

Attachment to October 19, 2015 Letter
Re: Results of the 2014 LEAP EFA Program Review

SUMMARY OF CHANGES TO LEAP EFA PROGRAM

1.0 Eligibility

Currently, eligibility for LEAP EFA is determined using LICO; the threshold for LEAP EFA is LICO +15%. In relation to both its review of the LEAP EFA program and its consultation on the development of the OESP staff heard from stakeholders that LICO is an outdated measure, having not been updated or 'rebased' since 1992. There is growing consensus around LIM as a more accurate measure.

Effective immediately, the income eligibility requirements for LEAP EFA will be derived from Statistics Canada's Low Income Measure (LIM). The OEB believes that it is important for the eligibility criteria for LEAP EFA to be aligned with OESP when OESP application intake commences.

The OEB has developed a tool for manually verifying and calculating household income. Agencies may find this tool useful for both OESP and LEAP EFA applications. It is available on the OEB's website.

2.0 Applicant Interviews

For the first three years of the program, the EFA application process required in-person interviews with all adults living in the household to verify personal information / household income. The expectation that all adults attend the interview was seen by stakeholders, particularly intake agencies and applicants, as too onerous. Moreover, it became clear that this requirement was not being consistently enforced. Accordingly, the expectation for all adults in the household to attend the interview has been removed. Effective immediately, only the account holder is required to attend the application interview for LEAP EFA (this will also be the case for OESP intake once it starts).

3.0 Calculation of Income

During the consultation, intake agencies suggested that the Child Tax Benefit no longer be included in the income calculation because it disproportionately impacts single parents (i.e. single parents were more likely to exceed the income threshold, making them ineligible for the program, as a result of including the Child Tax Benefit in the income calculation).

For both LEAP EFA and OESP, the federal and Ontario Child Tax Benefits and the Universal Child Care Benefit are not to be included in the calculation of eligible income. Agencies may take these sources of income into account, however, when assessing whether a customer is likely to sustain service if a LEAP EFA grant is given. In addition, intake agencies are free, but not required, to re-assess any 2015 EFA applicants that may benefit from the exclusion of these sources of income from the calculation of household income.

4.0 Referral for Conservation

One of the guiding principles of LEAP is that it should promote the transfer of the applicant to non-emergency energy assistance programs. Currently, through the EFA application process, customers have the option to consent to be contacted by a representative of their utility about participation in conservation programs. However, uptake of low-income conservation programs among LEAP EFA recipients is lower than expected and stakeholders see this as a major limitation of the program. In 2011, 2012 and 2013 only 7%, 14% and 16% of applicants were referred to conservation programs, respectively.

The new LEAP EFA consent form includes default consent so that all applicants may be contacted about participating in conservation programs, unless the applicant specifically opts out.

At this time only the LEAP EFA consent form includes consent to be referred to conservation programs by default. The OESP consent form does not yet include such consent.

5.0 Reporting Requirements

Intake agencies are required to submit two types of reports on the LEAP EFA program to their respective utilities: (1) annual expenditures reports and (2) monthly monitoring data which tracks demographic information about applicants. Utilities subsequently file the annual expenditures report with their RRR data and the monthly monitoring reports with OEB staff. Many concerns were raised about the burden of LEAP EFA reporting during the review.

Now that three years of applicant information has been collected, it is clear that there has not been a significant change in demographics year over year. This information is also not essential for overall program monitoring (such as the review that was just completed) and evaluation on an annual basis. However, some stakeholders said there is value in collecting this data periodically since it is useful to understand who the main recipients of the program are.

As such, the OEB has determined the frequency of reporting the monthly monitoring data will be decreased to once every three years. Also, to avoid confusion with the Monthly Reporting Requirements (the reports prepared by lead agencies for their utility partners regarding the funds remaining etc.) the Monthly Monitoring reports will now be called the Demographic Reports.

- Since the data has largely been collected already, electricity and natural gas distributors **will file the 2015 Monthly Monitoring reports, now called the *Demographic Reports*, which are due March 31, 2016**. Agencies will be expected to use the Excel template appended to this letter for the Demographic Reports.
- Going forward, the OEB will notify LEAP intake agency partners and distributors in advance of the year in which the data for the Monthly Monitoring Reports, now known as the *Demographic Reports*, must be collected.
- **The next set of *Demographic Reports*, must be collected in 2018 to be filed with the OEB on March 31, 2019**. The OEB will remind intake agency partners and distributors of this reporting requirement sometime in 2017.

There is one piece of information that has been collected via the Monthly Monitoring Reports in the past, but will not be collected through the Demographic Reports going forward. The OEB decided that “the number of LEAP EFA applicants who received an EFA grant in the prior calendar year” is an important piece of information to continue collecting annually because it will help the OEB assess whether OESP is having any effect on reducing disconnections and chronic reliance on LEAP EFA. The OEB will

therefore require electricity distributors to report that information as part of the annual Reporting and Record Keeping Requirements. To enable utilities to fulfill their reporting obligations to the OEB, intake agencies are asked to report the number of LEAP EFA applicants who received an EFA grant in the prior calendar year as part of the Annual Reporting Requirements (set out in Appendix F.2 of the Manual).

6.0 Funding Remittance

During the review, concerns were raised about the administrative effort and costs associated with mailing cheques between intake agencies and distributors. In response to these concerns, the OEB is eliminating the requirement to physically transfer LEAP EFA funds back and forth between utilities and agencies, as is the current practice. Utilities now have the option to hold onto all LEAP EFA funds and apply grants directly to customer accounts on the advice of lead or intake agencies, as applicable.

If a “virtual” funding remittance process is adopted, utilities and agencies should work out the mechanics of the arrangement together. The process must ensure a) agencies always know the amount of LEAP funds are remaining, and b) USMPs are reimbursed for EFA grants provided to their customers in a timely fashion.

It is important to note that agencies must clearly indicate on the Payment Remittance form which approved applicants have received funding specifically from LEAP EFA, from other sources, and from a combination of the two. This information must be provided to enable utilities to fulfill their reporting obligations to the OEB.