

The Honourable Ahmed Hussen  
Minister of Families, Children and Social Development  
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The Honourable Seamus O'Regan  
Minister of Natural Resources  
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The Honourable Jonathan Wilkinson  
Minister of Environment and Climate Change  
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May 5, 2021

**Re: Key Ideas for Budget 2021 Low Income Energy Efficiency Program**

Dear Ministers Hussen, Wilkinson and O'Regan,

We are a group of low-income energy efficiency policy and program implementers and researchers from across Canada. We are very encouraged to see the inclusion of a dedicated stream of funding in Budget 2021 to support low-income homeowners and rental properties serving low-income renters. We respectfully request consultation in the design and development of parameters for this funding; and, offer some preliminary ideas for achieving impact, effectiveness, and efficiency with this funding from Budget 2021:

- **We strongly believe that this funding should be delivered in the form of a no-cost and turnkey service to participants with social investment goals, rather than low- or no-interest loans.** Adding to the debt-loads of those Canadians living in low income will minimize participation and not achieve the dual goals of reducing energy use and energy poverty.

A low-income program based on a social investment approach makes energy efficiency accessible to more Canadians, and ensures funding is available for lower income Canadians to reduce GHGs in response to higher carbon prices. Addressing energy poverty in a manner that has environmental benefit also engages those civil society organizations dealing with poverty – including the racialized reality of poverty in this country – in climate action.

- **Federal funding to support low-income homeowners and renters must leverage and improve – not disrupt – existing local or provincial programs targeting low-income Canadians.** That is, in jurisdictions with effective programs that have proven a reduction in energy poverty, it is more efficient to offer additional monies to already established mechanisms. In jurisdictions without existing programs or with programs that are not achieving reductions in energy poverty, the federal government should seek to partner with local delivery organizations and provide

support for program design and start-up. This avoids market confusion, ensures federal funding achieves the desired goals, and reduces the need to spend money on design and ramp-up.

- **We would strongly advocate that the designers of the federal program consult with those jurisdictions across Canada that have already implemented programs to reduce energy poverty in low-income populations, to learn what has and has not worked.** While the need is urgent, we believe it is in the best interests of all to take the time required to design a support system that achieves widespread, positive outcomes. Efficiency Canada can direct the Federal government to the stakeholders in each Province as necessary.
- **The federal program should, as one of its guiding principles, be designed for the group it serves: consider the intersection of race, gender/lone parent, and rural/urban geography in the design of programming, have low barriers to application and participation, and require no upfront costs.**<sup>1</sup> Successful, high participant programs across Canada are designed and delivered in partnership with the communities they serve and have measures managed on behalf of participants.
- **Funding for programs of this nature should be sufficient to allow for multi-fuel, deep retrofits, and allow for the switching to efficient and low- to zero-carbon heating systems.** Fuel switching can reduce GHG emissions and thus also reduce exposure to increasing carbon prices. However, it can also increase heating costs in some markets, which is why the federal government should couple fuel switching with deep building envelope retrofits that will achieve net reductions in energy cost burdens.
- **Finally, this program should offer sufficient funding to include moderate income households that are above official low-income measures,** to address the reality that 59%, or 1.67M of the 2.81M, households in energy poverty would not be captured if the After-Tax Low Income Measure (AT-LIM) threshold were used.<sup>2</sup>

The signatories below and many other energy efficiency experts and community organizations across the country are here to work with you to design and deliver an effective approach to low-income energy efficiency.

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<sup>1</sup> American Council for an Energy-Efficient Economy 2017, Making a Difference: Strategies for Successful Low-Income Energy Efficiency Programs, <https://www.aceee.org/research-report/u1713>. Transforming Income-Qualified Home Energy Retrofit Programs in BC, <https://ecotrust.ca/latest/research/transforming-income-qualified-home-energy-retrofit-programs-in-bc/>, 2021.

<sup>2</sup> Energy Poverty In Canada Backgrounder <https://cuspnetwork.ca/initiative-5/energy-poverty/>, 2019

Sincerely,

Alison Cretney, Managing Director, Energy Futures Lab

Allison Ashcroft, Managing Director, Canadian Urban Sustainability Practitioners (CUSP)

Areef Abraham, Founder, Create Climate Equity

Yasmin Abraham, Co-founder, Kambo Energy Group

Brendan Haley, Policy Director, Efficiency Canada

Brian Gifford, Chair, Affordable Energy Coalition (Nova Scotia)

Christine Gustafson, Owner and Principal, Harbourgreene Consulting Inc.

Dylan Heerema, Senior Policy Advisor, Ecotrust Canada

Mary Jane Patterson, Executive Director, Reep Green Solutions

Sean Kelly, Director of Energy Programs, Clean Foundation

Theresa McClenaghan, Executive Director and Counsel, Canadian Environmental Law Association (CELA)

Zee Bhanji, Coordinator, Low-Income Energy Network (LIEN)