

**Home Energy Assistance Toronto: Energy Efficiency Program for Low-Income Residents**

<b>Date:</b>	March 31, 2010
<b>To:</b>	Executive Committee
<b>From:</b>	Director, Toronto Environment Office
<b>Wards:</b>	All
<b>Reference Number:</b>	P:\2010\Cluster B\TEO\EC10003

**SUMMARY**

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This report recommends the establishment of new partnership between the City of Toronto, Toronto Hydro and Enbridge Gas to jointly deliver a low-income low-rise home energy retrofit program that addresses electricity, gas and water conservation. City Council approved \$2 million in funding for this initiative in August 2009, as part of a \$9 million commitment to a Live Green Toronto Home Energy Efficiency program.

Low-income residents, including a large proportion of seniors with fixed incomes, have inherent difficulty financing and undertaking home energy retrofits. The proposed program would help to overcome this barrier, build on existing energy conservation programs and complement various initiatives to assist low-income residents.

Funding from the City would expand the range of conservation measures in a program that Enbridge currently offers to the low-income sector. The additional funds would allow for deeper retrofits such as additional insulation, heating equipment upgrades and subsidizing the cost of home energy assessments so that the partners can leverage Provincial grant monies. The City would also support water efficiency improvements such as low-flow toilet installation.

The program would be a one-stop service managed by the third party Delivery Agent who currently delivers the Enbridge program. The Delivery Agent would undertake the initial eligibility screening, energy assessments, co-ordination of the retrofit process and the completion of reports required for the Provincial grant program. This joint partnership approach would ensure that the allocation of pooled resources is efficiently administered and optimized to achieve maximum greenhouse gas emission reductions.

This program will establish Toronto as a leader in energy retrofit support for low-income residents and provide a foundation for expanded co-operation with local utilities.

## RECOMMENDATIONS

### The Director, Toronto Environment Office recommends that City Council:

1. Authorize the Director, Toronto Environment Office to negotiate and execute a Memorandum of Understanding with Enbridge Gas and Toronto Hydro to deliver a joint low-income home energy efficiency program for Toronto in 2010 and 2011, on the terms and conditions described in Appendix A of this report and otherwise on terms and conditions satisfactory to the Director, Toronto Environment Office and in a form satisfactory to the City Solicitor;
2. Request the Director of the Environment Office to report back on any changes to the program if there are new partnership opportunities or programs in this sector from the Ontario Government or the Ontario Power Authority, or if there are further changes to the Federal *ecoEnergy* or Enbridge *Home Weatherization* programs.

### Financial Impact

This program will utilize up to \$2.0 million from the \$9.0 million previously approved by City Council for a Live Green Toronto Home Energy Efficiency Incentive Program on August 5-6<sup>th</sup>, 2009. There is no new impact from this program.

The \$9.0 million approved for the Home Energy Efficiency Incentive Program is drawn from the Home Energy Assistance Toronto Reserve Fund. Funding in the amount of \$2.0 million is included in the Toronto Environment Office's 2010 Recommended Operating Budget and \$3.0 million and \$3.5 million will be included in the 2011 and 2012 submissions respectively. The Low Income Home Energy Program described by this report will utilize up to \$0.7 million in 2010 and \$1.3 million in 2011.

The program will leverage investments of approximately \$1.0 million from Enbridge Gas and \$400,000 from Toronto Hydro or approximately \$3,000 and \$700 per home, respectively. The program has also been designed to leverage funding from the Provincial government's *Home Energy Savings Program* which currently offers up to \$5,000 for home energy retrofits. An average City investment of \$6,500 per home is expected to leverage anywhere from \$250 - \$1,250 in Provincial grants returned to the City, depending on the particular measures selected. Based on a targeted 300 home retrofits, this would generate an estimated \$75,000 – \$375,000 in Provincial grants which would be returned to the Home Energy Assistance Toronto Reserve Fund for future energy conservation initiatives. The program may also potentially leverage funding available from the Federal *Residential Rehabilitation Assistance Program* for some of the participating homes, up to a maximum of \$16,000 per home for basic health and safety improvements which would include furnace replacements.

To avoid duplicated administrative effort, the City will spend approximately \$2,000 per month, up to approximately \$38,000, drawn from the \$2.0 million approved for the program, to cover Enbridge's incremental administration expenses on behalf of the City.

