

## Measures to address energy poverty considered by the Working Group

This table outlines the options and complementary measures considered by the Working Group as part of the Bill Affordability Collaborative Process.

Items noted as “recommended” are those that the Working Group agreed, by consensus, to include as a recommendation in the final report. All other items are described as “not recommended.” Note that the Working Group’s decision not to recommend an option does not necessarily indicate that the Working Group agreed to reject the option, either. Rather, it is an acknowledgment that the Working Group could not achieve consensus or agreement on whether to include it as part of this report (due to lack of information, individual considerations, or otherwise).

Working Group members may submit additional written comments or clarifications on the recommendations, options or report conclusions on behalf of their organizations, which will be included as appendices to the final report.

Option, key characteristics	Rationale
<p><b>Rate design options</b>  <i>The key characteristics/description of the rate design options presented below were prepared using information provided by Prairie Research Associates in presentations and found in Section 5.1 of Appendix A.</i></p>	
Straight rate discount	Modelled*, not recommended
<p>Applies a pre-defined automatic discount to eligible households’ electricity and natural gas bills.</p> <p>This option is less targeted than other rate options considered, as it applies to all low-income consumers within a certain threshold, regardless of the depth of a household’s poverty or energy requirements.</p>	<p>One of three rate options modelled* by PRA to understand cost and impact on bill affordability for energy-poor Manitobans.</p> <p>This option was considered less targeted and thus less efficient, effective and equitable in delivering bill relief to low-income households than the percentage of income payment plan (PIPP) and fixed credit approaches.</p>
There are moderate administration costs associated with accessing	In addition, preliminary investigation and modelling revealed costs**

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Option, key characteristics	Rationale
<p>income data that verifies a household’s eligibility for the discount; however, administration is streamlined by the fact that there is only a single discount rate (i.e., there is no need to offer separate rates for different customers).</p> <p>This approach preserves household incentives to conserve energy.</p>	<p>could not be sufficiently offset by cost savings from improved customer payments and bill collection savings and consensus to recommend was therefore not achieved.</p> <p>Modelled findings are described in Section 5.7 of the final report and in Section 5 of Appendix A.</p>
<p>Waiving fixed monthly customer charge</p>	<p>Modelled*, not recommended</p>
<p>Utility bills typically include fixed and variable components; under this approach the fixed charge is waived for households that meet eligibility requirements, essentially exempting customers from paying basic monthly charges for natural gas and/or electricity. Households whose residences are electrically heated would only be exempted from paying basic monthly charges for electricity, whereas customers with access to natural gas would receive waivers for both electricity and natural gas.</p> <p>This option is less targeted than other rate options considered as it applies to all low-income consumers within a certain threshold, regardless of the depth of a household’s poverty or energy requirements.</p> <p>There are moderate administration costs associated with accessing income data that verifies a households’ eligibility for the discount; however, administration is streamlined significantly by the fact that upon verification, it is straightforward to calculate the benefits accruing to program recipients.</p> <p>This approach preserves household incentives to conserve energy.</p>	<p>One of three rate options modelled* by PRA to understand cost and impact on bill affordability for energy-poor Manitobans.</p> <p>This option was considered less targeted and thus less efficient, effective and equitable in delivering bill relief to low-income households than the PIPP and fixed credit approaches</p> <p>In addition, preliminary investigation and modelling revealed costs** could not be sufficiently offset by cost savings from improved customer payments and bill collection savings and consensus to recommend was therefore not achieved.</p> <p>Modelled findings are described in Section 5.7 of the final report and in Section 5 of Appendix A.</p>

