2019 Achievable Potential Study Project Charter

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1. Introduction

This Project Charter is intended to outline and provide a shared understanding of the purpose, scope and governance of the 2019 Achievable Potential Study (APS). Additional details and updates on the APS can be found on the APS engagement webpage.

The Achievable Potential Study is a requirement of two Directions from the Minister of energy:

1. March 31, 2014 Direction that, the former Ontario Power Authority (OPA), now the Independent Electricity System Operator (IESO) "shall conduct an achievable potential study for electricity efficiency in Ontario every three-years, with the first study completed by June 1 2016, to inform electricity efficiency planning and programs. The achievable potential study should, where appropriate, be coordinated with the natural gas efficiency achievable potential study referred to in the CDM Directive to the Board."; and

2. March 26, 2014 Direction to the Ontario Energy Board (OEB) that "an achievable potential study for natural gas efficiency in Ontario should be conducted every three-years, with the first study completed by June 1 2016, to inform natural gas efficiency planning and programs. The achievable potential study should, as far as is appropriate and reasonable having regard to the respective characteristics of the natural gas and electricity sectors, be coordinated with the OPA with regard to the OPA's requirement to conduct an electricity efficiency achievable potential study every three-years."

The IESO completed its latest APS in July 2016, which included a supplemental potential study of behind-the-meter combined heat and power generation. These studies were focused solely on identifying electricity savings potential. The OEB conducted a separate study to determine the natural gas achievable potential. Although the natural gas and electricity AP studies were conducted separately the IESO and OEB set up a coordination committee to share data and economic assumptions, and to coordinate between the two studies as much as possible as well as participating on each of the respective study's working groups.

Since these studies were completed, there has been a growing shift towards more whole home and business multi fuel measures and programs and increasing electrification opportunities. This has driven a greater need for further integration between the electricity and natural gas APS. As a result, the IESO and the OEB are planning to conduct an integrated study for the 2019 APS that considers natural gas and electricity energy efficiency and conservation measures including measures with both electricity and natural gas savings along with determining the resulting GHG impacts.

2. Study Objective

- The main objective of the 2019 APS is to identify and quantify energy savings (electricity, natural gas) and GHG emission reductions and associated costs from energy efficiency and conservation resources for the period of 2018-2038 disaggregated by:
  - IESO zones and natural gas utility regions; and
  - Sector and sub-sector to be defined in consultation with the Project Team.
- The APS will provide data and analysis to inform the development of future conservation policy and/or frameworks; program design, implementation and evaluations; long-term resource planning; and system operations.
- As the first integrated APS in Ontario, the study aims to capture the dynamic relationship between electricity and natural gas use in order to better support emerging whole home and business energy efficiency and conservation measures and programs and also understand the impacts of electrification policies.

3. Study Outputs

The main outputs of the 2019 APS will include:

- Amount of energy savings (electricity, natural gas) and GHG emission reductions that are technically, economically and market achievable between 2018 – 2038 broken out by:
  - Energy efficiency/conservation measure
  - Sector and subsector
  - Region
  - Achievable potential scenarios (TBD)
- Whole building benchmarking calculation of achievable potential leveraging actual energy consumption data from one commercial or institutional sub-sector
- Cost curves for electricity, natural gas and integrated electricity and natural gas savings
- Marginal carbon abatement cost curves
- Sensitivity analyses

4. Study Governance

The IESO will be responsible for the administrative aspects of the study. The IESO and the OEB will jointly form the Project Team. The Project Team will be responsible to oversee the substantive aspects of the study including the procurement (scope of work and evaluation criteria), project delivery and management and stakeholder engagement of the study.

An APS Advisory Group has been established to engage stakeholders in order to obtain their advice and provide updates throughout the study. There will also be opportunities for input from other stakeholders and communities through open (public) engagement meetings. In addition an expert panel has been established to advise and provide guidance to the Project Team and Advisory Group as needed. The Expert Panel is expected to provide input and advice based on their experience and technical expertise and not to advocate positions of parties they have represented before the OEB in regulatory proceedings.

The following table summarizes the roles and responsibilities of various project stakeholders:

Project Team	Provide day to day oversight and direction for the project	IESO, OEB
Advisory Group	Provide advice on development of the project as well as review of all project milestones	*Members*: Local Distribution Companies (LDCs), natural gas utilities, customers/customer associations, and other relevant stakeholders *Observers*: Ministry of Energy, MOECC, Green Ontario Fund, ECO, etc. *Project team*: IESO, OEB *See member list for individual names and organizations.*
Expert Panel	Provides technical guidance to the Project Team and the Advisory Group, and reviews project materials to ensure work conducted in accordance with industry best practices	Chris Neme, Energy Futures Group Christine Gustafson, Harbourgreene Consulting Danielle Sass Byrnett, National Association of Regulatory Utility Commissioners Dave Shipley, Posterity Group

5. Project Timing

Briefing/approval of 2019 APS plan • Ministry of Energy, OEB	November 2017 – January 2018
Confirm APS Advisory Group Membership	February 28, 2018
Form Expert Panel	March 2018
Solicit 2019 APS Scope of Work comments	March 2018
Post 2019 APS RFP	May 8, 2018
Procurement / Contracting	June/July 2018
Conduct Study	July 2018 – May 2019
Study completed	June 2019
Additional analyses as required	June 2019-July 2020