

2018
Annual Report



**Afford
Ability
Fund™**

**Afford
Ability
Fund™**

Ontario 

Submitted to:

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Chair's Message

When the AffordAbility Fund Trust was established in 2017, it was with an ambition – to make energy more affordable for struggling Ontarians. From our inception to our launch in October 2017, we worked tirelessly to find a strategy that looked at the most effective, innovative and efficient ways to provide long-term solutions to Ontarians who are otherwise underserved by other energy assistance programs.

While this approach makes the AffordAbility Fund Trust fundamentally different from other programs, it's also our existence as a Trust that differentiates us. Trusts are created with a duty to its beneficiaries. As such, we are governed by a volunteer, independent Board of Trustees who have a duty to manage and govern the assets of the Trust with the best interests of the beneficiaries in mind. The AffordAbility Fund Trust funds the AffordAbility Fund, which is the public-facing, operational face of the trust.

When we looked at the scope of our mandate against the landscape of community-based programs, we noticed that the segment of the population that could be helped most by the AffordAbility Trust were Ontarians who do not qualify for low-income programs, but whose electricity burden is disproportionate to their income. These are our beneficiaries - Ontarians who can't afford conservation measures without assistance, are on fixed or precarious incomes and who own or lease homes that are heated with electric heat.

In 2018, our first fully operational year, 48,022 Ontarians applied to the AffordAbility Fund which speaks in large volumes to the need that we speak to. And together with our 64 local electricity distribution company partners, we can reach beneficiaries in every part of the province. While the AffordAbility Fund has guidelines, each local electric utility has the flexibility to create localized solutions that best meet the needs of their areas.

As the year progressed and we launched our new metrics and reporting dashboards, we saw emerging profiles of who we are helping: young families who are in their first homes and balancing homeownership against the costs of raising children; the newly-retired who face the reality of living on a fixed income; families who face unexpected illnesses and challenges, who suddenly find themselves looking for assistance; large, multi-generational families who live under one roof as older children 'boomerang' back home.

These are people we see in our community. These are our neighbours and our families. These are people who may not normally ask for help, but need it. These are the AffordAbility Fund Trust's beneficiaries.

We continually look to forge new relationships and avenues to reach our beneficiaries. Whether it's partnering with local community organizations or launching targeted digital campaigns, we are constantly iterating to find the most effective way to reach the people who need our help the most.

And to that end I want to thank our independent, volunteer Board of Trustees for their time, effort and continued commitment to our mandate and to our beneficiaries. The depth and expertise of the Trustees in the electricity and community sectors has proven invaluable and will continue to shape and transform the AffordAbility Fund Trust.

Every day we strive to live up to our mandate – to provide meaningful, strategic, long-term energy saving measures to help make electricity more affordable for Ontarians. And while we recognize that not one program or organization is the solution to energy affordability, together with our local distribution partners, the AffordAbility Fund Trust is making a positive difference in the lives of our beneficiaries and in our communities.

Michael Allen

The AffordAbility Fund

The AffordAbility Fund Trust is the designated authority for administering and delivering the AffordAbility Fund. The Government of Ontario established the \$100 million AffordAbility Fund Trust in 2017 and it is overseen by an independent and diverse Board of Trustees.

The mandate of the AffordAbility Fund is to make energy more affordable for the Fund's beneficiaries – Ontarians who do not qualify for low-income programs but who want to conserve energy to reduce their electricity bills now and in the future.

Sixty-four local electricity distributors across the province are promoting and delivering the program on behalf of the Trust, working to achieve the AffordAbility Fund's goal of assisting 50,000 beneficiaries.

In addition to providing support to beneficiaries of the Trust, the Board of Trustees' ambition is to establish a legacy for the AffordAbility Fund: creating an affordable energy future for the health and well-being of Ontarians by building new thinking, approaches and partnerships in energy innovation.



Process

Fundamental to the design of the AffordAbility Fund is the quick and simple process to enroll and the fit between the energy saving measures delivered and the needs of the beneficiary's household.