As part of the agreement established between the parties, the City will not be liable for cost overruns in the retrofit process. \$30,000 for the development of program materials and implementation of the communication and outreach strategy is included in the TEO's 2010 Recommended Operating Budget.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## **Equity Statement**

This program will address financial and informational barriers faced by low-income residents – often seniors on fixed-incomes, people with disabilities, recent immigrants and racial minorities - helping these populations to improve their home's energy efficiency and comfort levels and reduce their energy bills. By targeting low-income residents, the initiative will help to implement the City's climate change and sustainable energy goals and the *Home Energy Assistance Toronto* program more equitably to Toronto's diverse population. The number of low-income residents assisted through the program will be reported on as part of the annual status update on the Climate Change, Clean Air and Sustainable Energy Strategy Action Plan.

## **DECISION HISTORY**

At its meeting on August 5-6<sup>th</sup> 2009, City Council approved the recommendations in a report titled *The Live Green Toronto Home Energy Efficiency Incentive Program*. This report recommended the creation of a \$9.0 million grant program for home energy efficiency improvements, including \$2.0 million specifically targeted to the low-income sector. City Council requested that:

*The Director of the Toronto Environment Office report to Council on the establishment and design of a Home Energy Efficiency Incentive Program for low-income homeowners once the Province of Ontario, utility companies and others have articulated what program(s) will be delivered for this group and that up to \$2.0 million of the total \$9.0 million be allocated for the low-income homeowners.*

Please see EX33.34 for additional detail:

<http://www.toronto.ca/legdocs/mmis/2009/cc/decisions/2009-08-05-cc38-dd.htm>

## **ISSUE BACKGROUND**

Home energy retrofits are inherently challenging for low-income residents to undertake because of the high up-front costs and longer payback periods for deeper energy efficiency measures such as upgrading insulation and furnace replacements. Houses owned and occupied by low-income persons tend to be less energy efficient to begin with due to limited property maintenance (i.e. draft proofing) and less frequent heating

equipment replacement. Electrically heated homes, which are more expensive to heat, are also more commonly occupied by low-income residents. As a result, low-income households tend to spend a higher proportion of their income on energy costs. To further compound these challenges, energy costs are expected to rise over time due to increased distribution costs and supply constraints. Improving a home's energy efficiency will therefore help to reduce energy costs and the financial pressures faced by occupants.

A significant proportion of Toronto's population qualifies as low-income. According to the 2006 Census, there were 369,000 families and singles in the city that met Statistic Canada's "low-income" definition, many of whom were seniors and disabled residents. Nearly 28% of owner-occupied homes in Toronto had occupants paying more than 30% of their income for housing costs, the commonly accepted threshold for affordability. According to internal estimates, there may be upwards of 70,000 low-income owner-occupants of low-rise housing, the target of the program proposed by this report.

"Low income" is established for the purposes of administering the proposed program by calculating 135% of the Federal Low Income Cut-off Index (LICO) for large cities to be more inclusive of the working poor. This threshold would include a single person with before tax income up to \$29,931 and a family of four making less than \$55,617. This is the definition currently used by the Enbridge program, described below.

Toronto Hydro and Enbridge both currently deliver programs to low-income households. Enbridge Gas delivers the *Home Weatherization* program which undertakes basic audits and retrofits such as draftproofing and upgrading insulation for low-income low-rise residences. Toronto Hydro delivers a program in partnership with Social Housing Services Corporation to help raise awareness of energy conservation among tenants of social housing and reduce their energy bills. Toronto Hydro and Enbridge also previously partnered to deliver a current Enbridge program called *TAPS* (Thermostats, Aerators, Pipes and Showerheads) which offers free installation of various energy efficiency products such as programmable thermostats, compact fluorescent bulbs, low flow showerheads, kitchen aerators and bathroom faucets.

The City of Toronto delivers several programs in this sector. These include the *Federal Residential Rehabilitation Assistance Program* which provides annual financial assistance to about 200 homeowners for completing essential repairs to existing housing with incomes similar to the proposed new program. They also include the *Emergency Energy Fund* which provides one time financial assistance to cover energy bills in arrears and the *Tax Assistance Program for Eligible Low-Income Disabled Persons and Low-Income Seniors* which provides property tax relief for eligible residents.

