

# Memorandum

**To:** Stakeholder Advisory Committee

**From:** Tam Wagner, Director, Energy Efficiency

**Date:** March 9, 2022

**Re:** IESO Business Update – Energy Efficiency

The following provides an update to members of the Stakeholder Advisory Committee on energy-efficiency related items.

## 1. 2021 – 2024 Conservation and Demand Management (CDM) Framework

### New programs to launch:

The Small Business Program will be launching in March featuring a selection of non-lighting measures in addition to the lighting upgrades that were available in the previous framework. This program was originally planned to launch in November 2021 as communicated in the previous update to the Stakeholder Advisory Committee, but was delayed as new service providers were procured.

In addition, the IESO has been engaging industrial customers and other interested stakeholders on a call for proposals for significant energy efficiency projects from large industrial customers, with a proposed budget of \$80 million over two rounds and a target of 37 MW and 330 GWh. The IESO sought input during the October 2021 and February 2022 Stakeholder Engagement meetings on the proposed customer and project eligibility, the participation process and the project evaluation framework. Applications will be accepted beginning in April.

### CDM Mid-Term Review:

The 2021-2024 CDM Framework Ministerial Directive requires that the IESO submit a Mid-Term Review report to the Minister by December 31, 2022. The Directive sets out topics to be covered in the report, which include reviews of system needs, customer needs, competitive mechanisms and program performance to date. The IESO will be engaging with stakeholders to inform the recommendations both through the formal stakeholder engagement process and through outreach to customers and delivery partners. The Mid-Term Review work is being coordinated with other IESO initiatives including the Pathways to Decarbonization project, the Annual Acquisition Report, Annual Planning Outlook, and the Regional Planning Process.

**Results:**

IESO achieved 70% of the 542.9 GWh energy savings 2021 target and 64% of the 88.7 MW demand savings 2021 target based on paid and committed projects as of December 31, 2021. The portfolio did not achieve annual targets due to a slower than expected ramp up of program activity due to the continued impacts of the pandemic. Despite being below target for 2021, the IESO still expects to achieve the 2021 – 2024 targets in aggregate as the economy recovers and new programs launch.

**2. 2019 – 2020 Interim Framework**

With support from the government, the IESO has extended the original December 31, 2021 timeline for the completion of Interim Framework Retrofit projects to July 31, 2022. This extension is intended to offset the disruptions that continue to be caused by COVID-19 and provide stability for participants and those businesses involved in delivering conservation and demand management programs. IESO expects to achieve 111% of the 1,429 GWh energy savings target and 98% of the 189 MW demand savings target based on paid and committed projects as of December 31, 2021.

**3. Conservation First Framework**

The IESO received a Ministerial Directive dated December 9, 2021, to enable local distribution companies to further extend timelines for the completion of projects under certain eligible programs under the Conservation First Framework (CFF) to August 31, 2022. If certain conditions are met, these completion deadlines could be extended further to December 31, 2022. These extensions are intended to offset the ongoing disruptions to project timelines caused by COVID-19 and to provide stability for program participants and those businesses involved in the delivery of conservation and demand management programs under the CFF. This is expected to be the last extension of project completion deadlines under the CFF; no further extensions are anticipated to be provided.