery Credit automatically to a customer's bill based on the customer's address on a reserve.

ISSUE 2: Emergency Assistance

(1) Low-income Energy Assistance Program - Emergency Funding Assistance (“LEAP-EFA”)

The **LEAP-EFA** is an emergency assistance program for Ontarians who are behind on their natural gas or electricity bills. To fund the LEAP-EFA, utilities contribute 0.12 per cent of their total OEB-approved distribution revenue or \$2,000, whichever is greater.²³ Typically, to be eligible, customers must be facing disconnection or have been disconnected. The basic income

²² Financial Accountability Office of Ontario, “Ontario’s Energy and Electricity Subsidy Programs” (16 February 2022), online (blog): Financial Accountability Office of Ontario <[https://www.fao-on.org/en/Blog/publications/energy-and-electricity-2022](https://www.fao.on.org/en/Blog/publications/energy-and-electricity-2022)>.

²³ Ontario Energy Board, “LEAP Emergency Financial Assistance: Report on 2019 Program Results” (2020) at 3, online (pdf): <[LEAP Emergency Financial Assistance - Report on 2019 Program Results \(oeb.ca\)](https://www.oeb.ca/leap-emergency-financial-assistance-report-on-2019-program-results)>.

eligibility requirements are an income of under \$28,000 for a household of 1-2 people and an income of under \$39,000 for under four people. Eligibility requirements continue to increase based on household size. An eligible household may only access emergency funds once per year. The maximum grant amount is \$500 for natural gas users and \$600 for electricity users.²⁴

The LEAP-EFA program was temporarily expanded due to the COVID-19 pandemic. Under the temporary, expanded program: (1) the Applicant household could access LEAP-EFA more than once a year up to the maximum amount, (2) the Applicant could be in arrears but not be in threat of disconnection or have already been disconnected, and (3) the grant amount was doubled to \$1,000 for natural gas users and \$1,200 for consumers with electrically heated premises.²⁵

On February 27, 2023, the Ontario Energy Board announced that Applicants would remain eligible for LEAP-EFA more than once a year and could be in arrears, rather than facing disconnection. However, the total amount available per household has returned to pre-COVID levels of \$500 for natural gas and \$600 for electric heating.²⁶

Emergency assistance programs form an important part of a robust energy poverty strategy, but emergency assistance funding will not solve ongoing affordability issues. As well, several service providers noted that while LEAP-EFA is a helpful program, it may not fully

²⁴ Ontario Energy Board, “Low-income Energy Assistance Program – Emergency Financial Assistance” (January 2022), online: <[Low-income Energy Assistance Program | Ontario Energy Board \(oeb.ca\)](#)>.

²⁵ Ontario Energy Board, “Providing Flexibility to Assist Consumers through the Low-income Energy Assistance Program – Emergency Financial Assistance” (January 2022), online (pdf): <[OEB Letter re: Expanded Flexibility for 2022 LEAP](#)>.

²⁶ Ontario Energy Board, “Providing Flexibility to Consumers through the Low-income Energy Assistance Program – Emergency Financial Assistance” (27 February 2023), online (pdf): <[OEB Letter re: Expanded Flexibility for LEAP for 2023](#)>.

cover a person's arrears, especially when energy bills in winter in Northern Ontario can be as high as \$1000 per month.²⁷

A chronic issue with the LEAP-EFA program is that funds in a particular area of the province may be depleted before the end of the year. Every local distribution company maintains its own LEAP-EFA budget, which is funded through distribution rates approved by the OEB. That funding model does not account for demographic differences between customers in different areas of the province. Nor does funding consider prior years' application trends—that is, funding is not adjusted based on changing needs within the local distribution company's service area. While certain local distribution companies have LEAP-EFA funds remaining at year-end, others can no longer provide assistance to their customers as they have depleted their funds.²⁸ For example, in 2019, Espanola Regional Hydro Distribution depleted its LEAP-EFA funds by May, Greater Sudbury Hydro Inc. depleted its LEAP-EFA funds by August, PUC Distribution Inc. in Sault Ste. Marie and nearby areas depleted its LEAP-EFA funds by June, and Sioux Lookout depleted its LEAP-EFA funds by August.²⁹

In the OEB's February 27, 2023 decision, the OEB justified its return to pre-COVID emergency assistance levels by stating that many distributors ran out of funds in 2022. A decision to provide less money per household in need is not an appropriate way to address underfunding of the program. Instead, the program funding model should be reviewed and

²⁷ The Advocacy Centre for Tenants Ontario & Advocacy North, "North at Home" (2021) at 23, online (pdf): <www.acto.ca/production/wp-content/uploads/2021/05/North-at-Home-final-March-2021.pdf>.