In October 2009, the City of Toronto launched the *Home Energy Assistance Toronto* ("HEAT") program for low-rise residences in Toronto which works in partnership with the Federal *ecoEnergy* and Provincial *Home Energy Savings* programs. The HEAT program provides up to \$1,000 in grants for homeowners who upgrade their insulation, on top of the \$10,000 available from the Federal and Provincial government for measures such as furnace and water heater upgrades, insulation improvements, air sealing and window replacements. Between August 2009 and mid-February 2010, more than 12,700

Toronto residents participated in the Federal and Provincial programs with 2,500 of those qualifying for the City's HEAT program. Greenhouse gas emissions have been reduced by an estimated 36,000 tonnes by participants in these programs during this period.

On March 31<sup>st</sup>, 2010, the Federal government announced that they will no longer accept new enrolments for the Federal *ecoEnergy* grant program. The result is that the Toronto low-income program proposed by this report will no longer be able to access the \$5,000 in *ecoEnergy* grants that were previously available. The Federal government has committed to continue to maintain the administrative structure of the *ecoEnergy* program through to March 31<sup>st</sup>, 2011, including processing energy assessments and transferring the data to the program partners. This should allow the proposed Toronto program to still leverage the \$5,000 available from the Ontario *Home Energy Savings Program*. At the time of writing, no announcement has been made on whether there will be changes to the Ontario program but the expectation is that it will continue as planned until March 2011.

The Ontario Government has recently considered the creation of a province-wide low-income energy efficiency program. Over the summer of 2009 a working group comprised of various stakeholders including the City, Enbridge, Toronto Hydro, energy advisors and social service agencies began developing the terms of reference for the program. In late September 2009, work on this program was temporarily halted, subject to further direction from the Minister of Energy and Infrastructure. The City will continue to engage with the Province and will make changes as necessary to the proposed Toronto low-income energy efficiency program, should a province-wide program be created in 2011.

## **COMMENTS**

### **Program Goals**

1. To improve the energy efficiency of Toronto's low-rise housing stock, targeting a minimum of 100 low-income residences in 2010 and 200 in 2011 to reduce greenhouse gas emissions by an estimated 1,200 tonnes, produce electricity savings of approximately 328,000 kWh and natural gas savings of approximately 415,000 cubic metres and reduce an average low-income participant's energy bills by an estimated \$400 annually.
2. To offer an integrated program co-delivered by the City of Toronto, Toronto Hydro and Enbridge Gas that provides a range of home energy and water efficiency upgrades and cost-effectively manages the retrofit process on behalf of low-income residents.
3. To overcome the up-front financing barriers faced by low-income residents by developing a shared funding mechanism between the program partners for energy retrofits and leveraging available Provincial and Federal grant monies in energy and home retrofit programs.
4. To implement an effective communication strategy using existing programs and

networks that engages low-income residents to participate in this opportunity.

5. To demonstrate leadership in joint program delivery between municipalities and local utilities and work with the Provincial and Federal governments to pursue stable long-term funding for energy efficiency upgrades to Toronto's low-rise building stock.

## **Partnership Agreement: City of Toronto, Toronto Hydro and Enbridge**

The low-income home energy program would be delivered through a partnership between the City of Toronto, Toronto Hydro and Enbridge Gas to avoid duplicated effort in this sector and ensure that a wide range of energy conservation opportunities for gas, electricity and water are undertaken. A Memorandum of Understanding would outline the roles of each of the three parties with clear expectations on the program goals, operating guidelines and administrative arrangements. The basic terms of reference for this MOU are outlined in Appendix A.

As part of the Sustainable Energy Strategy adopted by City Council in November of 2009, the City committed to working more closely with local utilities on conservation initiatives to achieve program efficiencies and leverage more significant resources. The partnership proposed by this report is an important first step to begin implementing that broader direction. The program will also address important Council priorities such as poverty reduction and equity enhancement.

The Memorandum would ensure that both Toronto Hydro and Enbridge Gas are operating within the Ontario Power Authority and Ontario Energy Board approvals and guidelines that govern their existing programs, while establishing the necessary flexibility to work in partnership with the City on joint program delivery. To participate in this opportunity, Toronto Hydro has submitted a custom application to the Ontario Power Authority and at the time of writing is awaiting formal approval. The Enbridge *Home Weatherization* Program, which the proposed partnership builds upon, is already approved by the Ontario Energy Board and requires no further approvals. City funding would cover the additional retrofit measures undertaken and any incremental administrative expenses associated with the City's participation that are not covered by the Energy Board program guidelines.

