

Report of the Energy Poverty Task Force

May 2024

The Energy Poverty Task Force

The Energy Poverty Task Force was created in response to the duress and publicity surrounding high, volatile oil prices and increasing electricity prices in 2022, and the Nova Scotia Government's substantial increase in the Heating Assistance Rebate Program ("HARP") payments on a one time basis that same year.

Nova Scotia Department of Natural Resources and Renewables staff and the Affordable Energy Coalition set up the Energy Poverty Task Force. Thirteen organizations, including provincial departments, a municipality, non-profit community and efficiency organizations, and energy suppliers met monthly since September 2023 to examine ways of reducing energy poverty in a more systematic way.

This was a productive, collaborative process. As our work evolved, we engaged Roger Colton, a leading expert with decades of experience in the US and Canada, to prepare a report and recommendations. We also worked with Nova Scotia Power to engage Narrative Research to conduct an Energy Poverty survey to help us learn more about how energy affordability affects the daily lives of Nova Scotians.

The Vision

We want to see a significant reduction in energy poverty in Nova Scotia through a systemic, collaborative Made in Nova Scotia approach.

Nova Scotia is already a national leader in low-income energy efficiency programs. We can also be a leader in direct financial assistance to reduce energy poverty while efficiency programs create savings for more and more people with permanent reductions in energy use.

What Energy Affordability means to Nova Scotians

The impacts of unaffordable home energy are compelling. The 2024 Narrative Research Energy Poverty survey found that 27% of respondents have recently experienced issues keeping their home heated, keeping their electricity on, or both. For the respondents experiencing those challenges, the consequences are serious: 72% had to delay spending on other essential items, 61% built up debt, 46% experienced late payments, 40% missed payments, 17% received a notice of disconnection, and 8% reported their electricity was disconnected. Simply put, energy poverty has a profound impact on the lives of Nova Scotians.

Facing Realities

Nova Scotia has some of the highest levels of energy poverty in Canada due to relatively low incomes, older inefficient homes, and reliance on oil and electricity that is more expensive than in most of Canada due to higher reliance on fossil fuels for generation.

Nova Scotians who cannot afford their energy bills also cannot afford to pay for efficiency upgrades to cut their bills. As we transition to cleaner and lower energy use, we must not leave lower income households behind.

Government funding at the scale required to make all low and modest income homes energy efficient is expensive. But the high cost is temporary until upgrades are installed.

Cutting low income home energy costs through efficiency upgrades will take time. Direct financial assistance to lower bills is needed until bills drop due to efficiency and some will need it even after their homes are upgraded.

Government funding at the scale required for direct financial assistance to make home energy affordable to lower income households is also expensive. With that said, the fact is that the high cost will drop as more lower income homes become energy efficient and use a lot less energy.

A Way Forward: A Made-in-Nova Scotia Home Energy Affordability Program

Roger Colton worked closely with members of the Nova Scotia Energy Poverty Task Force to prepare his report: “A Way Forward - A Made-in-Nova Scotia Home Energy Affordability Program”. Over decades Mr. Colton has helped design energy poverty programs for regulated utilities including Ontario’s electricity system.

The Energy Poverty Task Force offers Mr. Colton’s report for public and government consideration. It provides a comprehensive analysis of energy poverty in Nova Scotia and recommends a comprehensive program to systematically reduce energy poverty for low and moderate-income households.

Mr. Colton recommends a four-part program:

1. A bill affordability component
2. An arrearage management component
3. A crisis intervention component
4. An energy efficiency and electrification component

Paying for change

The Nova Scotia Government has recognized that low income households need help with their energy bills. Along with the Federal Government and NS Power, it funds efficiency programs designed to help low income households lower their bills. For example, the free efficiency upgrades installed today under the HomeWarming program save households an average of \$1,700 per year for non-electrically heated homes and \$860 for electrically heated homes. Over 24,000 Nova Scotian homes have had free upgrades since 2006.¹

The Provincial Government increased the HARP payments to \$1,000/household in 2022-23 at a cost of \$155 million and then lowered them to \$600 in 2023-24, which cost about \$75

¹ Heat pumps are a relatively new addition to the program and are expected to further increase energy savings.

million. In 2022-3 it spent about \$130 million on the Your Energy Rebate Program that reduces the energy bills of all Nova Scotia households regardless of income.

The funding required for the program proposed by Mr. Colton is similar or lower in scale to existing programs. Savings in the HARP program (\$600/ household) would cover 40% of the cost of the average monthly subsidy for those who enroll in the new program recommended by Mr. Colton. An income eligible household would likely be able to choose one or the other program not both. The full cost of the Bill Affordability component would be \$17 to \$46 million. The net additional government cost after HARP savings would be \$11 to \$30 million for the Bill Affordability component and the Crisis Intervention Fund.

Additional local resources

Many other ideas were considered by the Energy Poverty Task Force. Substantial coordination and evaluation already exists but improvements are possible. The following are good local resources for ideas and evaluation:

- a) Energy Poverty and an Equitable Transition to a Net-Zero Carbon Future in Nova Scotia – EfficiencyOne
- b) EfficiencyOne’s energy poverty visualization tool is a new tool that assists with modelling and monitoring energy poverty.
- c) Town of Bridgewater – <https://www.energizebridgewater.ca/> This program is combining PACE financing, comprehensive client navigation support, and an advanced made-in-Nova-Scotia home energy monitoring technology to reduce energy poverty in the community. The program is a nationally recognized “smart cities” initiative.
- d) NS Power’s new annual Affordability Dashboard will help monitor some of the effects of energy poverty.
- e) NS Power’s Narrative Research’s 2024 “End Use and Energy Poverty Report” provides a snapshot of Nova Scotians’ experiences.

Clean Electricity Solutions Task Force (CESTF)

Recommendation 12 from the CESTF final report dated February 23, 2024 reads:

The Nova Scotia government should evaluate the Ontario subsidy programs, as highlighted by the Affordable Energy Coalition, and other programs to determine the best way to deliver a “Made in Nova Scotia” suite of programs to help with residential electricity costs.

Conclusions

The Energy Poverty Task Force is hopeful that our work will lead to positive change that will reduce energy poverty for Nova Scotians who suffer from the many consequences of high, unaffordable energy bills. It is the Task Force’s position that these changes could make a real and meaningful difference in the lives of Nova Scotians. We trust that they will be considered seriously as recommended by the Clean Electricity Solutions Task Force and we look forward to discussing the Task Force’s work and recommendations further.

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