

Fact Sheet

ENERGUIDE FOR LOW INCOME HOUSEHOLDS

10 May 2005

The government of Canada has reportedly cancelled the five-year \$500 million national low-income energy efficiency program, known as EnerGuide for Low-Income Households (EGLIH).

Energy retrofits can save a quarter to a third of energy bills - estimated at \$500 annually. Cancellation of EGLIH will deprive 130,000 low-income Canadian households of the benefits of significantly lower energy bills through reduced consumption.

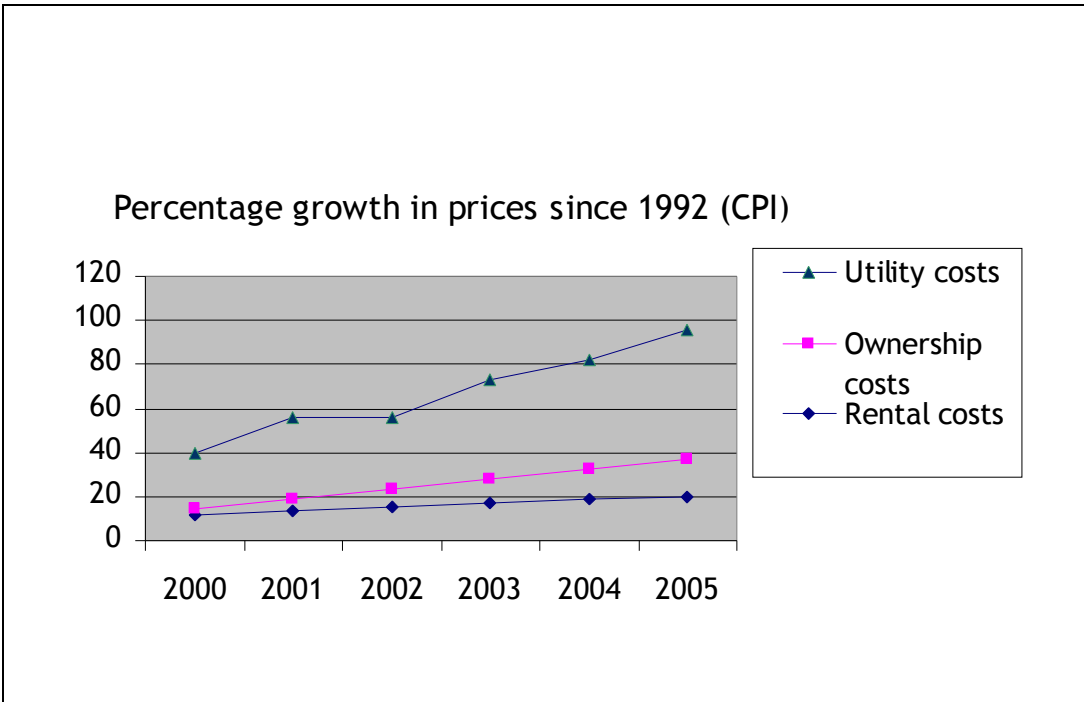
Total net savings from EGLIH would exceed \$1 Billion. In effect, the government has cancelled a program that would make Canadians \$1 Billion richer.

Last November, the Conservatives under Stephen Harper voted unanimously for Bill C-66, which approved five-year funding for EGLIH. Now, just as delivery is getting underway in Ontario, Alberta, British Columbia, PEI and the Yukon, EGLIH has been cancelled.

