



Recommendations for renewal of the TogetherBC Poverty Reduction Strategy

March 20, 2023

Who we are

Ecotrust Canada is a national charity with a 28-year history. We work primarily with rural, remote, and Indigenous communities toward building an economy that provides for a healthy and resilient natural environment; sustainable and abundant energy, food, and housing; prosperous and meaningful livelihoods; and vibrant cultures and inclusive societies. We call this approach *building an economy that provides for life*.

Our Community Energy Program's vision is one of **healthy, resilient homes, and energy security for all** — a society where nobody has to choose between heating their home and feeding their family. Over the last six years, we have been hard at work with community partners, proving **home energy retrofit projects** on the ground, and researching policies that can help make energy access more affordable and equitable. These solutions are more important than ever, as increases in the cost of living are making it harder for people to make ends meet.

We believe that everyone has a right to clean, affordable energy, and climate resilient homes. However, we cannot achieve these goals without bold action and leadership from the provincial government.

Energy poverty in British Columbia

There are at least **250,000 households** in British Columbia that experience a lack of affordable access to basic energy services like heating, lighting, and cooking as a daily reality. These households are spending more than twice what the average British Columbian spends on energy, as a percentage of income — the generally agreed-upon threshold for energy poverty. The consequences of energy poverty can be severe, including poorer health outcomes and heartbreaking choices — like having to choose between heating one's home and feeding one's family.

As inflation raises the cost of everything, from food to housing to energy bills, the impacts of energy poverty have only become more striking, and the links to housing adequacy and affordability are made all the clearer. Fortunately, the policies best suited to tackle energy poverty also address a number of other urgent priorities — including the rejuvenation of BC's housing stock, reducing carbon emissions, and making our homes and buildings more resilient to a changing climate.

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Impacts of energy poverty

A lack of access to basic energy services can have profound impacts on human health and well-being. High energy costs exacerbate the social distress and impact of poverty in low-income communities, while inadequate heating and/or cooling systems lead to **negative health and social impacts** from lower air quality, overheating, underheating, and mould.

Through our community work, we have found that some residents do not heat their homes at all because they cannot afford heating fuel, and many families experience higher rates of asthma, cardiovascular, and mould-related illnesses as a result of **vastly inadequate** heating and ventilation systems. Overheating in homes can also pose a significant health risk, particularly for seniors and persons with reduced mobility that are not always able to access cooling centres. Households that experience energy insecurity **consistently report** poorer overall health, both physical and mental.

Households that experience energy poverty also typically have less discretionary income that might be used to improve energy efficiency or address health issues in their homes. The impacts of energy-inefficient housing are especially pronounced in low- and middle-income households, where limited funds for upgrades and higher energy bills create a vicious circle that perpetuates the cycle of energy poverty.

It has been **conclusively demonstrated** that underserved and equity-deserving communities including visible minorities and recent immigrants are impacted by energy poverty more often than other British Columbians. In addition, rural and Indigenous communities can face higher rates of energy poverty, with an electricity cost burden that is often two to three times the provincial average. With a greater share of incomes flowing to utilities based outside the community, energy poverty can compound economic development challenges in rural areas.

Current policy landscape in BC

Efforts to relieve energy poverty in BC have been limited in their effectiveness to date, largely because the decision-making bodies working on energy issues do not have a mandate to alleviate poverty or consider equity impacts. Neither BC utilities nor the Ministry of Energy, Mines, and Low Carbon Innovation has the breadth of experience designing equity-focused public policy that the Ministry of Social Development and Poverty Reduction does. In our extensive consultations with jurisdictions across North America, we have heard time and again that programs designed to reduce poverty are best administered by government agencies, not by utilities.

A credible long-term strategy for addressing energy poverty would include two major components:

1. A plan to improve energy efficiency and reduce consumption across households facing energy poverty.
2. Direct financial support for households facing a high energy cost burden.

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BC has fallen behind other jurisdictions including Ontario, New Brunswick, Nova Scotia, and Prince Edward Island on both policy areas. Several Maritime provinces are now offering innovative, no-cost programs that provide lower-income households with heat pumps. Meanwhile, other provinces including Ontario have introduced electricity bill assistance programs, which complement other forms of income assistance and ensure that access to basic energy services like heating, cooling, and lighting are protected as human rights. Our recommendations below outline how BC can get back on track with TogetherBC as a foundational guiding document for addressing energy poverty.

Recommendations to Government

Based on our extensive experience working on energy justice policy, Ecotrust Canada proposes the following recommendations for innovative, cross-ministry policy that will have the potential to significantly reduce energy cost burdens for low- and middle-income households. These recommendations are broadly aligned with our [May 2022 submission](#) to the BC Government's Energy Affordability Working Group, along with four other organizations working on the front lines of energy poverty.

1. Set a target to eliminate energy poverty in BC as a key pillar of TogetherBC, and as part of a justice-based housing renewal strategy

The BC Government should develop a long-term strategy to ensure that every home and building in BC is healthy, low-carbon, and climate resilient. In keeping with principles of justice and equity, public funds and programs should be primarily directed to residents with the least ability to pay for upgrades to their homes, with higher-income households targeted through regulations such as the forthcoming Alterations Code for Existing Buildings.