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Option, key characteristics	Rationale
<p data-bbox="151 240 709 272">Percentage of income payment plan (PIPP)</p> <p data-bbox="151 280 1003 391">This approach directly adjusts eligible households' energy bills to ensure their respective energy burdens do not exceed pre-determined levels (i.e., 6% or 10%).</p> <p data-bbox="151 440 1003 550">This approach generated the largest reduction in energy poverty, and can be adapted to include "made-in-Manitoba" criteria for eligibility that target specific subsets of customers.</p> <p data-bbox="151 599 1012 868">However, the PIPP is likely to generate high administration costs; these relate to the resources required to both implement and maintain an income-qualified program (i.e., to access income data that verifies a household's eligibility for the discount), as well as to calculate each customer's individual energy burden. It also produces the greatest volume of lost revenues for Manitoba Hydro.</p> <p data-bbox="151 917 1018 987">On its own, the PIPP does not incentivize energy conservation, but could be combined with other measures to do so.</p>	<p data-bbox="1050 240 1453 272">Modelled*, not recommended</p> <p data-bbox="1050 280 1948 350">One of three rate options modelled* by PRA to understand cost and impact on bill affordability for energy-poor Manitobans.</p> <p data-bbox="1050 399 1923 550">The PIPP was not originally identified for modelling, but, upon further review, the research subcommittee recommend it be modelled in place of the fixed credit approach, a similar option for which data required for modelling was not available.</p> <p data-bbox="1050 599 1923 750">Preliminary investigation and modelling revealed costs** could not be sufficiently offset by cost savings from improved customer payments and bill collection savings and consensus to recommend was therefore not achieved.</p> <p data-bbox="1050 799 1948 1307">However, the Working Group agreed that despite high costs** shown in modelling, the PIPP best delivers on principles of accuracy and equity and is an attractive model that may deserve further study by Manitoba Hydro due to its ability to so precisely target, and essentially eliminate, energy poverty. The Working Group noted several items for further consideration, including potential opportunities to lower the costs of the PIPP (see Section 5.7 of the final report) or securing provincial funding in accordance with the PUB recommendation in its NFAT report, <i>"that the Government of Manitoba direct a portion of the incremental capital taxes and water rental fees from the development of the Keeyask Project to be used to mitigate the impact of rate increases on lower income consumers, northern and Aboriginal communities."</i></p> <p data-bbox="1050 1356 1902 1425">Modelled findings are described in Section 5.7 of the final report and in Section 5 of Appendix A.</p>

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Option, key characteristics	Rationale
<p>Fixed credit approach</p> <p>Similar to PIPP, but functions by applying a fixed credit to bring annual bill down.</p> <p>By considering both household income and consumption, this approach is targeted to energy poor, but it relies on <i>estimates</i> of consumption from historic data.</p> <p>This option can be adapted to include “made-in-Manitoba” criteria for eligibility that target specific subsets of customers as it does in Ontario’s program (e.g., targeting individuals with higher usage for medical reasons, First Nations, Metis).</p> <p>Similar to the PIPP, this option is likely to generate high administration costs; these relate to the resources required to both implement and maintain an income-qualified program (i.e., to access income data that verifies a household’s eligibility for the discount), as well as to calculate each customer’s individual energy burden. Ontario has adopted a “tiered” approach to establishing credit amounts that could result in significantly lower administrative costs (since it would no longer be necessary to calculate energy burden for each program participant).</p> <p>Similar to the PIPP, this option is likely to produce substantial lost revenues for Manitoba Hydro; however, because the amount of the credit provided to program participants is known in advance, Manitoba Hydro would experience relatively less variability in program costs.</p>	<p>Not recommended</p> <p>One of three rate options originally targeted for modelling by PRA to understand cost and impact on bill affordability for energy poor Manitobans.</p> <p>Originally agreed to be one of three rate options modelled, but upon review by research subcommittee it was determined the data<sup>^</sup> required for modelling was not available. Research subcommittee recommended the PIPP, a similar option but without the same data input requirements, be modelled.</p> <p>Similar to the PIPP, this option provides a targeted form of bill assistance to those most in need but with the added benefit of preserving a conservation incentive.</p> <p>Relying on the preliminary investigation and modelling of the PIPP (which is similar in magnitude of benefits), it was determined that costs** could not be sufficiently offset by cost savings from improved customer payments and bill collection savings and consensus to recommend this option was therefore not achieved.</p> <p>On the other hand, if the province were to accept PUB’s recommendation to direct a portion of its incremental revenues from the Keeyask project to lower-income bill mitigation, this option for providing the benefit best accords with the evaluative principles adopted by the Working Group.</p>