To drive enrolment throughout the year, the AffordAbility Fund supported the local marketing efforts of the local distribution companies through radio, newspaper and digital advertising campaigns. These campaigns provided an overall persistent presence in the marketplace whether in strategic smaller markets or across Ontario. These campaigns only served as a foundation to the marketing efforts of the local distribution companies. When in-market, the local campaigns drive the most enrolment, followed by referrals by family and friends.

The AffordAbility Fund Application Process:

Step 1: Application for support

Designed to be fast and simple, potential beneficiaries submit their application through an online form or by calling the toll-free number. To be eligible, applicants must first need to own, rent or lease a residence in Ontario and be the primary or secondary electricity utility account holder at the residence.

Step 2: Application Screening

An AffordAbility Fund agent has an in-depth "Trusted Conversation" regarding the burden of electricity costs on the applicant's household. This calculation is used to determine where a household fits within program established thresholds to determine the level of support they will receive.

$$\text{Electricity Affordability Burden (EAB)} = \frac{\text{(Electricity Bills + Installment Payments + Fees)}}{\text{Household After Tax Income}}$$

Step 3: Assessment

Based on the calculation of the Electricity Affordability Burden, households are assessed at Level 1, 2 or 3 with each level providing a different level of support. Level 1 beneficiaries receive a home energy kit created by their local distribution company. Level 2 or 3 beneficiaries receive an in-home assessment and recommendations for eligible equipment.

Step 4: Home Energy Plan

Each beneficiary receives a free Home Energy Plan. This may be a written plan delivered with a home energy saving kit, or produced as a result of an in-home visit. This plan helps each household identify how the energy savings measures they will receive when coupled with behavioural changes, may result in potential reductions in their electricity bill.



Measures

The AffordAbility Fund follows an iterative process to facilitate continuous improvement to the program. Throughout 2018, local distribution companies submitted requests to add new energy savings measures that would assist them to tailor energy savings measures to their customers. As a result, five new measures were added to the list of eligible equipment and incentives.

ENGAGEMENT	ELIGIBLE EQUIPMENT	SPENDING CAP
<p>LEVEL ONE</p>	<ul style="list-style-type: none"> Aerators Air vent diffuser Block heater timer Coil cleaning brush DWH pipe insulation Efficient shower heads Freezer thermometer Furnace filter whistle LEDs LED night light Refrigerator thermometer Retractable clothes line Room temperature/humidity sensor Rope caulk Smart power bar Switch and outlet sealing gaskets Three-prong indoor/outdoor plug timer Weather stripping Window heat shrink film 	<p>UP TO \$500</p>
<p>LEVEL TWO</p>	<ul style="list-style-type: none"> Refrigerator Freezer Dishwasher Kitchen stove Window air conditioners Dehumidifier Programmable thermostat Mechanical attic fan Clothes washer Clothes dryer 	<p>UP TO \$5,500</p>
<p>LEVEL THREE</p>	<ul style="list-style-type: none"> Heat pumps Comprehensive draft proofing Attic insulation Wall insulation Basement insulation 	<p>UP TO \$15,000</p>

Beneficiaries

In 2018, 48,022 Ontarians applied to the program of which 18,811 became beneficiaries of the AffordAbility Fund. There were 10,354 applicants who were determined to be low-income and therefore eligible for the Home Assistance Program (HAP). These applicants were then transferred or referred to the Independent Electricity System Operator (IESO) for HAP program enrolment. The remaining 18,857 applications were incomplete, ineligible or did not continue through the application process.

As more and more Ontarians gain assistance from the AffordAbility Fund, indicative profiles of beneficiaries emerged, particularly in Levels 2 and 3. Crafting profiles of these beneficiaries allowed the AffordAbility Fund to begin looking at ways to tailor marketing and communication approaches that will continue through 2019.

Seniors

This profile constitutes a large portion of Level 2 and Level 3 beneficiaries. These are beneficiaries who live on fixed incomes and continue to live independently while seeing increases in their household bills.

Profile:

Robert is recently retired and lives in a small community in northern Ontario. He is adjusting to life on a smaller fixed income and realizes that after paying his bills, he does not have much money left over at the end of the month. He hopes that by being more energy efficient, he can save some money on his electricity bill.