In conjunction with this sector-wide strategy, we call on the BC Government to **develop a clear plan and target to eliminate energy poverty in BC within 10 years as part of TogetherBC**. This effort will require a step change in ambition, but we believe that this vision is achievable. The measures required to achieve it will also support significant progress toward other priorities including housing renewal, economic recovery, and climate action.

2. Provide no-cost retrofit programs to low- and moderate-income households, to prepare them for a changing climate and rising energy costs

Extreme heat and weather induced by climate change is already killing British Columbians, as the June 2021 heat dome and subsequent [Extreme Heat Death Review Panel Report](#) demonstrated. For too long, we have subsidized primarily wealthy households that *already* have the resources to prepare for these dangers. Rebate and incentive programs for home energy retrofits are disproportionately accessed by those who need them the least, while lower-income households *cannot afford* to make their homes more climate resilient, or make the energy efficiency improvements that would lower their utility bills.

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The creation of an **income-qualified retrofit program** in 2021 was an important first step. As part of a cross-ministry effort to achieve the goals of TogetherBC, we now call for the BC Government to **expand this program and provide full cost coverage** for retrofitting and electrifying the homes of the 272,000 BC households that are experiencing energy poverty. Such a program should focus on deploying **electric heat pumps**, which have the potential to significantly improve indoor air quality and provide much-needed cooling during heat waves, in addition to lowering energy bills.

BC is already lagging behind other jurisdictions in this regard, and provinces such as **Nova Scotia** and **Prince Edward Island** have introduced programs providing a free heat pump to residents meeting an income-qualifying threshold. Such a program could cost around \$100 million per year — significantly less than the **\$400 million** spent on ICBC rebate cheques in 2022, but with vastly more impactful results. The cost of inaction is much greater. Climate change-induced storms in 2021 caused **\$7.5 billion** in damage to BC's infrastructure, and the cost of dealing with the health impacts brought on by extreme heat could push our already fragile **\$27-billion** healthcare system to the breaking point.

This moment presents an opportunity to begin addressing many of the challenges facing British Columbians, from energy poverty to the climate crisis to the housing crisis. By bringing all homes up to modern energy and health standards, we could lower utility bills, improve the quality of the housing stock, and prepare for a changing climate by making our indoor spaces more comfortable and healthier. It is rare that policymakers have this kind of opportunity to address so many urgent social issues in a cost-effective and holistic way.

3. Introduce an income-qualified energy bill assistance program

BC currently has no program providing direct energy bill support for income-qualifying households, putting it behind many jurisdictions including Ontario, New Brunswick, Nova Scotia, and California. Compounding this problem, BC's only emergency energy bill relief program, the Customer Crisis Fund, has an uncertain future after nearly being cancelled in 2020. This could leave hundreds of thousands of low- and moderate-income British Columbians with nowhere to turn if they fall behind on paying their utility bills.

The BC NDP campaigned in 2017 on a promise to introduce a **"lifeline rate" for electricity**, which would have reduced the burden on households that face chronic hardship in paying their energy bills due to lower incomes, poor quality housing, and an inability to afford the most energy-efficient technologies in their homes. Unfortunately, the BC Utilities Commission has not allowed this policy to advance, as the *Utilities Commission Act* does not provide any mandate for the Commission on equity or climate justice.

Now, the conversation around basic access to electricity is more relevant than ever. Utility bills are on the rise, and BC Hydro rates are expected to increase significantly over the coming years. Our **research of other jurisdictions'** policies suggests that **BC could offset this impact by introducing an energy**

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bill assistance program at the provincial level. This program would protect access to essential energy services for heating, cooling, lighting, and cooking for the most vulnerable households in BC.

As a key deliverable in implementing a goal to eliminate energy poverty, the BC Government should introduce a permanent, ongoing monthly bill subsidy for qualifying households, considering factors such as household income, and energy demands that cannot easily be reduced. Such a program could be administered alongside, and delivered in conjunction with, existing forms of income assistance.

4. Ban disconnections and implement arrears forgiveness programs

Utility disconnection policies exacerbate energy poverty and are a human rights issue. Currently, winter disconnections are deferred by BC Hydro for most of the province, but are common during the summer months. In the Lower Mainland and on Vancouver Island, winter disconnections still take place if the weather is warmer than 0 degrees Celsius.

These policies ignore the realities of energy poverty, including the chronic inability to pay bills, and accounts in chronic arrears. Utility policies do not acknowledge basic energy services like heat and light as human rights. We call on the BC Government to **protect basic access to energy by banning disconnections** altogether – and for lower-income customers at a minimum.

We also recommend implementing arrears forgiveness programs similar to those implemented by utilities in **Colorado and Vermont**. These programs allow participants the opportunity to escape energy poverty by giving them a fresh start on their energy bills. We believe that arrearage forgiveness programs should be considered as an important component of an effective energy affordability framework.

Conclusion

We strongly encourage Government to build on existing momentum and adopt a vision. Our recommendations for the TogetherBC plan include setting a clear and ambitious target to eliminate energy poverty in BC within the next ten years. Paramount to achieving this goal will be the prioritization of cross-ministry policies, including enhancement of income-qualified retrofit programming, and the development of an ongoing bill assistance program for those that are not yet ready or able to complete home energy retrofits.

We look forward to collaborating with the BC Government across all relevant ministries, to make this ambitious, yet achievable vision a reality — advancing energy justice across British Columbia.

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