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<p>One of the primary differences between the fixed rate approach and the PIPP is that the fixed rate deliberately preserves incentives to conserve energy, since the amount of the credit applied to the household's bill does not depend upon current consumption (i.e., by conserving energy, the households in some sense gets to keep the credit).</p>	
<p>Income-based rate discount</p>	<p>Not recommended</p>
<p>Applies a bill discount that varies depending on income.</p> <p>This approach is somewhat targeted in that lower-income customers receive higher discounts. However, some customers may get more assistance than they require, while others may get less.</p> <p>Similar to the other options described above, there are moderate administration costs associated with accessing income data that verifies a household's eligibility for the discount; however, these costs are rendered more manageable by the fact that it is not necessary to calculate energy burden for each program participant.</p> <p>This approach preserves household incentives to conserve energy.</p>	<p>The Working Group reviewed and agreed this option would not be modelled or further pursued because the fixed credit option (which was originally chosen to be modelled) uses both consumption data and tiered information, and so would provide results similar to a model for an income-based rate discount.</p> <p>Subsequently, when upon review by research subcommittee it was determined the data<sup>^</sup> required for modelling the fixed rate option was not available, the income-based rate discount was also not studied further.</p>

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<p>Marginal cost-based rate</p> <p>Households are charged a rate equal to variable cost plus a small contribution to fixed cost. It should be noted that a marginal cost-based rate can be applied to the first block of an inclining block rate, which preserves sustainability.</p> <p>The amount of the discount the household receives is unrelated to its resources or its energy requirements. This is particularly important in the context of communities in which the cost of service provision is relatively high.</p> <p>There are moderate administration costs associated with accessing income data that verifies a households' eligibility.</p> <p>This approach preserves household incentives to conserve energy.</p>	<p>Not recommended</p> <p>The Working Group reviewed and agreed this option would not be modelled or further pursued because:</p> <ul style="list-style-type: none"> <li>- It is not sufficiently targeted (i.e. does not meet accuracy principle)</li> <li>- It requires information that is not currently available (marginal cost information by customer class)</li> <li>- It does not specifically meet affordability criteria and is not, on its own, a bill affordability measure</li> <li>- It may not be feasible due to legality in MB</li> <li>- It may over- or under-recover revenue so it requires adjustments to account for this, including how you describe first block and what marginal cost measures</li> <li>- It addresses gas customers more than electric customers</li> <li>- It would be difficult to develop in isolation and could only be considered in light of other options</li> </ul>
<p>Available resource approach</p> <p>Households are charged a proportion of disposable income remaining after subtracting other essential expenditures.</p> <p>This approach is targeted, considering household resources as well as household consumption, and it furthermore accounts for household expenditures besides energy.</p> <p>The available resources approach requires significant administration cost as it is necessary to make individualized determinations about the amounts customers should be charged (combining information about income, energy consumption and other household expenses).</p>	<p>Not recommended</p> <p>The Working Group reviewed and agreed this option would not be modelled or further pursued because:</p> <ul style="list-style-type: none"> <li>- It may be onerous or not feasible from administrative standpoint</li> <li>- It may not protect consumer privacy</li> <li>- Customers may not be willing to provide the amount of information that is required in order to administer these rates, and this could be a barrier to uptake</li> </ul>

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<p>This option reduces incentives to conserve energy, since households are charged the same amount irrespective of the energy they use.</p>	
<p>Uniform rate discount (percentage of bill approach)</p>	<p>Not recommended</p>
<p>Similar to the fixed credit approach and PIPP, however, the credit the customer receives is a percentage of the current bill rather than a fixed sum (this proportion is the discount required to bring the estimated bill down to the PIPP level).</p> <p>By considering both household income and consumption, this approach is targeted to the energy poor. It can also be adapted to include “made-in-Manitoba” criteria for eligibility that target specific subsets of customers.</p> <p>This option is likely to generate high administration costs; these relate to the resources required to both implement and maintain an income-qualified program (i.e. to access income data that verifies a household’s eligibility for the discount), as well as to calculate each customer’s individual energy burden.</p> <p>This approach is unique in sharing the risk of consumption shocks between the household and the utility, which may also reduce—but would not eliminate—incentives to conserve energy.</p>	<p>Working Group reviewed and agreed this option would not be modelled or further pursued because it was similar to the PIPP, which was modelled.</p>
<p>Inverted block rate approach (conservation rates)</p>	<p>Not recommended</p>
<p>The price of energy rises with consumption; generally, the price is designed to increase beyond a certain consumption threshold (or thresholds). Pricing the first block at or even below marginal cost may promote bill affordability for low- income households with modest levels of consumption.</p>	<p>The Working Group reviewed and agreed this option would not be modelled, further pursued or included as a rate recommendation or bill affordability measure because conservation rates would be further considered and evaluated by a separate demand-side management committee.</p>

