

CHALLENGE STATEMENT #6

Tailored electricity programs and services to reduce energy poverty

What is the systemic barrier?

'One-size-fits-all' electricity cost reduction programs, rebates and services may create barriers that disadvantage many of Alberta's most vulnerable and marginalized people. While intended to streamline participation, a one-size fits all design may create burdensome processes, financial barriers, and accessibility issues. Taken together, this leads to inequities that hinder potential beneficiaries' ability to participate in programs, rebates or services designed for them. Such inequities include uneven disbursement of resources and program support/funding; increased proportion of system costs for customers who can not afford to install distributed energy resources; and an entrenched reliance on existing electricity sources for those who can not/do not access the programs.

For such programs and services to be effective, they need to take into account different customer needs, regional opportunities or barriers, and the resourcing and skill sets required to deliver and sustain them. This is difficult, time consuming, and costly to do. However, if one-size-fits-all programs, rebates and services continue to be the norm, only those privileged by bias inherent in the design will be able to access their benefits, to the further detriment of other groups. This can only serve to widen gaps between economic groups, create further inequity and increase the number of people living in energy poverty.

Why is this critical to achieving our vision?

At its heart, [Alberta's Electricity Future vision](#) is intended to make customers of all kinds visible and centred within the electricity system. One of its core principles is 'facilitating equity' through balancing the cost of achieving net-zero electricity between ratepayers and taxpayers, and ensuring an equitable distribution of benefits. When a household spends 6% or more of their income on home energy needs, they are considered to be living in energy poverty. Currently 1 in 5 Albertans meet that definition, and not all those experiencing energy poverty are considered 'low income'. For a prosperous society that believes in the dignity and worth of all people, this is unacceptable. Energy poverty also increases costs to other parts of a public system, including through bigger and more frequent draws on the

healthcare system. We must make the provision of affordable and accessible electricity to all people in Alberta a metric of success that the whole system is accountable to. While this is a complex undertaking, we can begin to address it by removing barriers that lock in a 'one-size-fits-all' approach to solutions, choices, and supports, enabling a more robust and resilient system.

What surface-level barriers are related to this systemic barrier?

Surface level barriers are often what actors see or experience as a result of a systemic barrier. Such barriers provide insights into areas that can be improved should the systemic barrier be resolved. The following are examples of surface level-barriers given a system characterized by one-size fit all programs, rebates and services:

- **High upfront costs and poorly communicated benefits for energy home improvements and rooftop solar installations make it difficult for people with limited income and time to participate**
- **Poor credit history and security deposit requirements can limit access to affordable services**
- **Limited funding for programs restricts public awareness of their availability, understanding of eligibility requirements or exclusions, and knowledge of how to stack applications to maximize their benefit.**
- **Program information and application processes are not accessible to all intended audiences (language supports beyond English/French are not always available, exclusively online applications require internet connection, etc.)**
- **Renters have limited agency to participate in programs if landlords are not willing to make improvements.**
- **Eligibility criteria for energy poverty support programs exclude certain people who require support: most eligibility requirements consider household income, but income is not the only indicator of energy poverty**
- **Rebate programs often don't consider income or energy poverty criteria in their determination of eligibility or consideration of benefit amounts**
- **Rate of Last Resort (default rate) is not the cheapest rate, and yet it applies primarily to the most vulnerable customers which exacerbates the challenge of energy poverty**
- **Program applicants lack trust in program delivery contractors or agencies, leading to low participation**
- **The government programs created to address energy poverty or track its prevalence are limited**