Citizens' Roadmap to Affordable Energy In New Brunswick

Are you feeling the strain to keep the heat on? There's a decent chance you are—more than one third of New Brunswickers live in energy poverty, meaning they have to spend an unsustainable proportion of their monthly income on energy costs.

Reports from organizations such as the David Suzuki
Foundation and CUSP suggest that Atlantic Canadians have higher household energy costs than other Canadian provinces, a combination of lower median incomes and higher overall spending on energy needs. You can learn more about why New Brunswick has such high energy poverty rates here.

on New Brunswickers in energy poverty, forcing challenging tradeoff decisions between food, energy, transportation and housing needs to make ends meet. A recent study also shows links between high energy cost burdens and poor general and mental health.

It's time to change the way we power our lives.

The Conservation Council's *Citizens'*Assembly on Energy Affordability, held late
February 2023, invited New Brunswickers to speak
about their lived experiences with high energy-cost
burdens and develop policy- and program-based
solutions.

The Conservation Council convened nine New Brunswickers for a *Citizens' Assembly on Energy Poverty and Affordability* in winter 2023. Participants laid out the challenges people are facing amid surging cost of living and energy expenses, and offered solutions for building a fair, affordable and sustainable electricity system in New Brunswick.

Some citizens' assembly participants told us they experience seasonal energy poverty challenges.

Heating their home in winter is costly, particularly for those who primarily heat with oil, forcing some participants to make tradeoff decisions between heating and other needs such as car repairs, medications, and a healthy, full diet.

Others struggle year-round to meet their energy needs.
Living in old homes that are not very efficient makes it challenging to keep the living space warm in the winter and cool in the summer. They try making behavioural changes to save energy at home—things like using LED bulbs, unplugging appliances and electronics that aren't in use, minimizing the use of screens and even cooking appliances like the stove or oven, and hand washing and drying dishes instead of using a dishwasher—but

even this doesn't always allow households to save enough.

Meanwhile, participants who are not yet experiencing inhibiting energy costs said they are afraid that they soon may need to begin cutting back on other spending in order to afford their energy needs as costs rise.

While citizens' assembly participants support a transition away from fossil fuels for electricity generation and home heating in principle, they said they personally would experience prohibitive upfront costs making it very difficult to change their home

heating system from a fossil fuel or wood source to an electric heat pump, for example. Recognizing that electricity bills are likely to increase as society shifts away from fossil fuel dependency is concerning for participants who already struggle to make ends meet.

In their own words

Citizens' Assembly participants told us:

I try to minimize energy consumption in my home, because if I become careless with it, it will take the whole of my salary.

This month a good chunk of my income will be going to my electricity bill. We eat differently when it is really cold in the winter. We eat more pasta, potatoes and rice, because the power bill is so high.

Given everything that is going on with the economy, my partner and I are strapped, even while making a living wage. We are responsible, not big spenders, we budget and cook food that is budget friendly and we make it work economically. But if we are worried about this, then this (energy poverty) is a problem.

Citizens' Solutions to **Energy Affordability**

Participants were excited about the opportunity

New Brunswick has to address energy inequalities, including high cost burdens for low- to moderateincome New Brunswickers, as the electricity grid transitions away from fossil fuel generation. The citizens developed a **Statement** on Electricity Affordability that highlights the solutions they want to see implemented in New Brunswick to ensure an equitable transition to a zero-carbon electricity grid. Citizens concluded that...

New Brunswickers are looking for government and utilities that are:

- Trustworthy;
- Accountable;
- Transparent; and,
- Keeping the best interests of New Brunswickers in mind.

Public engagement should be a key priority for government and utilities throughout the transition. New Brunswickers need to have a say in determining the future of the province's electricity system. The provincial government and utilities should also strive to increase energy literacy among New Brunswickers by increasing access to information and providing educational resources.

New Brunswickers ask for policies that:

- Protect the publicly-owned system;
- Strengthen public oversight institutions such as the Energy and Utilities Board;
- Eliminate political interference in decision making;
- Maximizes efficiency from generation to consumption; and,

Citizens' Assembly on Electricity Affordability WE BELIEVE the following principles should guide government decision-mabout the province's electricity system and the operation of NB Power Demonstrates NB Power is frugal and controls its own costs before asking for a raise through re-■ Shows NB Power is trustworthy because it is honest and transparent; Displays accountability by reporting on key performance indicators, issues report cards; Creates fair balanced and equitable outcomes for all ratepayers (e.g., industry pays its fair share. ■ Ensures electricity is accessible to all that need it; ■ Operates with citizens' best interests at heart Commits to progressive policy changes and not staying with the status quo; and Consider the social effects its policies have on New Brunswickers. WE BELIEVE the following goals should guide government decision-making about the province's electricity system and the operation of NB Power: Affordable for all ratepayers (e.g., low- to moderate-income households); Low-carbon and sustainable from an environmental, social and economic point of view; Includes potential for cooperative models (citizen-owned and community-owned projects); and Includes decentralized options (e.g., mix of distributed energy sources).

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Ensure affordable access to electricity for all.