## **Program Delivery Agent**

The program would be delivered and managed by a third party agency (the "Delivery Agent") to ensure a consistent process and efficiency in fulfilment of the program objectives. The Delivery Agent would offer a full range of energy and water efficiency services at no cost to participants including detailed home energy assessments, up-front funding for recommended retrofits, the scheduling and management of contractors to undertake the improvements and completion of the required documentation. This integrated process will minimize the potential barriers to participation by offering a one-

stop service to participants, including the necessary expertise to ensure the work is done properly and the process is efficient.

Because the program would be an expansion to an existing Enbridge program, Enbridge would revise its contract with the current *Home Weatherization* Delivery Agent for Toronto to undertake the additional measures outlined in this report, including those that would be funded by the City of Toronto and in accordance with the legal agreement between the parties. To participate in the partnership, Toronto Hydro would contract directly with Enbridge's Delivery Agent to undertake the additional measures Toronto Hydro has proposed to offer.

## **Overview of the Process**

1. Potential participants are informed about the program through various communication channels. The interested participants contact the Delivery Agent to apply to the program and confirm they are eligible to participate (criteria outlined below).
2. The Delivery Agent completes a home energy assessment, preparing recommendations to the program partners on which measures to undertake including estimated costs and expected energy savings. The report is submitted to Enbridge and Toronto Hydro along with their respective work plans and budgets for review.
3. Enbridge and Toronto Hydro review and approve their respective work plans. Enbridge decides which measures to undertake on the City's behalf according to the terms of the partnership agreement.
4. The Delivery Agent arranges contractors to undertake the approved measures, manages the retrofit process and co-ordinates with the homeowner and / or tenant. When complete, the Delivery Agent performs a post-retrofit assessment, submitting a final report to Enbridge and Toronto Hydro.
5. The Delivery Agent submits the required paper work to obtain Federal and Provincial grant monies including those which the City is entitled to for its contributions.

## **Program Budget and Administration**

To avoid duplicated administrative effort, the City will spend approximately \$2,000 per month, up to \$38,000, drawn from the \$2.0 million approved for the program to cover Enbridge's incremental administration expenses on behalf of the City. Enbridge would be responsible for reviewing all energy assessments and project plans submitted by the Delivery Agent, deciding which retrofit measures to undertake and how the expenses and grant reimbursements are to be allocated among the parties, in accordance with the City's funding criteria as will be outlined in the legal agreement. Enbridge would also be responsible for distributing any grant monies to which the City is entitled, resulting from City funds being spent on retrofit measures.

Funding in the amount of \$2.0 million was secured for this program as part of the Livegreen Toronto Home Energy Efficiency program approved by City Council in August 2009. The program would utilize up to \$0.7 million in 2010 and \$1.3 million in 2011. At the time of writing, Toronto Hydro has submitted an application to the Ontario Power Authority to contribute approximately \$200,000 to the program in 2010 while Enbridge will contribute \$1.3M across its franchise in 2010 to its *Home Weatherization* program, a program previously approved by the Ontario Energy Board which this partnership builds upon. Enbridge and Toronto Hydro anticipate that their 2011 contributions would be similar.

With a target of 300 homes to undergo retrofits through the partnership, the City funds will make available an average of approximately \$6,500 per home to undertake deep energy retrofits such as furnace replacement and insulation enhancements. The priority retrofit measures for the City to fund would be identified by a detailed home energy assessment as discussed in the next section below. There will be no financial investment required by the low-income residents. Staff have also budgeted \$30,000 for the development of program materials and implementation of the communication and outreach strategy.

Staff will establish a regular reporting process with Enbridge to process invoices for work undertaken and provide updates on approved projects and the allocation of City funds. As part of the legal agreement, Enbridge will be responsible for managing the work plan approval process to ensure that total approved expenditures do not exceed the available City funding. The City will not be liable for cost overruns during the retrofit process.

Any grant monies received by the City will be returned to the Home Energy Assistance Toronto Reserve Fund to support additional energy conservation work. It is expected that the investment of \$6,500 in City funds could return anywhere from \$250 - \$1,250 in grants from the Provincial Government. Enbridge and Toronto Hydro will also reinvest any money received from the Provincial grant program in conservation measures for the low-income sector.