> Level 2 beneficiary
Annual savings: \$334.63



Beneficiaries

Young families

After buying or renting their first home, or with changes to the family, young families are an emerging profile. These are beneficiaries who at times struggle to pay their electricity bill, but do not qualify for low-income programs.

Profile:

With a stay-at-home wife with two children, John is the sole provider. Although he makes a good income things are tight financially. After purchasing their first home, the realities of new home ownership have set in. They are looking at permanent ways to make electricity more affordable.



> Level 2 beneficiary
Annual savings: \$202.64



Beneficiaries

Extended families

With multiple generations living under one roof, the extended family profile emerged as a beneficiary of Level 2 and Level 3 measures.

Profile:

Harry lives in a community in eastern Ontario. He's the sole support for his wife and their family. Currently there are 10 people living in his home – a combination of his children, their spouses and his grandchildren. They are living with him while they work to achieve independence.

> Level 3 beneficiary
Annual savings \$1597.50



Case Studies



“ I take care of my things and was sad to see them go, but excited that the new ones are more energy-efficient.

CASE STUDY ONE:

CHRISTINE GAGNE
HEARST, ON



When her colleague sent her an email about the energy savings measures he received from the AffordAbility Fund, Christine Gagne knew she needed to apply. As the secretary of the local school, she manages her expenses well but in the winter her electricity bill can climb to over \$500 a month and in May, it is still winter in Hearst, Ontario. If the AffordAbility Fund could help her even a little, she knew it would be worth her time.

After the trusted conversation with the call centre and then with her utility Hearst Power, she was pleasantly surprised to learn that in addition to the energy savings kit, she also qualified for free energy saving appliances and attic insulation.

“When they came for the home energy assessment, I told them that my fridge and range were 32 years old but they were in great working condition,” says Christine. “I take care of my things and was sad to see them go, but excited that the new ones are more energy-efficient.”

But what she’s most happy with is the customer service she received from Hearst Power, how easy the process was, and how it will help with her electricity bills now and in the future. “I thought it would be complicated, but it really was not. I have been telling people at the school and my friends and family to apply for the AffordAbility Fund– you won’t know what you’re eligible for until you call. I’m so glad that I did.”



Everyone I've dealt with has been really good. Go for it. Don't be skeptical...

CASE STUDY TWO:

**RON ST. PIERRE
CORNWALL, ON**



On the outskirts of Cornwall, Ontario is a small subdivision where Ron and Patsy have made their home for the past 30 years. Married for 44 years and with their two daughters grown and out of the house, they were speaking to Patsy's brother when he told them about the AffordAbility Fund.

"I was skeptical at first, but then I called," says Ron. After speaking with the AffordAbility Fund call centre as well as Cornwall Electric, "I was told that I qualified not just for the Energy Savings Kit but for an in-home assessment because my home is electrically heated."

The recommendations of the in-home energy assessment included Level 3 measures. This included the replacement of their washing machine as well as their fridge. But the most impactful was the installation of a heat pump to replace the baseboard heaters. "These are things we knew we needed to do," states Ron, "But it takes time to save. We know we'll see the savings next year on our winter electricity bill."

Since his in-home assessment Ron has referred at least 15 people to the program. He knows that people might think there's a catch, but there isn't. "Everyone I've dealt with has been really good. Go for it. Don't be skeptical – it's a great program and it works. I highly recommend it to anyone."

“ I’ve always been environmentally conscious, but I would never have been able to afford it.

CASE STUDY THREE:

ANNE COLE
EAST CITY, ON



It’s quiet, peaceful and beautiful in East City, Ontario where Anne has called home for the past 60 years. Living alone in her cozy 600-square-foot home, she remembers the winters as cold and drafty. “It was difficult to adjust the heat in each room with the baseboard heaters,” says Anne. “It was tough to manage.”

When she heard about the AffordAbility Fund from Peterborough Utilities, she called to see what she might qualify for.