²⁸ Auditor General of Ontario, "Value-for-Money Audit: Ontario Energy Board: Electricity Oversight and Consumer Protection" (2022) at 31-35, online (pdf): <https://www.auditor.on.ca/en/content/annualreports/arreports/en22/AR_ElectricitySectorOEB_en22.pdf>.

²⁹ Ontario Energy Board, "LEAP-Emergency Financial Assistance, Report on 2019 Program Results" (4 December 2020), online (pdf): <[LEAP Emergency Financial Assistance - Report on 2019 Program Results \(oeb.ca\)](http://www.oeb.ca/leap-emergency-financial-assistance-report-on-2019-program-results)>.

funding should be increased to allow for low-income people to access the program across the province as needed and to receive up to \$1000 for gas and \$1200 for electricity.

Recommendation 3: The Ontario Energy Board should make permanent its expansion of the LEAP-EFA program to allow families to seek assistance more than once per year, to be eligible when in arrears, and to receive up to \$1000 for natural gas and \$1200 for electricity.

Recommendation 4: The funding model for the LEAP-EFA program should be reviewed to ensure that funds for the program are not depleted before the end of the year in any area of the province.

(2) Homelessness Prevention Program (HPP)

The **Homelessness Prevention Program (HPP)** is provincially-funded and seeks to prevent, address, and reduce homelessness. The HPP consolidates funding from three Ministry of Municipal Affairs and Housing programs: (1) the Community Homelessness Prevention Initiative, (2) Home for Good, and (3) the Strong Communities Rent Supplement Program. Local service managers can create their own programs under broad service categories, one of which is housing assistance which can include utility arrears.³⁰ The HPP programs in areas such as Nipissing³¹, Kenora³², and Sudbury³³ include paying for utility fees or connection fees for people

³⁰ Government of Ontario, “Addressing Homelessness” (last updated 22 August 2022), online: <<https://www.ontario.ca/page/addressing-homelessness>>; Ministry of Municipal Affairs and Housing, “Homelessness Prevention Program (HPP) Program Guidelines” (2022), online: <[Expression of Interest \(escribemeetings.com\)](#)>.

³¹ District of Nipissing Social Services Administration Board, “Briefing Note” (4 March 2020), online (pdf): <[03-04-2020-housing-services-committee.pdf \(dnssab.ca\)](#)>.

³² Kenora District Services Board, “Housing Benefits” (last viewed 27 February 2023), online: <[Housing Benefits - Kenora District Services Board \(kdsb.on.ca\)](#)>.

³³ Sudbury’s Homelessness Network, “Housing Based Case Management” (last viewed 27 February 2023), online: <[Services – Homelessness Network](#)>.

who are in arrears, but not all areas of the province have chosen to use the funds to address the cost of utilities.

Unlike LEAP-EFA, the funding is not restricted to only natural gas or electricity users. For low-income people in Northern Ontario who rely on propane, oil and wood and who are left out of most energy poverty programs, the HPP may provide some support. Service providers also noted that energy poverty intersects and overlaps with homelessness and other core needs, such as the ability to pay for food. For example, one interviewee noted that food banks are only usually accessible to people living in cities, so people living in energy poverty in more rural areas of the province may be forced to spend scarce resources on food.

The funding amount varies by family size but can reach \$1600 every 24 months. This is more than the funding provided by the LEAP-EFA program for either electricity or natural gas users since that program has returned to pre-COVID levels.

Recommendation 5: The Homelessness Prevention Program should be expanded to ensure that all eligible low-income people across the province using non-regulated fuels have access to emergency assistance for utilities bills.

Recommendation 6: For both the LEAP-EFA and HPP programs, the Ontario government should assess within one year and every two years thereafter whether the available amount of emergency assistance per family is sufficient to cover the energy costs of low-income people living in Northern Ontario.

ISSUE 3: On-Bill Financial Assistance Programs

(1) Ontario Electricity Support Program (OESP)

The provincially funded **Ontario Electricity Support Program (“OESP”)** provides on bill monthly support for lower-income Ontarians using electricity.³⁴ Eligible households must have accounts with electricity distributors or sub-meter providers and apply to the program. This program allows for additional funding for people who require high energy medical equipment (e.g., dialysis machines), which is an important recognition of the extra costs of people living with certain medical conditions.

