

IESO/OEB Achievable Potential Study Advisory Group – Meeting Minutes #2

Agenda

Date: Thursday, May 31, 2018	Time: 1:30 p.m. to 4:00 p.m.
Location:	IESO Office (120 Adelaide St W., Board Room)
Meeting Chair:	Nik Schruder (IESO)

Meeting Objective(s):

1. Reconnect with members and observers to the 2019 APS Advisory Group
2. Finalize Advisory Group establishing documents
3. Close the loop on stakeholder comments on the project Scope of Work
4. Build a common understanding of key issues and lessons learned from APS work in Ontario and other jurisdictions

Attendees:

Members: Andy Armitage (Thunder Bay Hydro), Drew Everett (Union Gas), Ian Jarvis (Enerlife), Daniel Johnson (Enbridge Gas), J.J. Knott (Healthcare Energy Leaders Ontario), Michael Lio (Buildability), Michael Marchant (Toronto Hydro), Sean Meleschuk (Utilities Kingston), Shahid Naeem (Peel District School Board), Jeff Quint (Waterloo North Hydro), Ryan Shaw (ClearRESULT)

Observers: Freed Akhter (Ontario Ministry of Energy), Kyra Bell-Pasht, (Environmental Commissioners Office), Samantha Byers (Enbridge Gas), Clarence Chung (Ontario Ministry of Environment and Climate Change), Haris Ginis (Union Gas), Mehdi Hosseini (GreenON)

Project Team: Nik Schruder (IESO, Chair), Valerie Bennett (OEB), Pascale Duguay (OEB), Katelyn Margerm (IESO), Bronwen Smith (IESO), Trevor Ersdaile (IESO)

Regrets:

Members: Bala Gnanam (BOMA Toronto), George Katsuras (Hydro One)

Action Items Identified	Status/Timing
Project Team to post final Project Charter, Engagement Plan and Advisory Group Terms of Reference.	Posted on the project webpage
Project Team to review MOECC's edits to the meeting #1 minutes and finalize.	Posted on the project webpage here
Project Team to circulate Doodle poll for next Advisory Group meetings.	Sent out June 29 th
Project Team to reach out to B.C. Hydro to confirm their approach to quantifying potential from recommissioning in commercial sub-sectors.	Project Team will report back at next Advisory Group meeting

Key Themes Identified
<ul style="list-style-type: none"> • Insightful comments on the 2019 APS scope work were received from the Advisory Group and the public earlier this year which were used to finalize the scope of work in the RFP. • The scope of work outlines the tasks that will be included in the study. The methodology for how each of these tasks will be completed will be proposed by proponents in their proposal submissions. The Project Team intends to have the preferred proponent present their recommended methodology as part of their project plan at the next Advisory Group meeting for review and comment by the group. • There is a general structure for the APSs, both previously in Ontario and in other jurisdictions (i.e., including baseline, reference forecast, technical, economic and achievable potential savings). However, there are variations and evolving innovative approaches for conducting specific tasks within the APS that the Project Team and Advisory Group should continue to focus on (see agenda items 4 and 5).

Agenda Item 1: Welcome and Introduction

Speakers: Nik Schruder (IESO)

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

Acknowledging the unique role that natural gas utilities play in providing data to the APS project and the multiple areas of their business this project affects, the Project Team has agreed to allow each natural gas utility to add one additional observer to the APS Advisory Group. As a result, Daniel Johnson has replaced Samantha Byers as the Enbridge APS Advisory Group member and Samantha will become an observer. Haris Ginis will be the observer from Union Gas.

Mehdi Hosseini will also replace Aaron Berg as the GreenON observer.

Agenda Item 2: Review and confirmation

Speakers: Nik Schruder (IESO)

The Project Team has circulated a revised APS Project Charter, Engagement Plan and Advisory Group Terms of Reference, updated to align with language and dates included in the APS RFP. Hearing no concerns, the revised documents were confirmed as final and the Project Team will post them to the engagement webpage. MOECC submitted edits to the meeting #1 minutes, which the Project Team will review.

Questions/comments:

One member asked what interaction is to be expected between the Advisory Group and the Expert Panel. The Project Team responded that the Expert Panel is meant to provide advice directly to the Project Team, which they can compile and present to the Advisory Group as needed. The Project Team may invite members of the Expert Panel to Advisory Group meetings where appropriate (e.g., today's presentation).

Agenda Item 3: Review of APS Scope of Work Feedback and Responses

Speaker: Katelyn Margerm (IESO)

Katelyn reviewed stakeholder feedback and Project Team responses on the scope of work presented at the March 21, 2018 Advisory Group meeting and March 28, 2018 public webinar. Feedback has been incorporated in the 2019 APS RFP, which was posted [on Merx](#) on May 8, 2018, closing June 8, 2018. A summary of all feedback and responses is posted on the project engagement webpage [here](#).

The Project Team's focus in reviewing feedback was to make changes where necessary that could potentially affect proposal development and proponent budgeting. Comments pertaining to methodological details and project implementation have been documented for further discussion with the successful proponent once selected.