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<p>This approach is targeted to the energy poor only insofar as the size of each tier and the corresponding rate are designed with energy-poor households in mind (e.g., by setting the threshold for the initial block of energy in such a way that energy consumption among most low-income households would not extend into the second block). Even so, it may be difficult to generate a design that accords with the principle of accuracy.</p> <p>This option is likely to generate negligible administrative costs, since the same rate structure applies to all customers.</p> <p>This approach preserves and may even enhance household incentives to conserve energy.</p>	<p>As part of its decision, the Working Group received information from Manitoba Hydro on the demand-side management committee’s work on conservation rates, which included consideration of:</p> <ul style="list-style-type: none"> <li>- Underlying principles</li> <li>- Current conservation rates in Manitoba and other jurisdictions</li> <li>- Comparison of summer/winter electric/non-electric application of conservation rates</li> <li>- Planning &amp; design characteristics (elasticity, block 1 thresholds, price structure and timing)</li> <li>- Additional considerations (including customer sectors, rate increases, weather variations)</li> <li>- Comparative examples</li> </ul>
Usage based discount	Not recommended
<p>Low-income households receive a discount as long as energy consumption does not exceed pre-defined thresholds. If the amount is exceeded in a given period, the discount is not applied to any of the energy consumed during that period. One variant of this model applies a discount that declines with the volume of energy consumed, while another variant only discounts the first block of energy the household consumes.</p> <p>Although this option distinguishes between energy-poor and non-energy-poor households, it does not in its simplest form account for differences in either the level of resources available among low-income households or differences in energy requirements.</p> <p>This option is likely to generate high administration costs; these</p>	<p>The Working Group reviewed and agreed this option would not be modelled or further pursued because:</p> <ul style="list-style-type: none"> <li>- The basic model considers neither differences in the level of resources available to low-income households, nor differences in energy requirements.</li> <li>- Access to income data is required to verify eligibility; furthermore, for each participant, household energy consumption must be reviewed to ensure it does not exceed the allowable consumption cap.</li> <li>- The consumer has a strong incentive to manage energy consumption, particularly as they approach the allowable consumption cap. This model, however, leaves low-income households vulnerable to consumption shocks.</li> </ul>

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<p>relate to the resources required to both implement and maintain an income-qualified program (i.e., to access income data that verifies a households' eligibility for the discount), as well as to verify that each household's energy consumption does not exceed the allowable consumption cap.</p> <p>This option preserves incentives to manage energy consumption, particularly as consumers approach the allowable consumption cap.</p>	
<p>Time of use metering</p>	<p>Not recommended</p>
<p>This approach involves setting energy rates based on the time in which the energy is being consumed to alleviate demand during peak periods by enforcing a pricing structure that charges an increased rate within the typical peak consumption time periods.</p>	<p>The Working Group reviewed and agreed this option would not be modelled or further pursued because residential customers do not have the requisite time of use meters.</p>
<p>Direct vendor payment approach</p>	<p>Not recommended</p>
<p>A low-income discount is provided in exchange for directly vendored payments from public assistance programs.</p>	<p>The Working Group reviewed and early on agreed this option would not be modelled or further pursued because it is not applicable in a Manitoba context.</p>
<p><i>*Only a subset of rate options considered could be modelled through this process. At the direction of the Working Group, PRA only modelled three rate options. These were deemed to be sufficiently targeted to lower-income consumers, or those in energy poverty; options for which sufficient administrative data was available to be modelled within the time available to the Working Group; options that were sufficiently different than others considered (i.e., where similar rate options were identified, only one was modelled).</i></p>	
<p><i>**Cost as described here refers to the cost of benefits provided to qualifying recipients. It does not include administration costs of the option.</i></p>	
<p><i>^Manitoba Hydro two-year energy household consumption data required for modelling was not available; calculations from similar Ontario Energy Board (OEB) program were not deemed transferrable for modelling purposes for a variety of reasons: (a) details on the derivation of credits were not provided to researchers; (b) OEB uses a tiered grid and whereas the modelling process would show a continuum of discounts (or credits) based on household income, bill levels and targeted energy poverty threshold(s); and (c) OEB's approach appears to omit bill levels and thus could not precisely target energy burden, which is calculated as a percentage of bills over household income.</i></p>	