OESP provides credit directly onto the electricity bills of those accepted into the program for a period of two years, and then the eligible individual must re-apply.

The amount of funding each household receives is dependent on a household’s income and size and it ranges from a monthly credit of \$35-\$75. For households that are electrically heated or require additional electricity for a medical device, the amount of assistance ranges from \$52-\$113 per month. The program is not available to people relying on natural gas or other fuel sources.

OESP is a very important program for people across Ontario, including those living in Northern Ontario. One interviewee noted that for a single person relying on income from the Ontario Disability Support Program or Ontario Works, a \$45 monthly credit can make a huge difference and make energy bills and monthly costs much more manageable. However, according to the Advocacy Centre for Tenants Ontario and Advocacy North’s “North at Home”

³⁴ Ontario Energy Board, “Ontario Electricity Support Program: Questions and Answers” (2015), online: <<https://ontarioelectricitysupport.ca/FAQ>>.

report, the energy costs for heating can be over \$1000 per month in Northern Ontario.³⁵ This very high cost for energy was also mentioned in interviews with Northern Ontario legal aid clinics and organizations conducted for this report. For households with bills that large, OESP levels are far too low. To better serve the vulnerable populations experiencing energy poverty, OESP levels should be raised to reflect the high cost of electricity.

Since the OESP's launch in 2016, the Ontario Energy Board has not included performance measures or targets to assess the program's effectiveness. Local service providers have raised concerns that income eligibility thresholds and the levels of assistance provided to eligible individuals are too low. Although the Ministry of Energy developed a preliminary framework for assessing OESP's intended outcomes, it has not yet been implemented because the Ministry has raised concerns about data availability.³⁶

Recommendation 7: OESP eligibility thresholds and OESP assistance rates should be reviewed to ensure the program is meeting the needs of low-income Ontarians.

Recommendation 8: Eligible households should not have to re-apply for OESP every two years.

³⁵ The Advocacy Centre for Tenants Ontario & Advocacy North, "North at Home" (2021) at 23, online (pdf): <www.acto.ca/production/wp-content/uploads/2021/05/North-at-Home-final-March-2021.pdf>.

³⁶ Auditor General of Ontario, "Value-for-Money Audit: Ontario Energy Board: Electricity Oversight and Consumer Protection" (2002), at 33-35, online: <https://www.auditor.on.ca/en/content/annualreports/arreports/en22/AR_ElectricitySectorOEB_en22.pdf>

(2) Natural Gas On-Bill Support

Natural gas prices have risen dramatically in the last five years. The chart below shows the year-over-year change of natural gas prices in Ontario, based on historical data provided by the Ontario Energy Board.³⁷

Company/ Region	2018 (\$)	2019 (\$)	2020 (\$)	2021 (\$)	2022 (\$)	2023 (\$)	Change since 2018
Enbridge Gas - Union South Rate Zone	15.92	18.04	13.40	13.42	18.05	32.38	51% increase
Enbridge Gas	10.65	13.07	10.18	10.36	14.52	23.03	54% increase
EPCOR Aylmer	16.82	17.96	14.24	13.51	16.93	28.91	42% increase
EPCOR South Bruce*	N/A	N/A	N/A	N/A	N/A	27.81	

* The same historical data is not available for EPCOR South Bruce.

There is no on-bill support for natural gas users. Interviewees for this report noted that low-income clients often asked about whether a program for natural gas users is available.

Recommendation 9: The OEB should create a new on-bill support program for natural gas users.

³⁷ Ontario Energy Board, “Historical Natural Gas Rates” (last viewed 27 February 2023), online: <[Historical natural gas rates | Ontario Energy Board \(oeb.ca\)](https://www.oeb.ca/historical-natural-gas-rates)>.

(3) Non-regulated Fuels and Ongoing Support

We spoke frequently with service providers in Northern Ontario about the large group of low-income people relying on non-regulated fuels in Northern Ontario and the lack of energy poverty programs available to them. On-bill supports are critical in any energy poverty strategy.

HPP only provides emergency assistance and is not always available for utilities costs. There are no low-income customer service rules or disconnection bans that apply to users of non-regulated fuels. Because the OEB does not regulate propane, oil or wood, a Ministry of Energy program is required to provide ongoing monthly assistance for low-income people using non-regulated fuels.

Recommendation 10: The Ontario government should create a monthly assistance program for eligible low-income people relying on non-regulated fuels.