As a Level 3 beneficiary, Anne received a new heat pump, as well as attic insulation and weather stripping around her doors. The heat pump evenly distributes a warm air through her home and the impact was immediate. “Friends would come over and tell me how cozy my home was. How warm it was. I feel that too – it’s made such a difference.” In the summer, the heat pump acts as an air-conditioner, replacing her old, noisy window unit.

“I noticed a decrease in my electricity bill last winter,” remarks Anne. “And the heat pump is so much easier to manage and uses so much less electricity. I’ve always been environmentally conscious, but I would never have been able to afford it.”

Since then, she’s referred many family and friends.

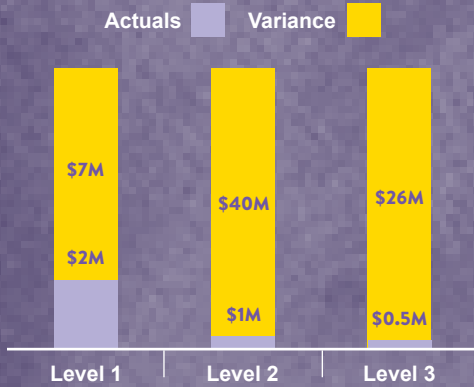
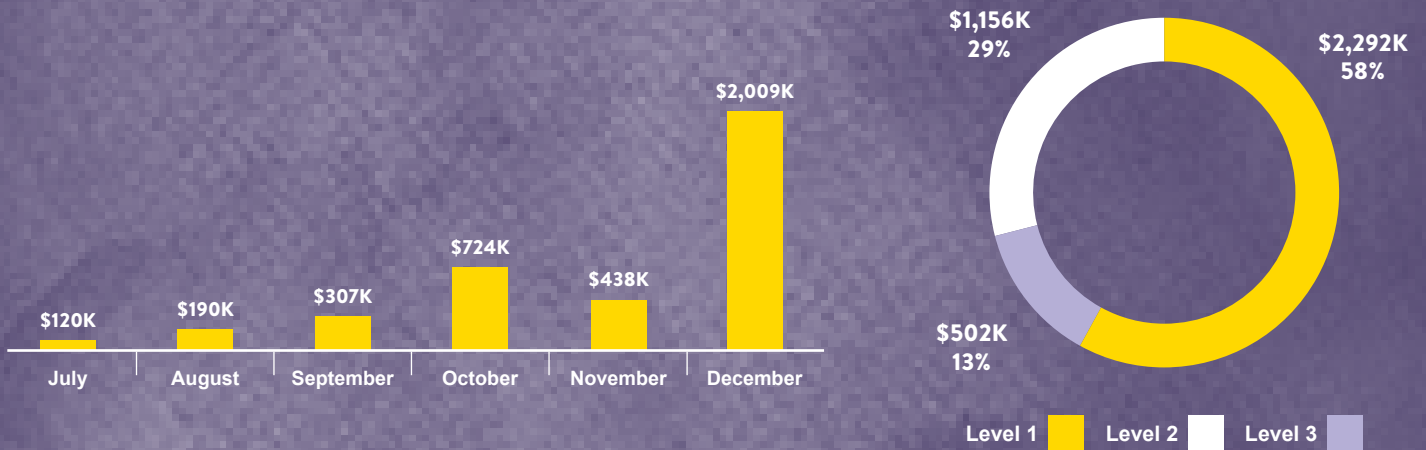
“I don’t often win the lottery, but I feel like I won the lottery. You don’t even have to buy the ticket – you just make a phone call.”

The AffordAbility Fund By the Numbers

In 2018, **48,022** Ontarians applied to the AffordAbility Fund.