The program may also potentially leverage funding available from the Federal *Residential Rehabilitation Assistance Program* for some of the participating homes, up to a maximum of \$16,000 per home for basic health and safety improvements, including furnace replacements.

## **Energy Retrofit Measures**

The program would aim to engage and undertake energy efficiency improvements in a minimum of 300 low-income homes in Toronto before the end of 2011, which would achieve an average estimated reduction in greenhouse gas emissions of 4.5 tonnes per home. In total over the two years, the building retrofits would conserve an estimated 415,000 cubic metres of natural gas and 328,000 kilowatt hours of electricity, working to implement the direction of the Sustainable Energy Strategy. For low-income residents,



this could translate into annual utility bill savings by an estimated \$400.

The proposed partnership would create a pool of funding that allows for “deeper” energy retrofits than are currently possible under Enbridge's *Home Weatherization* program. The City funding will specifically cover the costs of home energy assessments, expanding the basic assessments undertaken as part of Enbridge's current program to the full assessment required by the current Federal *ecoEnergy* program. This will allow the partners to leverage off of their investment and access the Provincial grant monies.

On March 31<sup>st</sup>, 2010 the Federal government announced that no new applications for funding under the *ecoEnergy* would be received although they will still continue to provide administrative support in processing the *ecoEnergy* assessments including forwarding grant applications to the Provincial government under the *Home Energy Savings Program* up until March 31<sup>st</sup>, 2011.

The energy assessment would also go one step beyond the *ecoEnergy* assessment to identify opportunities for electricity savings funded by Toronto Hydro, as will be outlined in the legal agreements established between the program partners and the Delivery Agent.

In administering the program, Enbridge would use the information generated by the energy assessment to determine which measures to fund through its own program budget and which measures to undertake using the City's funds. Enbridge's funding decisions are constrained by the requirement that all measures be Total Resource Cost (“TRC”) positive, as required by the Ontario Energy Board's approved operating terms for Enbridge's *Home Weatherization* program. Typically, these measures include upgrades to insulation and draft proofing which have a shorter payback period.

The City can accept a more flexible cost-effectiveness test and is not constrained by the Ontario Energy Board's strict TRC positive requirement. Therefore, in addition to the cost of the energy assessments, it is expected that City funds would enable furnace and water heater replacements and additional insulation upgrades that do not strictly meet Enbridge's funding criteria but will provide significant energy savings and greenhouse gas reductions over the long term. Toronto Water would also provide funding to the program for the installation of low-flow toilets as part of the toilet replacement rebate program.

The Toronto Hydro portion would subsidize measures that reduce the home's electricity use such as compact fluorescent light bulbs, power bars, clothes drying racks and possibly appliance upgrades such as replacing older air conditioners.

## **Eligibility Requirements**

Funding for the program would be allocated following the scheduling of the initial energy assessment. Basic eligibility to participate in the program would be assessed by the Delivery Agent, according to the qualifications below:

**Low-Income:** Basic eligibility would be determined by income. The minimum requirement would be that the family's before tax income is no more than the following:

- \$29,931 for a single person
- \$37,261 for a family of two
- \$45,810 for a family of three
- \$55,617 for a family of four
- \$63,081 for a family of five
- \$71,144 for a family of six
- \$79,208 for a family of seven people or more

These income thresholds are based on 135% of the Federal Low Income Cut Off index for large cities in order to be more inclusive of the working poor. The thresholds are generally consistent with other low-income City programs. Alternatively, an applicant would be eligible if they have qualified to participate in any of the following programs over the past twelve months:

- Toronto Property Tax Rebate Program for Low Income Seniors and Disabled Residents
- Toronto Emergency Energy Fund
- Federal Residential Rehabilitation Assistance Program
- Ontario Works
- Guaranteed Income Supplement
- National Child Benefit Supplement
- Allowance for Seniors
- Allowance for Survivors
- Ontario Disability Support Program

The Delivery Agent would undertake a screening process to prevent fraud. For example, they would provide an income check to ensure that previous participants in the above list of programs still qualify as low-income. In the event that demand for the program exceeds available funding, participants deemed to be higher energy users (or whose houses, in the opinion of the auditor, require more extensive measures) would be prioritized for deeper energy efficiency improvements.