ISSUE 4: Energy Efficiency and Renewable Energy Programs

(1) Energy Efficiency Programs for Individuals

Ontario has created several low-income energy efficiency programs. The *Energy Affordability Program (EAP)* is a provincial energy conservation program offered by the Independent Electricity System Operator (IESO) to households across Ontario (excluding Cornwall).³⁸ This program includes no-cost electricity efficiency upgrades. Homeowners and renters who pay for utility bills are eligible. In the case of renters, information is shared with landlords only when it involves landlord-owned appliances or home insulation. In those instances, it is the landlord who will be offered and must accept the upgrade.

³⁸ Independent Electricity System Operator, “Frequently Asked Questions” online: <[saveonenergy.ca/en/For-Your-Home/Energy-Affordability-Program/EAP-FAQs](https://www.saveonenergy.ca/en/For-Your-Home/Energy-Affordability-Program/EAP-FAQs)>.

There are two levels of support:

1- Comprehensive Support

The current income eligibility for comprehensive support is an income of \$35,578 before-tax for a one-person household.³⁹ Eligible participants will receive a free in-home energy audit to identify helpful upgrades to their homes, including new appliances and weather stripping.

2- Energy Savings Kits – Moderate Income

The current income eligibility for an energy savings kit is \$46,748 before-tax for a one-person household.⁴⁰ These kits provide only more shallow energy efficiency measures, such as LED lightbulbs, timers, and clothes drying lines.⁴¹

Enbridge Gas provides natural gas to parts of Northern Ontario. The **Enbridge Home Winterizing Program** is available for customers of the company who use a natural gas furnace or boiler for heating. There are income eligibility requirements for the program, or a person may be eligible if they have received assistance from Ontario Works, Ontario Disability Support Program, LEAP-EFA, Guaranteed Income Supplement, Allowance for Seniors, Allowance for Survivors, Healthy Smiles, OESP, or EAP. Upgrades from the Enbridge Home Winterizing Program include insulation for walls, attics, or basements, draft proofing, and smart thermostats. This program is available to homeowners and renters; however, renters require permission from their landlord to be eligible for the program.

³⁹ Independent Electricity System Operator, “Energy Affordability Program” online: <[saveonenergy.ca/For-Your-Home/Energy-Affordability-Program](https://www.saveonenergy.ca/For-Your-Home/Energy-Affordability-Program)>.

⁴⁰ Independent Electricity System Operator, “Energy Affordability Program” online: <[saveonenergy.ca/For-Your-Home/Energy-Affordability-Program](https://www.saveonenergy.ca/For-Your-Home/Energy-Affordability-Program)>.

⁴¹ Independent Electricity System Operator, “Energy Affordability Program” online: <[saveonenergy.ca/For-Your-Home/Energy-Affordability-Program](https://www.saveonenergy.ca/For-Your-Home/Energy-Affordability-Program)>.

Enbridge also offers rebates for smart thermostats to residential gas customers who live in detached, semi-detached, or row townhomes. The rebate must be redeemed prior to the purchase of the smart thermostat and is only useable at specific retailers.⁴²

The **Canada Greener Homes Grant** is a federal initiative which provides grants of up to \$5000 for eligible home retrofits as well as up to \$600 for the cost of pre- and post-retrofit evaluations by EnerGuide.⁴³ Additionally, they offer an interest-free loan up to \$40,000 with a repayment term of 10 years. Eligible retrofits include insulation, upgraded windows and doors, air sealing, and mechanical and renewable energy systems.⁴⁴ Under this program, funds are distributed after the upgrades have taken place. This is a barrier to uptake in low-income communities because low-income people rarely have the funds to pay upfront costs and wait for reimbursement.

Like with OESP, because low-income people are often approaching service providers when they are already in crisis, energy efficiency programs are not always considered.

It may be difficult for low-income renters to secure landlord permission for energy efficiency upgrades. For renters who pay their own utility costs, there is no incentive for landlords to allow them to make energy efficiency upgrades.⁴⁵ We are not aware of any assessment of the percentage of low-income renters who have accessed these programs.

⁴² Enbridge, “Home Winterproofing Program”, online: <www.enbridgegas.com/residential/rebates-energy-conservation/home-winterproofing-program#upgrades>.

⁴³ Canada, Natural Resources Canada, “Canada Greener Homes Initiative” (last modified 6 June 2022), online: <www.nrcan.gc.ca/energy-efficiency/homes/canada-greener-homes-grant/23441>.

