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The Case for a National Strategy on Low Income Energy and Water Efficiency

The vast majority of Canada's low-income families live in older houses, with inadequate insulation in attics, walls and basements. While these houses may offer cheaper-than-average rent or require lower down payments than more efficient homes, their upkeep is costlier.

Research by Green Communities Canada (GCC), a national organization which supports community based NGO's doing environmental work, documents the level of "energy poverty". In 2006, the average "energy burden" – the percentage of household income spent on utilities – of the highest income quintile was only 2%, compared to 7.3% for the lowest quintile. Furthermore, about one million households spend more than 10% of their income on energy costs. Alarming as this figure is, it is actually grossly understated because utilities are often included in rent. "In other words", says the CGC, "rising energy costs are often buried in rising rents, rather than showing up as increased energy burden."

In 2005, Bill C-66 was unanimously passed by all parties. It included funding to support a 5 year national low income energy efficiency program. Up to \$5,000 per low income household (and \$7,000/home for remote households) was to be allocated through EGLIGH - EnerGuide for Low Income Households.

Tragically, Harper's Conservative government cut EGLIGH entirely soon after they took office,

in what can only be described as a mean-spirited - if not ignorant, move. Cancellation of EGLIH deprives 130,000 low-income Canadian households of the benefits of significantly lower energy bills. Total net savings for low income families from EGLIH would have exceeded \$1 billion annually.

The federal government now offers efficiency grants through their ecoENERGY program, but the program is focused on people who own their homes and can afford the initial investment for improvements. Those who rent or have limited access to financing are left out.

Some provinces have been moving to fill the void left by the federal Conservatives. In Manitoba, Manitoba Hydro is now offering a province-wide program for lower-income families covering roughly the cost of materials required for retrofits. Hydro aims to retrofit 4600 homes in the next 4 years. Along with training support from the Government of Manitoba and incentives from Natural Resource Canada's ecoENERGY program, community-based programs in Manitoba are able to offer retrofits at no cost to eligible lower-income households.

The Brandon Neighbourhood Renewal Corporation (BNRC) and Winnipeg's BUILD (Building Urban Industries for Local Development) are now retrofitting over 500 single family dwellings and 2000 apartment units per year. All of this work is being done by enterprising workers, with



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little or no experience in the formal labour market, who are seeking a career in the trades.

BUILD is a growing agency with over 50 staff. It is partnered with and supported by Manitoba Competitiveness Training and Trade, and trains people with limited work experience to retrofit existing building with insulation and low-consumption water fixtures. Aside from delivering environmental benefits, the agency places people, who otherwise wouldn't be in the labour force, into the trades.

Many social assistance recipients need more than a job opportunity to move them into the formal work force. Twenty-seven year-old Chris Courchene is fairly typical member of the BUILD team. "My specialty," explains Chris, "was holding up 7-11's and Esso's. I always showed a gun. It wasn't loaded. I just wanted the money for booze and drugs."

Chris started with BUILD in the summer of 2008. Since then he has received valuable on-the-job training, access to free counseling, help obtaining missing identification, a free account at the Assiniboine Credit Union, driver's license tutoring, and has attended workshops on financial management and budgeting. Having a bank account allows him to pay off insurance penalties racked up in prior offenses. Through an external funder, BUILD is matching his savings dollar for dollar. Chris passed his entrance exam and is now completing Level One Carpentry. In just one year, Chris will have moved from having little hope for his future to earning \$16 an hour with an apprenticeship designation.

"I never would have been able to do it without BUILD," says Chris. "Too many things standing in my way. Now it's my turn to give back to my people. And I want to be a good example to my son."

As pressure mounts for more affordable housing units, government funding agencies must ensure that these new units are more energy efficient. A few provinces and states have "green

guiding policies" that require all projects receiving government funding to meet minimum efficiency standards. However, governments must also lower utility bills in the units they operate. In Manitoba the provincial government either owns or funds over 35,000 units where low income families live.

In Manitoba, the NDP government made important commitments in its recent throne speech. As a result, BUILD in Winnipeg and its sister agency in Brandon will complete over 3000 retrofits for Manitoba Housing in the next 12 months (apartment units and single family dwellings). These retrofits will cut utility bills by over \$250,000/year.

There remains though the approximately 60 % of low income families who live in privately-owned buildings. Governments could follow the lead of the state of Minnesota who is now requiring all landlords to meet minimum efficiency requirements by 2012. Other options include tying conditions to above-guideline rent increases (where rent controls exist) or dramatically increasing existing efficiency incentives for landlords with below-median rents, in exchange for a commitment to pass along utility bill reductions to lower-income tenants.

Programs such as BUILD have the potential to improve energy efficiency for low-income people, thereby reducing greenhouse gases while decreasing the disproportionately high energy burden facing low-income household. Furthermore, studies demonstrate that low-income energy efficiency has economic multipliers that are approximately twice that of investments in key manufacturing plants. It also provides many the means to escape chronic unemployment and live more productive, meaningful lives. The sooner the government of Canada supports such programs, the better.

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