

## **Energy Assistance Program Partnership with SaskPower**

### **ISSUE**

SaskPower is launching their Energy Assistance Program in August 2020. The program aims to target low income customers to provide energy efficiency education and free installation of energy and water saving measures.

SaskPower has approached the City of Saskatoon (City) to partner on their program to ensure that it is offered to all Saskatoon customers in both SaskPower and Saskatoon Light and Power (SL&P) jurisdictions. Partnership and collaboration are beneficial in that it ensures that energy programs align, communications are increased, and the most co-benefits are achieved.

### **RECOMMENDATION**

That City Council direct the Administration to negotiate a partnership agreement with SaskPower to participate in its Energy Assistance Program.

### **BACKGROUND**

City Council, at its Regular Business Meeting held on August 26, 2019, considered the Low Emissions Community Plan (LEC) and resolved that the Administration report back on partnership opportunities with private, institutional, non-profit, and government to further the actions in the LEC Plan. At its October 21, 2019 meeting, the Governance and Priorities Committee received a report that included some results of engagement and opportunities for partnerships.

In late 2019, SaskPower launched the Energy Assistance Pilot Program to address challenges low-income customers face with energy poverty and barriers in investing in energy efficiency upgrades to their homes.

### **CURRENT STATUS**

The City and SaskPower have continued discussions regarding the LEC Plan and coordination for sustainable energy programs, specifically, SaskPower's Energy Assistance Program.

Following the completion of their Pilot, SaskPower will be launching a full-scale energy efficiency program targeting income qualified customers across Saskatchewan. SaskPower's program is set to launch in August of 2020, and will be offered until March 31, 2023. It is targeted at lower income residents (both renters and owners) that have not traditionally been able to access other energy efficiency programs offered by SaskPower.

The program will include three components:

- Home visits that include a full walkthrough and energy coaching conducted by qualified technicians, to identify and explain behaviour changes and potential savings to residents.
- A tailored report for each participating home outlining energy savings (note these are not a full EnerGuide audit).
- Installation of energy-saving improvements such as LED lighting, water-saving measures like faucet aerators and showerheads, power bars, and programmable thermostats.

In 2019, SL&P had 60,560 customers, of which 54,275 were residential accounts. On March 31, 2020, SaskPower had 60,600 customers within Saskatoon's city limits, of which 55,000 were residential accounts. While the pilot was offered to all Saskatoon residents, including SL&P's service area, the full program's availability is still being determined and will depend on the results of a partnership negotiation with the City. The program aims to annually target 1,000 households across Saskatchewan including approximately 125 within SL&P's jurisdiction.

Complementary to SaskPower's program, the City is developing an energy loan program where loans would be provided by the municipality to be used for energy efficiency retrofits and energy generation on residential properties. The first phase of the program will likely target single-family residential property owners, with future programming expected to include other sectors such as multi-unit residential, commercial, or industrial customers. Development of the City's loan program will involve coordination with SaskPower's program and seek opportunities for partnerships with other governmental agencies and third-parties. These opportunities will be brought forward as the program is developed, alongside program details and financials.

### **DISCUSSION/ANALYSIS**

Based on the proposed design of SaskPower's Energy Access Program, the Administration has identified numerous benefits in a partnership:

- Savings for Saskatoon's citizens. SaskPower estimates an expected annual saving across all customer utilities of \$230/year for the installed measures and anticipates additional savings from behavioural changes from program education.
- Equitable access to sustainable energy programs. There is a growing body of research showing disproportionate uptake from higher income households for sustainable energy programs. At the same time, lower income households are more likely to be experiencing energy poverty, which is defined as spending 6% or more of the household income on energy needs. SaskPower's energy assistance program specifically targets a lower income demographic to address typical barriers for these households, and helping to alleviate the energy burden.

Appendix 1 – Energy Poverty in Saskatoon, includes more about energy poverty and how it impacts Saskatoon households.

- **Water Conservation.** Reducing water consumption is one of the actions outlined in the LEC Plan. LEC Action #26 strives to reduce outside water use by 20% and reduce inside water use by 30% in 100% of new builds and retrofits for the residential and Institutional, Commercial and Industrial sectors. The Administration is developing a Water Conservation Strategy which estimates that residential indoor water-use education programs might reduce indoor residential water use by 400 million litres per year, 1% of total water use in Saskatoon, and just under 2.5% of indoor residential water use. This could result in reductions of 213 tonnes CO<sub>2</sub>e per year (or 2,396 over 20 years).

Education and awareness programs form the core of a linked set of conservation initiatives that can help inspire citizens to permanently change their water use behavior. The SaskPower program aligns with expected education programs outlined within the draft Water Conservation Strategy. While Saskatoon's energy loan program may include some water conservation measures, many of these are not appropriate to be included in a loan program unless bundled with other retrofits due to their low cost.

- **Energy Conservation.** The LEC Plan includes actions to encourage energy conservation and retrofits including education and incentive programs. LEC Action #10 references energy retrofits and Action #12 refers to energy efficient improvements to building lighting systems.
- **Working with Partners:** City Council directed Administration to look for partnerships to implement the LEC actions. Working with partners to implement conservation initiatives can improve program efficiency, uptake, and help reach a broader demographic.

### **FINANCIAL IMPLICATIONS**

SaskPower's Energy Assistance Program is expected to cost approximately \$800 per household. They have leveraged third party funding for 25% of the program costs. The \$800 covers all costs for the in-home delivery, education, and direct installation, including scheduling, labour costs and the costs of the measures. SaskPower would be covering other program-wide costs in-kind, including program administration, all costs related to processing applications, evaluation and marketing. Delivery of the program would be outsourced to a 3<sup>rd</sup> party vendor.

SaskPower has proposed that the City contribute toward 75% of the costs for any household within SL&P's service area (\$600), with the third party funding covering the remaining 25%. With the goal of reaching up to 125 households in SL&P's area per year for three years, the cost of Saskatoon's participation in SaskPower's Energy Assistance program is up to \$225,000 over 3 years.

**OTHER IMPLICATIONS**

A triple bottom line analysis will be completed as part of the development of the City's energy loan program. However, in the interim, the Administration believes that partnering with SaskPower on its proposed program will generate positive environmental and social implications. As the preceding sections of this report noted, the environmental implications of the partnership aims to generate increases in energy efficiency, a reduction in greenhouse gas emissions relative to today, and improved water conservation, among others.

Similarly, the program and the City's partnership in it, proposes to generate positive social implications in lower income households, and residents will have greater access to more affordable energy efficient programs. As the report notes, and as illustrated in Appendix 1, energy poverty is a growing concern for several low income households. This program and the City's partnership aims to improve this.

**NEXT STEPS**

If approval to negotiate with SaskPower is received, the Administration will report further for approval of the funding strategy to support the partnership.

**APPENDICES**

1. Energy Poverty in Saskatoon

Report Approval

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