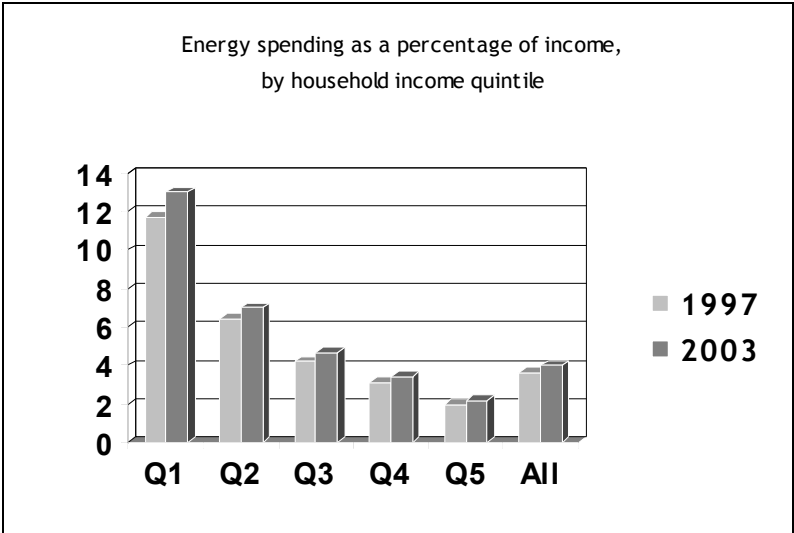
No alternative is in place to achieve bill savings in Canada's low-income housing, which is generally older and less efficient than average. Cancellation of EGLIH also means an end to other program co-benefits, including: job creation and business opportunities in completing home energy retrofits, environmental gains, including reduction in emissions of atmospheric pollutants. (Average CO₂ reduction per house: 3.4 tonnes/year.)

High energy burden for low-income households

Rising energy costs are a serious threat. Home energy prices increased almost 60 per cent from 1992 to 2005, with much of the increase occurring since 2000 (see chart below). Home energy prices are generally expected to continue rising. **All Canadians are impacted by the increases, but low-income households are hit hardest.**



While the average Canadian household spends 4 per cent of income on energy, **households in the lowest income quintile (poorest 20 per cent) spend 13 per cent** - a disproportionate, damaging, and growing energy burden. The graph below shows the energy burden for all Canadian households, 1997 and 2003, and the burden for each household income quintile.



High energy costs hurt low-income Canadians by reducing funds available for food, clothing, and other necessities. High energy costs reduce housing affordability, forcing costly moves and contributing to homelessness. (Agencies that work with low-income households report

that high energy costs are the second-leading cause of evictions, after rent; and a Toronto study found that two-thirds of low-income evictions result in homelessness.) Inability to pay energy bills is linked to extremes of hot and cold that are uncomfortable, unhealthy, and sometimes fatal.

High energy costs in low-income housing also hurt others, including social housing providers and private landlords that include utilities in rent; **energy utilities**, which face increased collection problems and bad debts; and **governments and social agencies** struggling to address the basic needs of seniors, single-parent families, the working poor, and other low-income households.

Energy efficiency - a positive response

Rising energy prices are unavoidable. But the good news is that energy bills can be moderated significantly by implementing **cost-effective efficiency measures**. Canada's long experience with EnerGuide for Houses demonstrates **the feasibility of saving almost a third in space heating costs** through measures such as air leakage control, insulation, and high efficiency heating systems. Besides the social benefits, a **low-income energy efficiency program captures environmental and energy conservation benefits** that would otherwise be lost due to the retrofit barriers in this sector.

Canada's EGLIH follows the lead of the **United States, United Kingdom**, and other countries that invest in proven cost-effective building retrofits to achieve long-term reductions in low-income household energy consumption and pollution. The U.S. programs have stood the test of time over **three decades**, supported by Republican and Democratic administrations, and combined with strong **state-level and utility partnerships** nation-wide.

Impacts of cancellation

Cancellation of EGLIH will be a serious blow to a great many organizations, agencies, and businesses that have invested their own resources in good faith to begin delivering the program. This includes provinces and utilities that have planned their own low-income energy efficiency programs piggy-backing on EGLIH.¹ An on-again-off-again commitment is no way for the federal government to do business with the people of Canada, and will lead to cynicism among the many partners that are needed to ensure success. The federal government must follow through on its commitments.

¹ for example, see Saskatchewan's EGLIH-based low-income programs, Newfoundland and Labrador's \$6.9 M EGLIH top-up, a \$4.8 M investment by New Brunswick in an EGLIH partnership, and developmental work under way in Nova Scotia.