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Option, key characteristics	Rationale
Complementary options (Manitoba Hydro)	
Low-income energy-efficiency and weatherization initiatives	Recommended
<p>Emphasis on existing Manitoba Hydro low-income energy-efficiency and weatherization initiatives be maintained at their current level, or enhanced with additional funding or programming where possible, whether those initiatives or funding are provided by Manitoba Hydro or otherwise.</p>	<p>The Working Group agreed this option would be recommended on basis of following benefits and considerations:</p> <ul style="list-style-type: none"> <li>- Benefit: would result in the enhancement of Manitoba Hydro’s programs and services aimed at increasing the opportunity for energy-efficiency and weatherization initiatives for low income and/or those who need assistance.</li> <li>- Benefit: increased efficiency across the grid—whether by low-income individuals or others—is likely to reduce Manitoba Hydro rates and will result in a reduction in the energy burden being placed on those who are less able to afford their energy bill.</li> <li>- Although not cost neutral, an enhanced program that will decrease the number of individuals who are either unable to pay the bills or are in arrears will benefit all ratepayers.</li> </ul>
Low-income energy-efficiency and weatherization initiatives, electric heating (furnace replacement, fuel switching)	Not recommended

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<p>Consider, investigate and promote opportunities to expand existing furnace application program to allow low-income customers to: convert mid-efficiency furnaces to high-efficiency furnaces; switch from electric to gas heat in gas-available areas (subject to evaluation against provincial and federal environmental climate policies); and further explore geothermal or heat-pump technology, if those programs are determined to be economically viable</p>	<p>The Working Group initially agreed this option would be recommended on the basis of the below benefits and considerations, but later agreed that the recommendation should be broken into two parts dealing with: (i) furnace replacement program and other incentives for fuel switching and (ii) alternate heating technologies including biomass (see below):</p> <ul style="list-style-type: none"> <li>- Benefit: Meets accuracy principle because can be targeted to low-income customers</li> <li>- Benefit: addresses significant difference between electric costs and high-efficiency gas</li> <li>- Benefit: Changes allow people to access efficiency</li> <li>- Barriers to consider may include required change to existing PUB Order to include upgrades to both low- and mid-efficiency furnaces</li> <li>- May be affected by future carbon pricing and climate policy changes</li> <li>- Requires Manitoba Hydro to have the province change/clarify policy regarding fuel switching (at least for low-income ratepayers)</li> <li>- The province’s current policy is to promote renewable energy (including hydro/wind/solar-generated electricity but not gas, including for heating). While the new provincial government has not provided Manitoba Hydro with an update on this policy, Manitoba Hydro is currently not promoting electric-to-gas conversions.</li> <li>- Noted option requires Manitoba Hydro to apply to PUB for changes to its furnace replacement program to include mid-efficiency furnaces</li> <li>- The current Manitoba Hydro furnace replacement program (to convert low-efficiency furnaces) is currently mandated by PUB</li> </ul>

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	<p>and the option may require that Manitoba Hydro have the province change/clarify that policy (at least for low-income ratepayers)</p> <ul style="list-style-type: none"> <li>- Potential for greater carbon footprint should be balanced with the need for affordable heat</li> </ul>
Low-income energy-efficiency and weatherization initiatives (furnace replacement)	Recommended
Manitoba Hydro to assess the potential to modify the terms of the existing natural gas Furnace Replacement Program to include the replacement of mid-efficiency natural gas furnaces with high-efficiency natural gas furnaces for qualifying lower-income customers.	The Working Group agreed this option would be recommended on the basis of existing fuel-switching rationale (above) but updated language to divide the recommendation into two parts: the FRP and other incentives for fuel switching and alternate heating technologies.
Electric heating (fuel switching)	Recommended
Subject to evaluation against provincial and federal environmental climate policies, Manitoba Hydro to consider the development of incentive programs for qualifying lower-income customers to promote the replacement of residential electric heating systems with high-efficiency natural gas furnaces in areas where natural gas service is available, and to further explore the development of incentive programs to promote residential space heating conversions from electricity to biomass, geothermal or heat-pump	The Working Group agreed this option would be recommended on basis of existing fuel-switching rationale (above) but updated to describe the recommendation more clearly.

