

# IESO/OEB Achievable Potential Study Advisory Group – Meeting Minutes #1

## Agenda

<b>Date:</b> Wednesday, March 21, 2018	<b>Time:</b> 9:30 a.m. to 12:00 p.m.
<b>Location:</b>	IESO Office (120 Adelaide St W., Meeting Room 1806)
<b>Meeting Chair:</b>	Nik Schruder (IESO)

### Meeting Objective(s):

- Welcome members and observers to the 2019 APS Advisory Group
- Provide members with pertinent background and supporting information
- Review and seek input on Draft Terms of Reference for the Advisory Group
- Provide an overview of the stakeholder engagement plan
- Review and seek input on Draft Scope of Work
- Establish an open and collaborative working atmosphere

### Attendees:

**Members:** Andy Armitage (Thunder Bay Hydro), Tracey Brooks (delegate – CLEAResult), Samantha Byers (Enbridge Gas), Drew Everett (Union Gas), Bala Gnanam (BOMA Toronto), Ian Jarvis (Enerlife), George Katsuras (Hydro One), Michael Lio (Buildability), Michael Marchant (Toronto Hydro), Kevin McCauley (delegate - Utilities Kingston), Shahid Naeem (Peel District School Board), Jeff Quint (Waterloo North Hydro), Linda Varangu (delegate - Green Health Care)

**Observers:** Freed Akhter (Ontario Ministry of Energy), Aaron Berg (Ontario Ministry of Environment and Climate Change on behalf of GreenON), Clarence Cheng (Ontario Ministry of Environment and Climate Change)

**Project Team:** Nik Schruder (IESO, Chair), Valerie Bennett (OEB), Pascale Duguay (OEB), Jason Grbavac (IESO), Jessei Kanagarajan (IESO), Katelyn Margerm (IESO), Bronwen Smith (IESO)

### Regrets:

**Members:** Ryan Shaw (CLEAResult), J.J Knott (Green Health Care), Sean Meleschuk (Utilities Kingston)

**Observers:** Kyra Bell-Pasht (Environmental Commissioner of Ontario)

Action Items Identified	To be completed
Advisory Group to provide comments on the posted Advisory Group <a href="#">Terms of Reference</a>	EOD March 28th
Advisory Group to provide comments on the proposed draft Scope of Work (slides 22-35)	EOD March 28th
Advisory Group to identify: <ul style="list-style-type: none"> <li>Any issues with holding reoccurring meetings on the third Thursday of the month starting in July</li> <li>Any issues with holding meetings at both IESO and OEB offices (space permitting)</li> <li>Any discussion topics of interest for a May meeting</li> </ul>	EOD March 28th

Key Themes Identified
<ul style="list-style-type: none"> <li><b>Measures vs. Whole Building / Building Sector Approach</b> – several Advisory Group members raised the option of utilizing a buildings approach versus a measure approach when identifying potential. The group discussed the feasibility of considering both approaches in order to both support measure based and building performance-based metrics. It was also noted that comprehensive building performance data would be needed to support a buildings approach.</li> <li><b>Data availability</b> – the group discussed the need to identify and prioritize needed and available data sets to ensure efficient data collection and inform modeling approaches for different sectors.</li> <li><b>Topics for future meetings</b> – the group discussed lessons learned from previous APS’, presentations from Expert Panel members on other jurisdictions, lessons learned from Ontario pilots as possible topics for future meetings.</li> </ul>

### **Agenda Item 1: Welcome and Introduction**

Speakers: Nik Schruder (IESO) and Pascale Duguay (OEB)

Nik and Pascale welcomed the group, reviewed the agenda and meeting objectives and facilitated introductions of the Advisory Group members and Observers.

### **Agenda Item 2: Background / Study Overview**

Speakers: Bronwen Smith (IESO) and Valerie Bennett (OEB)

Valerie outlined the study background and governance. Bronwen walked through the study objectives, outputs and expected timing.

*Questions/comments:*

*An Advisory Group member asked if the short term and long term study will be completed separately as was done for the 2016 IESO APS. The Project Team noted that for the 2019 APS, short and long term potential will be evaluated as part of the same study. A main project objective will be to develop a dynamic model with year-over-year analytical capacity that can be updated by the Project Team.*

*A member suggested that local distribution companies should be able to vet assumptions.*

### **Agenda Item 3: Draft Advisory Group Terms of Reference**

Speaker: Katelyn Margerm (IESO)

Katelyn walked through the contents of the draft Terms of Reference document, which has been posted on the 2019 APS engagement webpage. Katelyn invited the Advisory Group members to provide any input on the document to [engagement@ieso.ca](mailto:engagement@ieso.ca) by March 28<sup>th</sup>.