**Tenure:** Both tenants and owners of low-income housing would be eligible to participate. For tenants, the following 3 conditions would have to be met:

- i) the tenant pays the energy bills. This condition would apply whether or not energy sub metering is present;
- ii) the property owner has consented to the retrofit work; and
- iii) the property owner agrees to put in rent protections for at least two years to ensure the improved property value is not passed through to the tenant in the form of increased rents.

**Low-Rise Residential Buildings:** Low-rise residences at least 25 years old would be eligible to participate, including single detached, semi-detached, town and row houses. These are the same eligibility criteria used by the Federal *ecoEnergy* program.

The energy needs of multi-residential buildings are being addressed through various existing programs such as Mayor's Tower Renewal, the Better Building Partnership delivered by the City and Enbridge, the Toronto Atmospheric Fund's Towerwise Program, Toronto Hydro's Community Champions program for social housing and the Livegreen Toronto community animators program.

## **Communication / Outreach Strategy**

Low-income families do not typically self-identify. As a result, one of the greatest challenges with low-income home energy programs is the engagement of potential participants. Therefore, marketing will play a key role in determining the program's success. The program partners will work together to utilize various communication opportunities, including a press release and / or media event to announce the program launch, permission-based direct marketing to current and previous participants in low-income programs and referrals from social service agencies.

The City is well positioned to reach the target audience because it delivers a number of programs to this sector already, including the Federal *Residential Rehabilitation Assistance Program*, the *Emergency Energy Fund* and a property tax abatement program for low-income seniors and disabled residents. Staff will work with the Divisions responsible for delivering these programs to access appropriate communication channels, and most importantly to develop co-operative implementation strategies for complementary program delivery. Current, previous and potential participants in these programs will be sent marketing materials to advise them of this new opportunity and directed to contact the program Delivery Agent should they wish to participate. The privacy of all participants will be carefully protected.

Staff will also ensure the City's LiveGreen Toronto animators and volunteers at outreach events are familiar with the program so that they can direct potential participants to the Delivery Agent. The partners will work with social services organizations in the communities to ensure they have marketing materials for the program and put in place a referral process to direct potential participants to the Delivery Agent.

The home assessments done by the Delivery Agent will provide valuable opportunities for general education on energy and water conservation and behavioural changes, along with general awareness about other city programs and supports available to this community. Once applicants have been engaged in the program, the Delivery Agent will also share information on other City and partner programs they may be interested in such as Toronto Water's *Lead Replacement Program* and *Water Saver* lawn and garden visits program.

## Equity Analysis

**Barriers faced by the target population:** Low-income residents typically spend a higher proportion of their income on energy and are unable to undertake the upfront financial investments required to improve their home's energy efficiency. This means that many low-income residents are in a state of "energy poverty" in which they are spending a disproportionately large share of their income on energy costs. It also means that low-income residents are not able to take advantage of home energy grant programs because these programs require residents to spend money and then wait for a rebate cheque that typically only covers a portion of their upfront expenses. It is expected that energy costs will rise in the future resulting in an increased financial burden if energy efficiency measures are not undertaken now.

Many low-income residents are seniors on fixed incomes, people with disabilities, recent immigrants and racial minorities. In addition to the financial barriers, these populations can also be physically unable to undertake home renovations, they may face language barriers to access existing government resources, they may be restricted by technical barriers if they are unable to use internet resources to research home energy improvements or they may be otherwise challenged to engage with and manage contractors.

**Overcoming the barriers:** The proposed program will address the financial barriers faced by low-income residents by fully subsidizing the cost of home energy efficiency improvements. The program will also help to reduce the energy burden faced by low-income residents by lowering their energy bills through the efficiencies achieved.

To overcome the physical and informational barriers, the Delivery Agent will be responsible for conducting a home energy assessment and managing the contractors and retrofit process through to the completion. This single point of contact will provide effective communication on the proposed improvements, make it easier for the coordination of work to minimize inconvenience to the resident and allow for timely and professional dispute resolution should any issues arise.

Staff will ensure that the program's marketing materials are prepared in multiple languages and the Delivery Agent has confirmed that they have multi-lingual staff available should there be any language barriers for participating residents.

**Measuring Results:** Staff will provide an update on the number of program participants and average estimated savings on their energy bills as part of the regular annual reporting on the City's Climate, Clean Air and Sustainable Energy Action Plan.