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technologies, if those programs are determined to be or can be made to be economically viable.	
Emergency assistance	Recommended
<p>Manitoba Hydro to continue to provide emergency assistance programming (e.g. Neighbours Helping Neighbours) and further evaluate: whether/how existing program meets the needs of low-income ratepayers; and whether Manitoba Hydro should better leverage partners (i.e. Salvation Army) and/or approach other organizations, including charitable/provincial/federal partners, to consider greater collaboration and synergies.</p>	<p>The Working Group agreed this option would be recommended on basis of following benefits and considerations:</p> <ul style="list-style-type: none"> <li>- Benefit: emergency assistance programming is effective; evaluation of current program showed 80% of people who received grants were better off two years later</li> <li>- Benefits: wide coverage across the province (urban/rural customers)</li> <li>- Benefit: low administrative cost to program (costs vary each year but since inception 73% funds have been used for grant assistance while 27% were used to administrative costs)</li> <li>- Benefit: increased resources from other partners means Manitoba Hydro subsidizes assistance less and reduces burden on rate base (which includes low-income customers)</li> <li>- Benefit: assistance includes both monetary assistance and referrals to other community organizations</li> <li>- Benefit: available to urban/rural customers and individual members of First Nations (unless otherwise receiving band assistance)</li> <li>- Consistent with bill affordability principles</li> </ul>
Landlord and tenant incentives	Not recommended
<p>Manitoba Hydro to work with EIA, Residential Tenancies Branch and the provincial government to investigate opportunities to reduce barriers to renter participation and/or increase landlord participation in the energy-efficiency and weatherization initiatives.</p>	<p>Initially proposed by the Working Group in recognition of potential value of enhanced programming for landlord and tenants, but assigned to Manitoba Hydro to review and provide updated recommendation and rationale (below).</p>
Landlord and tenant incentives	Recommended
Manitoba Hydro work with Employment and Income Assistance,	The Working Group agreed this option would be recommended on

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<p>the Residential Tenancies Branch, the Professional Property Management Association, the Winnipeg Rental Network, Manitoba Housing, All Aboard, First Nations, tribal councils, Manitoba Metis Federation, other Indigenous entities, neighborhood renewal organizations, the provincial government and other large lower-income housing providers to investigate opportunities to reduce barriers to landlord/tenant participation and/or increase landlord participation in affordable energy programs including energy-efficiency and weatherization initiatives..</p>	<p>basis of following benefits and considerations:</p> <ul style="list-style-type: none"> <li>- Landlords can participate in the Affordable Energy Program (AEP) when renting to lower-income tenants.</li> <li>- The AEP provides energy-efficiency upgrades to both single detached-style homes and apartment-style suites. All measures are provided free with the exception of a co-payment for a natural gas furnace upgrade. The landlord would be responsible for the \$9.50/month payment over five years. There is no cost to the tenant.</li> <li>- Manitoba Hydro works with social housing organizations, private landlords/property management companies, Manitoba Housing, Employment Income Assistance, the Residential Tenancies Branch and directly with tenants to promote the AEP.</li> <li>- Manitoba Hydro has no jurisdiction to impose energy-efficiency upgrades on landlords. The Province of Manitoba has the authority through the Residential Tenancies Act or legislation.</li> <li>- Many lower-income customers reside in Manitoba Housing units, along with other provincially funded buildings and in the private rental market</li> <li>- Includes First Nations, tribal councils, Manitoba Metis Federation and Indigenous entities.</li> </ul>
<p>Home heating bill impacts due to extreme cold weather</p>	<p>Not recommended</p>
<p>Manitoba Hydro to consider a utility-based response to higher bills in extreme weather such as Northwest Natural’s Weather Adjusted Rate Mechanism (WARM).</p>	<p>Initially proposed by the Working Group in recognition of impacts to bills resulting from extreme weather impacts, but revisited by Research Subcommittee and Manitoba Hydro with a view to providing an alternative recommendation around rate de-coupling (below).</p>
<p>Home heating bill impacts due to extreme cold weather</p>	<p>Recommended</p>