*Questions/comments:*

*An Advisory Group member asked about lessons learned from the previous APS. The Project Team noted that a lessons learned discussion could be an agenda item for a future Advisory Group meeting.*

*One member suggested that the Terms of Reference be modified so that review of assumptions and outputs would be a role of the Advisory Group. The Project Team noted that the consultant would be required to present deliverables to the Advisory Group before finalization and that any specific edits to the Terms of Reference could be submitted to [engagement@ieso.ca](mailto:engagement@ieso.ca).*

*Another member commented that the previous APS had a tight timeline, the measures were not comprehensive and focused on existing measures, and the APS underestimated the actual achievable potential. The member noted that a whole-building approach informed by data from previous pilots and programs including Greening Healthcare and the Tower Renewal Program should be taken. Two other members expressed agreement with the need to focus on whole buildings and building sectors/segments rather than specific measures alone.*

*The Project Team welcomed the group to submit this feedback on the Scope of Work document and discussed the possibility of taking different approaches for different sectors to align with available building retrofit/commissioning performance data.*

### **Agenda Item 4: Stakeholder Engagement Plan**

Speaker: Jason Grbavac (IESO)

Jason presented the engagement plan purpose, phases and progress to date. Jason noted that any comments and suggestions made as part of the Advisory Group meetings should also be included in formal submissions after the meetings to ensure transparency.

### **Agenda Item 5: Draft Scope of Work**

Speakers: Nik Schruder (IESO), Bronwen Smith (IESO) and Valerie Bennett (OEB)

Nik introduced the draft Scope of Work. Bronwen and Valerie walked through the major tasks and expected deliverables.

*Questions/comments:*

*Nik commented that the Scope of Work will be heavily influenced by available data. An inventory of available data will be helpful to inform the project plan.*

*An Advisory Group member requested clarification on the project's objectives. The Project Team noted that several objectives are identified in the meeting presentation but welcomed the group to identify any additional objectives they thought would be helpful to include or clarify.*

*RE: Task 2/3: Base Case Calibration and Reference Forecast Development – A member noted that the 10 IESO zones and four gas utility zones represent very large land areas and contain significant variance in terms of customer demographics. Another member noted that segmentation within the zones can capture this variability. The Project Team commented that given the expanded scope of this combined gas and electricity study and the tight timelines, the Project Team proposes to do the analysis at the IESO and gas utility zone level with a focus on ensuring that data can be further disaggregated to the LDC level or other geographic boundary system to support future policy or program development as needed.*

*Another member commented that potential from large final emitters should be considered separately from other industrial customers.*

*RE: Task 4: Energy Efficiency and Conservation Measures – A member suggested that data needed for the project should be identified by the Advisory Group and reviewed and prioritized according to identify sensitivity/influence over outcomes by the consultant once on board. This will help utilities and other data contributors to prioritize their data collecting efforts.*

*The group again discussed the benefits of whole-building or building sector/segment approach over a measures-based approach. The availability and completeness of performance data across all sectors was again highlighted as potential challenge. A member commented that some sectors have more data than others, for example, school boards and residential sectors have a lot of data. It was noted that Toronto*

*Hydro's 2011 Local APS included whole building benchmarking, which was compared to technology measures. A member offered to present on lessons learned from the sustainable schools project. Broader Public Sector energy and water reporting and BOMA's Race to Reduce data were also noted as potential data sources. Another member mentioned that for gas potential, operational characteristics and thermal profile are more important than the measures and technologies. Another member highlighted the importance of considering behavioural drivers of conservation in this study.*

*A member asked if peak electricity and gas reduction potential will be considered as part of the study since that information is needed to inform infrastructure planning. The Project Team noted that they propose to consider peak reduction potential for electricity but not for gas. On the 2016 APS, the OEB and their consultant considered addressing peak gas reduction but ultimately decided against it due to time, resource, and data limitations.*

*A member asked if behind-the-meter generation would be included in the 2019 APS. The Project Team noted that the plan is to limit the scope to energy efficiency and conservation measures. A member asked if storage would be included in the 2019 APS. The Project Team stated they would discuss this further when measures are being selected for inclusion in the study.*

*RE: Task 7: Achievable Potential – A member asked if the 2017 LTEP avoided cost will be used and the Project Team confirmed this is the plan.*

*A member commented that if a buildings approach is taken then the separation of technical, economic and achievable potential may become less relevant.*

*A member asked how the GreenON programs released over the year are included. The Project Team noted that engagement and coordination with GreenON will be important.*

*RE: Task 8: Marginal Abatement Cost Curve – A member commented that Climate Change Action Plan spending should be considered in the MACC.*

*An observer commented that MACCs traditionally do not include carbon costs, however the previous OEB MACC include carbon costs in its calculation of benefits. The Project Team indicated that the calculation of benefits for this MACC would be discussed further.*

*An observer asked about the timeframe of measure savings since many measures last beyond the longer carbon price forecast available from the OEB (10 years). The Project Team confirmed after the meeting that the last MACC considered a measure's lifetime carbon savings, and that a longer savings period could be considered for the 2019 APS.*

*An advisory group member asked how the MACC curve will be used. The Project Team confirmed that they are intended to be used by the gas utilities to plan their Cap and Trade Compliance Plan spending, and also by the OEB as part of their cost-effectiveness assessment of those Plans.*

*A member noted that we need to avoid any double-counting of savings.*

*RE: Task 11: Project Management – A member commented that performance criteria should be included in the RFP to ensure timely product delivery, model runs, etc.*

*Another member noted that data gathering and normalization should be called out in the Scope of Work.*

**Agenda Item 6: Closing Remarks**

Speaker: Jason Grbavac (IESO)

Jason reminded Advisory Group members to provide written comments on the discussion and draft documents to IESO by March 28, 2018. Members are asked to identify any issues with holding meetings on the third Thursday of every month starting in July and/or with holding meeting at both IESO and OEB offices, space permitting. Members were also asked to identify topics for discussion at a May meeting.