



March 18, 2015

Krystal Therien,
Electricity Review,
Nova Scotia Department of Energy,
Joseph Howe Building, 1690 Hollis Street,
Halifax, NS B3J 3J9

Dear Ms. Therien,

We were pleased to see that the recommendation by the Affordable Energy Coalition for a Universal Service Program was described in the Electricity Review draft report although we were disappointed that there was no support for that recommendation, leaving the question for a broader government response to the Broten Tax and Regulatory Review.

We were also pleased to see the strong support for efficiency in the public consultations (keeping costs in mind). We trust the Department of Energy will not support small short term savings at the expense of larger long term savings in the current UARB hearings related to the first negotiated contract for efficiency services. Such a position could seriously undermine the likelihood of substantial efficiency programming for low income renters in the coming 3 years as well as being generally short-sighted.

We have a few requests and suggestions for small wording changes in the Electricity Review Report that we believe improve the accuracy of the report.

We request one change to the section describing our proposal:

1. The first line appears to support a prescribed limit on how much electricity would be affordable to low income households. This is an option used in some jurisdictions but in our view it doesn't solve the problem. Our proposal instead recommends a home energy cost cap that takes into account amount of energy used and income (=energy burden). Low income households generally use less electricity than higher income households but energy use can be higher than an arbitrarily prescribed minimum for reasons beyond the control of the residents – for instance insulation levels, household size, whether the home is electrically heated, etc. There are ways to ensure the system we propose encourages conservation. But that is a different question. ***We request the following change to the first line under Affordable Energy Coalition on p 31:***

Change the first line to read “...that ensures all low income households have access to electricity.”

Adsum for Women and Children
Antigonish Emergency Fuel Fund
Antigonish Women's Resource Center
Bayers Westwood Family Resource Centre
Community Advocates Network
Community Society to End Poverty
Dalhousie Legal Aid Service
Ecology Action Centre
Every Woman's Centre, Sydney
Face of Poverty Coalition
North End Community Health Centre
Nova Scotia Public Interest Group
Society of Saint Vincent de Paul
Transition House Association of Nova Scotia
Women's Centres Connect!

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Following are some comments on the Electricity & Affordability section of the report with accompanying suggestions to add to the accuracy of the report:

1. The paragraph that spans pp 35-6 gives the impression that the NS Power's charitable contribution to low income efficiency upgrades will complete upgrades on all low income homes. This is not the case and it is misleading to imply this. ***We recommend adding the following after the paragraph that ends in "...in the next ten years." at the top of page 36:***

"The Nova Scotia Power contribution intends to assist all low income homeowners. Over 50% of low income households are renters. Efficiency NS currently provides modest assistance to low income renters and is researching how to provide substantial efficiency upgrades for low income renters."

To be clear, AEC applauds the Department of Energy's focus on efficiency upgrades for low income households but we think existing efforts should be more accurately portrayed. As you know we don't see efficiency as the full answer to the affordability challenge for low income households, but an essential part of the answer.

2. The next paragraph on page 36 understates the impact of the Broten Tax Review's recommendations on energy affordability. It also misreads the purpose of the anti-poverty recommendations in our view. They are primarily meant to mitigate the impact of other recommendations that will increase costs for low income households. In particular, two recommendations would increase energy costs substantially and 3 are meant to provide relief from those measures for low income households. ***We recommend changing "Many of the tax review suggestions have implications for addressing poverty in general" to the following :***

"Many of the tax review suggestions increase energy costs and provide ways of mitigating higher energy costs for low income households...", with no change in the 2nd half of this sentence.

3. We would like to see an acknowledgement that affordability has a more acute impact on low income households than others in the line on page 36 that starts the last paragraph – because this is true. It is implied by the focus on low income households earlier in this section but this paragraph appears to challenge this fact. ***We recommend adding to the first line in the last paragraph on page 36:***

"...although low income households experience the most acute consequences of the affordability challenge."

We appreciate the opportunity to be involved in this process.

Yours sincerely,

Brian Gifford
Affordable Energy Coalition