



TIME FOR ACTION

~ A NATIONAL ROAD-MAP FOR TACKLING ENERGY POVERTY IN CANADA THROUGH ENERGY EFFICIENCY

This document summarizes facilitated discussion by delegates at the Time for Action conference, Toronto, 29 September to 1 October 2008, presented by Green Communities Canada. See: www.greencommunitiescanada.org.

AFFORD- ABILITY CRISIS Canada faces a growing affordability challenge for home energy and other utility services, which is all-too-often an emergency for low-income Canadians. It is *time for action* to improve energy and water efficiency in low-income households in all parts of Canada as one important means of relieving energy poverty.¹

COMMIT TO HARD TARGETS Ambitious targets for efficiency gains need to be established, including a timetable, number of housing units retrofitted, households reached, and efficiency outcomes. Extreme energy poverty (lowest income, highest bills, least efficient housing) should receive priority, as should vulnerable populations (seniors, those in ill health). Programs need to be publicly accountable for their results. Outcomes should include not only energy savings, but other benefits like quality of life, social equity, and job creation. Program participants, including low-income communities and building owners, need to be involved in evaluation.

¹ Other factors affecting energy burden include energy prices and price structures, income, and social assistance. These critical factors were beyond the scope of the Time for Action conference, which focused exclusively on energy/water efficiency.

- GO DEEP OR GO HOME** A long-term and substantial commitment is required to achieve the necessary transformation in Canada's low-income housing stock. A comprehensive approach is needed to address the potential for efficiency gains in all aspects of residential utility consumption, across all fuels and tenure types. Efficiency programs should capture deep savings ("go deep or go home"). Where needed, health and safety/code upgrades should accompany efficiency retrofits.
- CONSIDER CO-BENEFITS** All societal benefits - not just energy savings for low-income households - need to be considered when evaluating the appropriate level of investment in low-income energy/water efficiency. Energy system benefits include electricity peak-shaving and other avoided costs. Non-energy co-benefits include poverty reduction, social equity, shelter affordability, homelessness prevention, comfort, health and safety, neighbourhood revitalization and local economic development, the environment (air quality and greenhouse gas reductions), conservation of energy and water, reduction in utility credit problems and losses, and more.
- TRACK ENERGY BURDEN** Energy/water burden (expenditure as a percentage of household income), impacts of energy burden, and changes in efficiency and consumption need to be tracked, not only nationally but by province and territory. Energy poverty should be defined in a Canadian context.
- COLLABORATE!** Programs need to be delivered through collaboration of all sectors - private sector, governments (all levels, including federal), First Nations, utilities, affordable housing organizations, faith communities, social and anti-poverty organizations, community and cultural organizations, and more.
- ADDRESS DIVERSE BARRIERS** Programs must systematically and effectively address barriers to efficiency gains for low-income households generally and for each "market segment" specifically. Barriers include not only lack of funds to invest in retrofits, but also split incentives in rental properties,² lack of authority to complete retrofits (renters), and often limited

² If the landlord pays the bills, the tenant lacks the direct financial incentive to conserve; if the tenant pay the bills the landlord lacks the immediate financial incentive to invest in conservation - although an energy-efficient building is more attractive to current and prospective tenants, who are concerned about total housing costs, utilities included.

capacity and time to navigate complex processes. Barriers vary by tenure (owner-occupied, private and social rental), building type (e.g., high-rise, single family), geographic location (e.g., northern, rural, urban), and culture (e.g., New Canadians, First Nations, Aboriginal). Programs must be flexible to respond to these diverse barriers.

BE CUSTOMER-FOCUSED A customer-focused approach to program design and delivery is required, in which the entire process is tailored to overcome barriers to successful participation. For low-income participants, this starts with proactive promotion and recruitment through trusted channels (e.g., faith/cultural organizations, shelters, food banks). Bill assistance and other social programs should be linked to energy retrofits (joint application). Communications need to be creative, direct, and clear - and reflect cultural and linguistic needs. Community members ("champions") should be enlisted to engage participants, including children and elders; and there needs to be easy enrolment, i.e., a "short and sweet" application process and relaxed eligibility requirements, with assistance as required to navigate the system. Sensitivity is required to avoid negative labelling (e.g., "low income"). A one-window approach is needed for accessing multiple programs, including a user-friendly web portal, with assistance as required to overcome barriers such as lack of internet access or computer literacy.³ The program should be free to those who cannot afford to pay; and it should be stable over time to facilitate word of mouth, avoid confusion, and overcome scepticism (e.g., "too good to be free").