The Electricity Act should be reformed to be more strict about government interference in the decision-making processes around electricity generation and distribution in the province. Decisions should be evidencebased, with consideration of social and environmental implications. The province should consider strengthening efficiency requirements in building codes to ensure new constructions meet the highest standards of efficiency. Equitable rate design should

be explored within the province, with consideration for time-of-day use rates and tiered rates that ensure lowto moderate-income earners are not carrying high cost burdens. Any updated rate design system should minimize fixed monthly fees, and employ strategic and flexible rates that incentivise New Brunswickers to reduce consumption while saving money.

Ensuring that electricity is affordable for all should involve a combination of policies and programs that improve household efficiency, and lower costs. Programs to support New Brunswickers through the transition to a zero carbon electricity grid should include:

- Expanding existing programs such as the Enhanced Energy Savings Program;
- Expanded incentives and rebates for electric vehicles and solar panels;
- Building efficiency labeling; and,
- Creative options for funding community electricity generation projects.

Citizens' Solutions to Energy Affordability

New Brunswickers want programs to help them transition:

Citizens concluded that, with many New Brunswickers living in rural areas, in singledetached and old homes, and in homes in disrepair, there is significant need for programs that support efficiency upgrades and retrofits for low- to middle-income households.

The Enhanced Energy Savings Program supports eligible homeowners with these efficiency improvements, but there are many households in need of these upgrades that aren't eligible, or whose homes won't be serviced due to a lack of program capacity. Expanding the program's eligibility criteria, increasing funding to support more contractors, and increasing the program's reach will help more New Brunswickers reduce

their energy consumption and costs

sooner. Similarly, government should expand programs that help New Brunswickers overcome the prohibitive upfront costs of purchasing an electric vehicle or solar panels for their home.

New Brunswick should explore building efficiency label systems, as used in the United Kingdom to ensure minimum efficiency standards are met, and identify a program that would be effective for our province. This program can help support renters, in particular, as buildings must meet an efficiency threshold to be eligible for renting. Similarly, the province

should explore creative options to fund the electricity infrastructure transition, such as wind farm and solar farm bonds that would allow New Brunswickers to buy into the transition.

Our Citizens' Assembly made it clear to us that New Brunswickers have a strong sense of community and a vision for the future of their province.

A revitalized, accessible, affordable, and socially- and environmentally-conscious electricity system is part of the future citizens want. The electricity transition provides New Brunswick with the opportunity to address inequities such as energy poverty.

Download the Statement:



Sign your name to the Citizens' Statement to call for an affordable, secure and sustainable electricity system in N.B.





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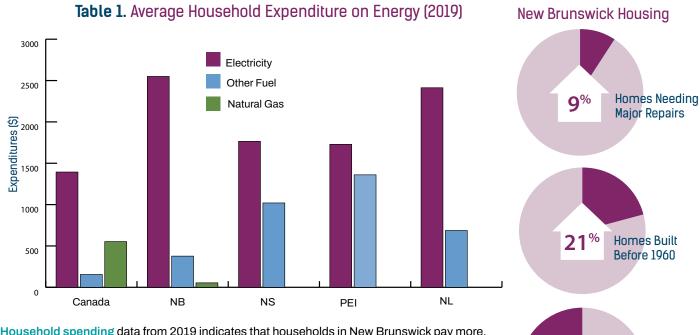
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Energy Poverty: By the numbers

Energy poverty is defined as households that spend more than six per cent of after-tax income on energy bills.

In 2022, the median after-tax income of Canadian households was \$66,800. In New Brunswick, the median after-tax income was \$56,900. Ontario and Alberta have median after-tax incomes of more than \$70,000. At the same time as Atlantic Canadians are earning less, energy expenditures in the region tend to be higher than the rest of the country, too. While annual spending on gasoline fuel for vehicles is comparable between provinces, relative to the rest of the country, Atlantic Canadians spend more on electricity and shelter fuels such as heating oil. This additional spending is related to primary heating sources and other housing characteristics.





Household spending data from 2019 indicates that households in New Brunswick pay more, on average, for electricity and fuel other than natural gas for their principal accommodations in comparison to the Canadian average. Table 1 depicts this data as the average household expenditure in dollars on energy for a principal residence. On average, a Canadian household will spend \$1,394 on electricity for the year. In the Atlantic Region, this expenditure is considerably higher, reaching more than \$2,400 in both New Brunswick and Newfoundland and Labrador. Nova Scotia and Prince Edward Island spend more on other fuels, which would include heating oil and wood.

49% New Brunswickers
Living in Rural Areas

Reports suggest that those living in single-detached homes, particularly older houses and those that are in need of repairs, are more likely to experience high energy costs. In New Brunswick, **9.3 per cent of homes** are in need of <u>major repairs</u>, in comparison to the **Canadian average of 7.4 per cent**. Canadian Housing Statistics <u>Data</u> reveals that **21 per cent of homes** in New Brunswick were built **before 1960**. This data can be visualized using <u>CUSP's Energy Poverty and Equity Explorer</u> visualization tool. About 18 per cent of Canadians live in <u>rural areas</u>, but **49 per cent of New Brunswickers live in rural areas**. Housing characteristics, such as type, age, and state of repair are related to rural or urban location. **Therefore**, those who live in rural areas, in a single-detached home, built before 1960, and in need of major repairs are at a very high risk of experiencing energy poverty.