⁴⁴ Canada, Natural Resources Canada, “All about the Canada Greener Homes Initiative” (last modified 8 July 2022), online: <<https://www.nrcan.gc.ca/energy-efficiency/homes/canada-greener-homes-grant/start-your-energy-efficient-retrofits/all-about-the-canada-greener-homes-initiative/23476>>.

⁴⁵ Efficiency Canada, “Energy Efficiency for Low-Income Tenants: How the Federal Government can Improve Energy Efficiency While Protecting and Enhancing Tenant Rights” (2023), online: <Tenant-Rights-Policy-Brief-Submission-.pdf (efficiencycanada.org)>

Another interviewee noted that the number of steps involved in organizing an energy audit, and then the installation of upgrades, may be a disincentive to program uptake.

Recommendation 11: The Ontario government should assess whether the process to receive energy efficiency upgrades can be simplified, including combining application forms with other programs. More households should be eligible for deep retrofits.

(2) Renewable Energy and Fuel Switching for Individuals

The Federal government has recently announced funding for low-income homeowners to switch from oil-heating to cold climate heat pumps through the **Oil to Heat Affordability Grant**. The grant will provide up to \$5,000 to cover the purchase and installation of an eligible heat pump, electrical upgrades, and safe removal of the oil tank. There are additional loans available through the **Canada Greener Homes Loans**. It will cover upfront costs and is a key climate initiative, as well as providing better comfort and sustainability for low-income users. The grant can be used alongside other programs. However, much of the funding is geared toward Atlantic Canada, and it is only available to people using fuel oil.⁴⁶

LIEN is supportive of this program. There is a need for much broader support for low-income people using propane, oil, wood or natural gas to switch to cold climate heat pumps. We are therefore recommending expansion of the Federal program to include all low-income Canadians relying on propane, oil or natural gas, and a new provincial program to assist with fuel-switching.⁴⁷

⁴⁶ Natural Resources Canada, “Oil to heat Pump Affordability Grant (National)” (last viewed 27 February 2023), online: <[Oil to Heat Pump Affordability Program - Part of the Canada Greener Homes Initiative](#)>.

⁴⁷ Efficiency Canada, “The feds deliver (limited) support for low-income energy efficiency” (21 September 2022), online: <[The feds deliver \(limited\) support for low-income energy efficiency - Efficiency Canada](#)>.

Recommendation 12: The Federal government should expand its Oil to Heat Affordability Grant to include all low-income Canadians relying on propane, oil, or natural gas. The program must be no-cost and turnkey.

Recommendation 13: The Ontario government should create a no-cost, turnkey program to transition low-income people from propane, oil, wood, or natural gas to cold-climate heat pumps.

(3) Wood Stove Replacement Program

Approximately 1% of Ontarians use wood stoves for heating, mostly in rural Ontario.⁴⁸ In 2016, a former Ontario climate action plan created a program to assist Northern and rural communities, including Indigenous communities, to switch from older polluting wood stoves to new high-efficiency wood stoves.⁴⁹ However, the program has not continued in Ontario.

British Columbia's Wood Stove Exchange Program is a good model for Ontario and should be emulated. It allows eligible British Columbians to exchange a wood stove for a Canadian Standards Association or a U.S. Environmental Protection Agency certified wood stove or a heat pump. Formerly, other fossil fuel burning options were available as replacements, but those have been phased out of the program.⁵⁰ Fossil-fuel burning heating options should not be included in the Ontario program.

⁴⁸ Statistics Canada, "Primary Heating Systems and Type of Energy" (12 December 2022), online: <[Primary heating systems and type of energy \(statcan.gc.ca\)](#)>.

⁴⁹ Government of Ontario, "Archived – Climate Change Action Plan" (2016) at s.4.2, online: <[Archived - Climate Change Action Plan | ontario.ca](#)> .

⁵⁰ Government of British Columbia, "Residents Breathe Easier with Greener Heating Options" (24 January 2022), online: <[Residents breathe easier with greener heating options | BC Gov News](#)>.

Recommendation 14: The Ontario government should create a new wood stove replacement program which would allow eligible participants to replace their wood stoves with a high-efficiency wood stove or a heat pump.

ISSUE 5: Programs for Consumer Protection and Access to Information

(1) Disconnection Bans

The **Ontario Energy Board's disconnection ban** is for regulated natural gas and electricity distributors. Between November 15 and April 30, residential customers cannot be disconnected due to non-payment. This is an extremely important program due to the very cold weather often experienced in Northern Ontario.