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Manitoba Hydro to consider residential rate design options such as rate decoupling to mitigate the impact of colder-than-normal weather on monthly heating bills.	The Working Group agreed this option would be recommended on the basis of existing WARM program rationale (above), but updated to refer to rate-decoupling.
Equal payment plans (program enhancements)	Recommended
Manitoba Hydro to explore potential enhancements to existing Equal Payment Plan program to account for both arrears and projected bills, including consideration of the cost impacts and feasibility of administering those enhancements.	<p>The Working Group agreed this option would be recommended on basis of following benefits and considerations:</p> <ul style="list-style-type: none"> <li>- Benefit: EPP provides flexible, accurate, predictable payment schedule</li> <li>- Benefit: EPP program is well known and highly subscribed</li> <li>- Total subscription to EPP is approximately 25%</li> <li>- Arrears amounts are not currently eligible for EPP but are eligible for personal payment plans</li> <li>- Approximately half of special payment plans are not adhered to</li> <li>- Enhancements to EPP need to take the billing system into consideration</li> <li>- Enhancements offered could be income tested to capture low-income customers</li> <li>- EPP customers do not use more power than other customers or after joining the program.</li> </ul>
Equal payment plans (educate and inform)	Recommended
Manitoba Hydro to explore what mechanisms or thresholds are needed to better educate and inform customers and the Public Utilities Board about eligibility for Equal Payment Plan program and how bills are adjusted and administered from year to year under the program.	<p>The Working Group agreed this option would be recommended on basis of following benefits and considerations:</p> <ul style="list-style-type: none"> <li>- Currently EPP is triggered by a customer contacting Manitoba Hydro; may need to be proactive</li> <li>- Clarified that both EPP recommendations are required and signify two distinct items; the first relates to the program and the second relates to the communication of how that program is administered and bills are adjusted to both PUB and the consumer (e.g., providing message with energy bill)</li> </ul>

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Bill collection (mobile prepay option)	Not recommended
Manitoba Hydro to consider mobile prepay option for bill payments.	<p>The Working Group agreed that this option would not be recommended for the following reasons:</p> <ul style="list-style-type: none"> <li>- Technology for a mobile prepay option is not available in the short term</li> <li>- Previous pilot program was unsuccessful, with one of the issues being distribution of the pre-loaded card for out-of-town customers</li> </ul>
Bill collection (customer service)	Recommended
Manitoba Hydro to maintain and continually strive towards providing respectful, helpful customer service to individuals in arrears, which includes ensuring staff are informed and able to communicate available programming to customers in a way that encourages those customers to ask questions and proactively deal with their payment issues or arrears.	<p>The Working Group agreed this option would be recommended on the basis of following benefits and considerations:</p> <ul style="list-style-type: none"> <li>- Benefit: people will ask more questions, be more prepared to discuss affordability issues and feel comfortable contacting Manitoba Hydro</li> <li>- Benefit: increased and improved communication with customers will give Manitoba Hydro the ability to gather information, proactively deal with issues before they get worse and have a better understanding of arrears issues affecting their customers</li> <li>- Metrics to evaluate success for this program may include customer service surveys</li> </ul>
Arrears management and bill forgiveness	Recommended
Manitoba Hydro to model and possibly pilot bill payment/matching program targeted to low-income individuals, which will include analysis of costs, benefits and impacts to Manitoba Hydro and consumers.	<p>The Working Group agreed this option would be recommended on basis of following benefits and considerations:</p> <ul style="list-style-type: none"> <li>- Benefit: can be targeted to low-income customers in arrears</li> <li>- Benefit: affects both bill recovery (Manitoba Hydro) and bill reduction (individuals)</li> <li>- Program could be made available to low-income customers who are making regular arrears payments where Manitoba Hydro</li> </ul>