A change of heart

In November 2005, Conservatives under Stephen Harper joined other parties in Parliament in unanimously supporting Bill C-66, legislation that included \$100 million a year over five years for a new program to improve the energy efficiency of Canada's low-income housing. Now, just as the program is getting under way, we hear that it is cancelled. This apparent change of heart is difficult to understand. EGLIH is exactly the sort of practical, positive, cost-effective energy efficiency program that was endorsed in the party's election platform. EGLIH is about measurable, verifiable results.

Broad support

A national low-income energy efficiency program is supported by a broad spectrum of interests, including the Federation of Canadian Municipalities and a number of individual municipalities (Calgary, Regina, Toronto, St. John's); Canadian Housing and Renewal Association and a number of housing providers and social organizations; Habitat for Humanity Canada; environmental organizations such as the David Suzuki Foundation; Green Communities Canada and its member organizations; the Low Income Energy Network; and the Canadian Energy Efficiency Alliance, an industry organization. (See next pages for a complete list).

About Green Communities Canada

Green Communities Canada is a national association of 40 community organizations that deliver practical, innovative environmental programs and services. Green Communities are leading delivery agents for EnerGuide for Houses, Canada's home energy advice and rating system.

See: www.greencommunitiescanada.org; and www.egh.gca.ca.

SUPPORTERS OF A NATIONAL LOW-INCOME ENERGY EFFICIENCY PROGRAM FOR CANADA

1. [Affordable Housing Association of Nova Scotia](#)
2. [Banff Housing Corporation \(AB\)](#)
3. [City of Calgary](#)
4. [Canadian Energy Efficiency Alliance](#)
5. [Canadian Environmental Law Association](#)
6. [Canadian Housing and Renewal Association](#)
7. [Canadian Mental Health Association, Manitoba Division](#)
8. [Centretown Citizens Ottawa Corporation](#)
9. [City Green \(Victoria\)](#)
10. [David Suzuki Foundation](#)
11. [EnviroCentre](#)
12. [Équiterre](#)
13. [Federation of Canadian Municipalities](#)
14. [Green Communities Canada](#)
15. [Green\\$aver \(Toronto\)](#)
16. [Habitat for Humanity Canada](#)
17. [Housing Alternatives, Inc. \(NB\)](#)
18. Housing Policy Working Group (NL), a collective of 20 NL organizations including St. John's Status of Women Council, Women and Resource Development Committee and Cara Transition House
19. [Interlake Regional Health Authority \(Stonewall, MB\)](#)
20. [Lanark County \(ON\)](#)
21. [Low Income Energy Network](#)
22. Mills Community Support Corporation (Almonte, ON)
23. [Miramichi River Environmental Assessment Committee](#)
24. [New Brunswick Lung Association](#)
25. New Roots Housing Co-operative Ltd. (SK)
26. [North Lanark County Community Health Centre](#)
27. [Ontario New Democratic Caucus](#)
28. [Ontario Non-Profit Housing Association](#)
29. [Peterborough Green-Up \(ON\)](#)
30. [Raising The Roof](#)
31. [Residential Energy Efficiency Program \(REEP\) Waterloo, \(ON\)](#)
32. [City of Regina \(SK\)](#)
33. [Rideau Environmental Action League \(ON\)](#)

34. [City of St. John's \(NL\)](#)
35. [St. John's Status of Women Centre - Housing Policy Working Group \(NL\)](#)
36. [City of Selkirk, MB](#)
37. [Seniors Resource Centre of Newfoundland & Labrador](#)
38. [Settler's Private Non-Profit Housing, Inc \(Smith's Falls, ON\)](#)
39. [Share the Warmth](#)
40. [The Sierra Club of Canada - Atlantic Canada Chapter](#)
41. [Town of Smiths Falls \(ON\)](#)
42. [South Riverdale Community Health Centre \(Toronto, ON\)](#)
43. [Sustainable Bathurst](#)
44. [City of Toronto](#)
45. [Toronto Disaster Relief Committee](#)
46. [Toronto Environmental Alliance](#)
47. [Windfall Ecology Centre \(York Region, ON\)](#)