One interviewee observed that the winter disconnection ban can mean that low-income people struggling with energy bills and other necessities will choose to prioritize other monthly costs, leaving them with a very large bill at the end of the disconnection period which they cannot pay. This observation highlights the fundamental need for a robust energy affordability strategy and ongoing monthly support.

Low-income people relying on non-regulated fuels have no similar disconnection protection during the winter months. Because the fuels they are relying on are not regulated by the government, it would be complex to develop a government program to disallow disconnections during this period. Instead, we recommend focusing on developing robust and well-funded ongoing monthly supports and emergency assistance for people relying on non-regulated fuels.

With ever-increasing extreme heat caused by the climate crisis, and the very serious health risks associated with exposure to extreme heat, there is a need for a disconnection ban during the hottest months as well.

Recommendation 15: Expand the no-disconnection ban to account for extreme heat in addition to cold.

(2) Access to Programs & Education on Programs

Being able to access information about energy poverty programs is crucial for their success. Internet service is not always reliable in Northern Ontario. One interviewee noted that when people are facing high bills and arrears, internet is usually the first bill that they will stop paying, which can dramatically limit access to information. We heard from several interviewees that elderly people may not be comfortable with the Internet or online application forms. We therefore recommend that information be disseminated in print in trusted community hubs, such as food banks, libraries, and places of worship.

Interviewees also discussed ways to make it easier for people to access more than one energy affordability program. Presently, the OEB's LEAP-EFA application form has a default consent for the low-income consumer to be contacted by program delivery agents, while the OESP application does not. To provide low-income consumers direct access to conservation and other programs, we recommend that all energy affordability program applications be modified to include a request for consent by the consumer to allow program delivery agents to contact them.

According to service providers, people do not always know about OESP or other ongoing supports available. Low-income people often approach service providers about energy poverty issues only when they are in crisis. On-bill support is intended to avoid crisis situations and

instead make monthly expenses more affordable. When OESP first was introduced in 2016, there was a large marketing campaign dedicated to informing people about the program. There has not been a similar advertising campaign in recent years for OESP, or for any other energy affordability program.

There is an Ontario government website which identifies energy poverty programs: www.ontario.ca/page/manage-energy-costs-your-home. It is a useful resource. It should be updated regularly and provide information about programs available to Ontarians through other levels of government.

Recommendation 16: The Ontario government should update its website at least once per year to outline all energy poverty programs available to low-income Ontarians, including programs funded by other levels of government.

Recommendation 17: All energy affordability program applications should include an option to allow low-income people to opt-in to sharing their information with other energy affordability program service providers.

Recommendation 18: The OEB should create a long-term advertising strategy to inform low-income people about all available energy poverty programs. Along with other outreach initiatives, there must be an effort to provide education materials in print through trusted local organizations.

Conclusions

Energy poverty in Northern Ontario must be met with a policy response that accounts for the real circumstances of people living in Northern Ontario: in the way people consume energy, the sources of energy available, the high cost of energy, and the impact of high energy costs on so many individuals and families, many of which are remote First Nations communities. The issues of energy poverty are particularly acute and complex in Northern Ontario. This report seeks to identify gaps in Ontario's programs and recommends way to improve existing programs.

The Low-Income Energy Network is particularly concerned about ongoing monthly costs for low-income people living in Northern Ontario. As a priority, we recommend that an on-bill natural gas credit program be developed by the Ontario Energy Board and that the government of Ontario create an ongoing monthly assistance program for low-income people relying on non-regulated fuels. Monthly support is essential to ensure that energy is affordable to all Ontarians.

Further Recommended Reading:

- Theresa McClenaghan, Zee Bhanji, Jacqueline Wilson, and Mary Todorow, "Working Paper: Energy Justice & Poverty – A Case Study for Ontario", 2022: [Working Paper: Energy justice & poverty – A Case Study for Ontario](#)
- Advocacy Centre for Tenants Ontario and Advocacy North, "North at Home", March 2021: [North at Home](#)
- Runa R. Das., Mari Martiskainen, Lindsey M. Bertrand, and Julie L. MacArthur, "A Review and Analysis of Initiatives Addressing Energy Poverty and Vulnerability in Ontario, Canada", September 2022: [A review and analysis of initiatives addressing energy poverty and vulnerability in Ontario, Canada](#)
- Adrienne J. Scott, "In the Dark: An Exploration of the Human Rights Implications of Energy Poverty in Rural Ontario", 2016: [In the Dark: An Exploration of the Human Rights Implications of Energy Poverty in Rural Ontario](#)