APPENDIX F: MEASURES TO ADDRESS ENERGY POVERTY CONSIDERED BY THE WORKING GROUP

Option, key characteristics	Rationale
	<p>matches or pays a proportion of those payments to incentivize regular bill payment and reduce outstanding arrears</p> <ul style="list-style-type: none"> <li>- Issues to consider: costs to Manitoba Hydro and consumers overall</li> <li>- Issues to consider: need to income test all eligible participants to make sure accuracy criterion is met and program captures the right people; noted Manitoba Hydro does not currently have a systemic way of doing this but could possibly qualify participants as part separate programming</li> <li>- Pilot could be modelled to include First Nations and analysis of co-benefits</li> </ul>
<b>Complementary options (non-Manitoba Hydro)</b>	
Guaranteed basic energy amount	Not recommended
<p>Government to consider guaranteed basic energy amount paid to all customers and paid back by non-eligible recipients through income tax or other mechanism.</p>	<p>Initially proposed by the Working Group as an adaptation of a basic income approach in recognition of the following benefits:</p> <ul style="list-style-type: none"> <li>- Benefit: ease of administration, provided to everyone and clawed back from those that do not qualify</li> <li>- Benefits: accounts for extreme weather variables and maintains conservation incentives</li> </ul> <p>The Working Group agreed that option would not be recommended because it was beyond the Working Group’s purview and terms of reference.</p>
Appeal/Consumer Advocacy Committee	Not recommended
<p>Manitoba government to establish and provide funding for committee/advocacy group to assist low-income individuals with accessing programs and to provide advice and/or representation in PUB appeal process.</p>	<p>The Working Group initially agreed this option would be recommended on basis of following benefits and considerations:</p> <ul style="list-style-type: none"> <li>- Benefit: deals with/benefits possible increased number of individuals requiring accommodation and other consumer protection and PUB assistance as a result of increasing rates</li> </ul>

APPENDIX F: MEASURES TO ADDRESS ENERGY POVERTY CONSIDERED BY THE WORKING GROUP

Option, key characteristics	Rationale
	<ul style="list-style-type: none"> <li>- Benefit: addressing/triaging issues early could result in less disconnections</li> <li>- Benefit: process would provide more information on consumer needs, ability to pay and other issues that could help inform future affordability issues and programming</li> <li>- Benefit: Could operate in conjunction with existing PUB appeal process</li> <li>- Intent of the recommendation was to address perceived limitations to existing PUB process (electric customers) and consumers' ability to understand and access the programs that are available</li> <li>- Identified need for something beyond the existing, formal PUB process to assist individuals with accessing programs and to provide advice and/or representation in the PUB process</li> <li>- General themes/approach/objectives would be recommended to the province, who could establish their own process and evaluative criteria for the program itself</li> <li>- Committee would provide services to both low-income and other consumers, but government funding could prioritize low-income consumers</li> <li>- There are current functions in this space but some concerns about drawbacks or limitations of those processes</li> </ul> <p>Agreed that option would not be recommended because:</p> <ul style="list-style-type: none"> <li>- Not sufficiently targeted to lower-income individuals (did not meet the accuracy principle); current process not limited to those in energy poverty</li> <li>- Questioned whether existing government organizations like the Consumer Protection Office or the Ombudsman are providing these services</li> </ul>

APPENDIX F: MEASURES TO ADDRESS ENERGY POVERTY CONSIDERED BY THE WORKING GROUP

Option, key characteristics	Rationale
	<ul style="list-style-type: none"> <li>- Noted key limitation/gap to existing process is that PUB only hears gas matters; and broadening the jurisdiction would require a statutory change</li> <li>- There may be opportunity for Manitoba Hydro to work specifically with targeted communities and need for additional consideration of a customized approach for particular groups that cannot access existing process (e.g. Manitoba Keewatinowi Okimakanak) to target services that they need</li> </ul>
Funding	Recommended
<p>Government of Manitoba funding required for options recommended by the Bill Affordability Working Group be provided in accordance with the Public Utility Board’s 2014 NFAT recommendation 12, i.e.: that a portion of the incremental capital taxes and water rental fees from the development of the Keeyask Project be used to mitigate the impact of rate increases on lower-income consumers, northern and Aboriginal communities.</p>	<p>Agreed this option would be recommended^^ on basis of following benefits and considerations:</p> <ul style="list-style-type: none"> <li>- Benefit: identifying a proposed source of funding options in the report, as required by Terms of Reference</li> </ul>
<p>^^Manitoba Hydro and EIA abstained from providing consensus for this recommendation, due to sensitivity around Crown corporations and government agencies making recommendations on funding to government.</p>	