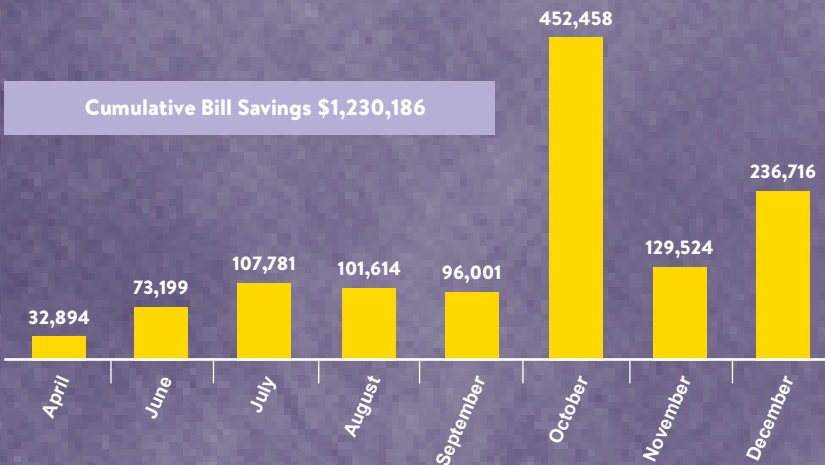
64 local distribution companies are participating in the program

AFT Funds Used (Measures Only)



AFT funds used (Actual vs. Target)

Dollars per kWh saved



Board of Trustees



Michael Allen
Chair

President and CEO,
United Way Ottawa



Warren Lister
Vice-Chair

Senior Consultant



Denise Arkell
Trustee

Executive Director,
Neighbour to Neighbour
Centre



Raegan Bond
Trustee

Senior Consultant,
Dunsky Energy Consulting



Tim Wilson
Trustee

Vice-President Customer
and Information Services,
Synergy North



Kaili Sermat-Harding (Retired)
Trustee (Non-Voting)

Retired effective Dec. 2018 - a representative
of the Ministry of Energy, Northern Development,
and Mines currently fills this role.

Electricity Distributor Feedback

In December 2018, the AffordAbility Fund conducted a 360-degree performance review with all participating local distribution companies (LDCs). Included in the review was a snapshot of the LDC's performance to-date, as well as an opportunity to provide feedback on the AffordAbility Fund and the AffordAbility Fund administrator.

The main findings of the research:

- Sixty-five per cent of LDCs either strongly agreed or agreed that the AffordAbility Fund helps them to deliver the program in a timely and flexible manner.
- When asked if the AffordAbility Fund helps them provide meaningful support to their customers, 77% of LDCs either strongly agreed or agreed with the statement.
- In addition to LDC-driven advertising campaigns, the AffordAbility Fund provides marketing and communications content to support local enrolment. Sixty-two per cent either strongly agreed or agreed that the AffordAbility Fund provides sufficient and effective content.



Customer Feedback

Beginning August 27, the AffordAbility Fund commissioned Innovative Research Group to conduct a 15-week customer survey to assess the Trusted Conversation and to set benchmarks for future program evaluation.

There are main findings of the research:

- Beneficiaries of the AffordAbility Fund reported a very high level of satisfaction with the Trusted Conversation. Nine in 10 (93%) respondents were satisfied with the initial call they had with an AffordAbility Fund program representative.
- The most effective methods to drive enrolment are local distribution company multi-channel promotions (41%) and word-of-mouth referrals from friends and family (24%).
- Eighty-seven per cent of AffordAbility Fund beneficiaries contacted by their local distribution company were satisfied with the communication they received about the AffordAbility Fund process.
- Seventy-five per cent of respondents claim their electricity bills have a major impact on their household finances and result in their households doing without other important priorities. As expected, the impact of electricity bills is increasingly felt by AffordAbility Fund beneficiaries who qualify for Level 2 or Level 3.



Lessons Learned

Throughout 2018, we continued to look for ways to improve the AffordAbility Fund. Some lessons learned include:

- The most effective method to drive new enrolments are e-blasts from a local utility to their customers. There is a significant increase in enrolments in the days immediately following the email. This speaks to the underlying relationship that utilities have with their customers.
- Continued flexibility in the program needed to use certain Level 3 measures within Level 2 engagements, as they can be more effective in addressing energy consumption for some households than new appliances.
- Consider the provision of Affordability Fund program training for energy auditors to ensure a consistent delivery of the program across the province.
- Ongoing and regular communications between the AffordAbility Fund administrator and local distribution companies accelerate effective program delivery.



Thank you.

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