INVOLVE LOW-INCOME COMMUNITIES Low-income communities need to be involved in the design and delivery of programs to improve energy/water efficiency in their homes. Retrofits need to happen *with*, not *for*. Programs need to be accessible, user-friendly, and culturally sensitive. This is a question of equity, democracy and ultimately effectiveness. Low-income communities need to be engaged, empowered, and rewarded for energy-efficient behaviours. They need to be protected from rent increases as a result of efficiency upgrades, and they need to share in the financial benefits of energy savings.

³ The need for an integrated one-window approach should prevail over any interest on the part of funding agencies in branding their own programs. Funders can be acknowledged within the context of an integrated program identity and infrastructure.

- PROVIDE BUNDLED SERVICE** Retrofit services to low-income homeowners need to be bundled to avoid the barriers implicit in a participant-managed approach (i.e., applying, obtaining audit, managing contractors, managing finances, etc.) Retrofits should be completed at low or no cost to the homeowner. A responsive customer complaints process is needed.
- ADDRESS PRIVATE RENTAL RETROFIT BARRIERS** Private rental housing is recognized as the most challenging low-income housing sector in which to achieve energy savings upgrade potential; the sector also accounts for the largest share of target households. Applications must be simple - "short and sweet" - and bundled turn key services are needed to minimize barriers to participation. Landlords need to be engaged through their associations and networks, and need to share in the financial benefits and costs of efficiency upgrades. Approval of additional rental units (residential, commercial) can be linked to efficiency upgrades, and helps to generate revenues to fund investments - e.g., Mayor's Tower Renewal (Toronto).
- PROVIDE ACCESS TO CAPITAL** Private housing providers need to have access to capital on appropriate terms for retrofit investments. This could be accomplished by backstopping bank/credit union loans and "green mortgages." Loans must be provided on favourable terms to capture the energy-saving potential. Local Improvement Charges should be tested as a financing mechanism - this would allow municipalities to finance retrofits and collect payment over a number of years as a surcharge on property tax bills, so that owners can pay for retrofits out of bill savings.
- ADDRESS SOCIAL HOUSING RETROFIT BARRIERS** Social housing providers have many requirements similar to private housing providers (simplified processes, bundled services, capacity development). Sector-specific financial barriers to retrofit investments need to be addressed, including restrictions on mortgaging, and under-funding of capital maintenance and upgrades. Options for capital investments including backstopped revolving loan funds, and private capital (ESCO model).
- ADDRESS BEHAVIOUR** Behaviour is an important factor in achieving savings, including behaviour of residents, owners and operators. Information and training is necessary but not sufficient; ongoing engagement by trusted sources is required to ensure persistence of savings. Tools include coaching and mentoring, positive feedback, incentives and rewards.

BUILD GREEN PATHWAYS OUT OF POVERTY	A neighbourhood/community revitalization approach is needed so that retrofits form part of a strategy to help lift depressed neighbourhoods out of poverty and reduce the outflow of energy dollars from local economies. Job creation and community economic development need to be incorporated. It is recognized that achieving “green pathways out of poverty,” while an important co-benefit of energy/water efficiency, will require additional effort and resources.
BUILD CONTRACTING CAPACITY	Capacity of retrofit and delivery contractors must be nurtured through training, certification, and a green collar job registry. A long-term national job market strategy for this sector is needed, including apprenticeships. ⁴ Further, a stable, long-term program funding environment must be maintained and adequately resourced so that delivery capacity can continue to grow sustainably. Special effort will be required to establish delivery capacity in less-populated remote and rural areas, including the North.
USE REGULATION, INCENTIVES	Regulatory and policy tools need to be adopted, starting with high efficiency standards for new-build and appliances Canada-wide. Canada should require universal energy ratings for residential buildings; wherever possible, regulatory tools and associated incentives should be used to leverage efficiency upgrades, e.g., minimum standards at point of sale and/or in association with other approvals, such as electricity sub-metering.
ESTABLISH SHARING, COOPERATION	Organizations, businesses, governments, and individuals concerned about energy poverty need to share information and work together to promote cost-effective solutions. We need a common voice to ensure low-income energy efficiency gets the attention it needs. Those involved in the design and delivery of low-income energy efficiency program need to share information and collaborate in continuous improvement of program delivery and outcomes. Vehicles need to be established for open sharing and collaboration.

⁴ Apprenticeship programs for trades could require a percentage of time to be spent in low-income communities.

ABORIGINAL/FIRST NATIONS STATEMENT

A number of participants at Time for Action were from First Nations and Aboriginal communities, ranging from Northern reserves to Southern inner cities. Participants met and developed the following statement:

Relative to mainstream society, there are cultural, economic, and social differences pertaining to First Nations, Inuit, and Métis peoples.

Principle: Aboriginal control over Aboriginal programs.