## CONCLUSION

This report outlines a new partnership between the City of Toronto, Enbridge Gas and Toronto Hydro that will facilitate energy efficiency retrofits of low-income, low-rise housing in the city. The joint program delivery and one-stop approach would overcome significant barriers traditionally faced by this sector by financing and managing the energy retrofit process on behalf of low-income residents. Further, by jointly delivering the program, the partnership will create administrative efficiencies and the resources committed by the partners will produce deep and comprehensive energy efficiency improvements. The timing of this joint program will also allow the partners to utilize the energy assessment process managed by the current Federal *ecoEnergy* program and leverage available Provincial grant monies, extending the City's energy conservation investments.

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## ATTACHMENTS

**Appendix A: Summary of the Proposed Terms and Conditions of the Low Income Home Energy Assistance Toronto Program to be delivered in partnership by the City, Toronto Hydro and Enbridge Gas.**

### **Summary of the Proposed Terms and Conditions of the Low Income Home Energy Assistance Toronto Program to be delivered in partnership by the City, Toronto Hydro and Enbridge Gas**

**1. Timing:** The term of the Agreement will begin on June 1<sup>st</sup> 2010 and terminate on December 31<sup>st</sup>, 2011. Any revisions or extensions of the City's participation in the partnership will be subject to approval by City Council.

**2. Budget:** The total allocation of City funds to the end of 2011, including program administration and marketing expenses, will be \$2.0 million drawn from the Home Energy Assistance Toronto Reserve Fund. All partners will commit to re-invest any grants received from the Federal and Provincial home energy grant programs into further conservation initiatives focussed on Toronto residents.

**3. Deliverable:** The program will support deep energy retrofits in a minimum of 300 low-rise low-income residences, reducing greenhouse gas emissions by an estimated 1,200 tonnes, producing electricity savings of an estimated 328,000 kWh and natural gas savings of approximately 415,000 cubic metres and reducing an average low-income participant's energy bills by an estimated \$400 annually.

**4. Program Administration and Delivery:** The City will pay Enbridge approximately \$2,000 per month to oversee the day to day operations on behalf of the City, including management of a Delivery Agent, the energy assessment and retrofit process and submission of grant applications to the Federal and Provincial governments. To ensure efficient program delivery, Enbridge will utilize the same Delivery Agent it has currently contracted to run its *Home Weatherization* program. The Delivery Agent will be responsible for participant screening, performing energy assessments, preparing reports and undertaking the energy retrofits including management of contractors and liaising with residents. The City, Toronto Hydro and Enbridge will work closely together to coordinate marketing efforts.

**5. Energy Retrofit Measures:** An energy assessment that qualifies for the Federal *ecoEnergy* program will be completed for all participants. All measures in that report will be considered and prioritized according to the energy conservation potential, available program funds and rebates from the Federal and Provincial grant programs. Potential measures include basic draft proofing, upgrades to insulation, replacement of heating and air conditioning equipment and installation of low-flow toilets. Funding from the City would cover the cost of the *ecoEnergy* assessment and expand the range of measures offered by Enbridge's *Home Weatherization* program, allowing for more costly but effective retrofits such as additional insulation and furnace upgrades, which Enbridge is currently unable to fund. The City would also support the installation of low-flow toilets, subsidized by the rebates available through Toronto Water's toilet replacement program. Toronto Hydro would provide electricity conservation measures such as compact fluorescent light bulbs, power bars, clothes drying racks and air conditioner

replacement.

**6. Participant Eligibility:** Toronto residents who occupy a low-rise residential building that is at least 25 years old, who have before-tax family income below the specified low-income definition (or who have qualified to participate in a specified low-income program as outlined in the forthcoming Agreement) will be eligible to participate. Eligibility screening will be undertaken by the program Delivery Agent.

**7. Indemnity:** The City, Toronto Hydro and Enbridge have indemnification obligations to each other. All parties will agree to indemnify the other partners for claims suffered directly or indirectly as a result of any representations or warranties being incorrect in any material respect, any breach of any covenant or agreement, and the undertaking of energy retrofits.

**8. Carbon Credit Claims:** The City will retain all greenhouse gas emission reduction credits attributed to the conservation measures funded. Enbridge and Toronto Hydro will retain gas cubic metre savings and electricity kilowatt savings related to the measures that they have respectively funded.