Questions/comments:

A member noted the importance of considering proponents' proposed methodologies during proposal evaluations and raised the potential for a methodology sub-committee of the Advisory Group similar to the last electricity APS. The Project Team responded that methodology is a significant consideration in the proposal evaluations and that the intent is for the successful proponent to present a draft project plan detailing their proposed methodology for each task to the full Advisory Group at the next meeting. Sub-committees can also be considered down the road to discuss specific methodological issues as needed. The member noted that the Project Team and the successful proponent should plan ahead for any additional

required services (i.e., data disaggregation and analyses) to ensure information is available to support future framework and policy development.

Another member asked whether a dynamic model if purchased would be shared with the Advisory Group. The Project Team responded that the RFP discusses transferring the model to the Project Team but that the successful proponent would be asked to provide a walkthrough of the model to the Advisory Group. Possibilities for transferring and training on the model with individuals outside of the Project Team can be discussed with successful proponent if this option is pursued.

Agenda Item 4: Lessons Learned from previous Ontario APS'

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

Bronwen and Valerie gave overviews of lessons learned from the 2016 electricity and natural gas APSs respectively, highlighting successes and opportunities for improvement on future studies.

Questions/comments:

A member asked about the cost effectiveness test used for the previous APS studies. The Project Team responded that the Total Resource Cost (TRC) test was used including a 15% adder for non-energy benefits.

A member asked whether greenhouse gas emissions reductions were calculated for all measures on the natural gas study and the OEB responded that they were.

A member asked whether 11 months is sufficient time to deliver the 2019 APS given the previous study had a smaller scope of work and the 9 month timeline was difficult to meet. The Project Team responded that they will consider proponents' staffing and team organization during evaluations to ensure sufficient resources are allocated to complete the study within the timeframe established.

A member asked whether in-front-of-the-meter and/or upstream conservation measures will be included in the study. The Project Team responded that the measures feeding into potential calculations will include customer facing (i.e., behind-the-meter energy efficiency and conservation) measures only. The Marginal Abatement Cost Curve (MACC) will cover customer- as well as facility-related measures and renewable natural gas. Facility-related measures are conservation measures that apply to a utility's own buildings and equipment.

A member noted that the project plan should include sufficient detail on when data will be required from the utilities to allow them to plan ahead, especially since the timelines will potentially be tight.

Another member identified several lessons learned from the OEB's last natural gas potential study including that:

- 1) *The team needed more time than allocated in the original schedule to reconcile calculated conservation potential with empirical data.*
Project team response: Inclusion of Whole Building task should allow more time for comparison/reconciliation of study results and empirical data this time.
- 2) *The technical resource manual (TRM) provides generalized savings assumptions on prescriptive measures which do not contribute significant savings potential; most savings potential comes from custom measures but it is more difficult to establish savings assumptions since savings vary greatly by customer / building type / process type / etc. (e.g., operations and maintenance, boilers, recommissioning), therefore developing appropriate savings assumptions for custom measures should be prioritized in discussions.*
Project team response: Development of custom measure assumptions will be a high priority item in the current study.
- 3) *TRM savings data should be validated with consumption data.*
Project team response: Validation of TRM savings data is not included within the current study scope, but the project team has passed this feedback onto the OEB's evaluation team who maintains the TRM.
- 4) *The study did not undertake the Hourly Peak Demand Analysis contemplated in the RFP.*
Project team response: As discussed, this task was lower priority and removed from the last study primarily due to lack of time. It will not be included in the current study however may be considered for future studies.

Agenda Item 5: Experience from other jurisdictions

Speakers: Christine Gustafson (Habourgreene Consulting, expert panel member)

Christine provided an overview of typical APS objectives, tasks and outcomes. She then discussed some approaches to dealing with key APS issues based on her experience in other jurisdictions and input from the expert panel members. In particular, she discussed the differences between top-down and bottom-up approaches to base case calibration, challenges of quantifying potential from industrial facilities, methodologies for forecasting potential from emerging technologies, and different approaches to forecasting market adoption.

Questions/comments:

A member asked how other jurisdictions such as British Columbia (B.C.) capture potential for commissioning in commercial sub-sectors. Christine noted that B.C.'s latest report is still being finalized. The Project Team committed to following up with their B.C. Hydro contact on this.

A member asked whether existing and/or future behavioural, education and/or capacity building measures will be included in the APS. The Project Team noted that behavioural measures are to be included in the APS and the Project Team / Advisory Group can discuss with the consultant once on board how emerging behavioural measures can be captured.

A member asked how non-energy impacts have been captured in other jurisdictions' work. Christine responded that a 10-15% adder is common. The Project Team noted that the IESO is undertaking a study on non-energy impacts, the results of which will be incorporated into the APS.

A member asked how the APS will consider the potential for future high electrification scenarios. The Project Team noted that two alternate reference case forecasts will be developed, which can potentially be used to evaluate a high electrification scenario.

Agenda Item 6: Next steps and action items

Speaker: Nik Schruder (IESO)

Nik thanked the Advisory Group for their time and noted that a conflict has come up on the third Thursday of the month, which was proposed for reoccurring Advisory Group meetings. Katelyn will send out a Doodle poll to confirm the date for the next meeting in July as well as an alternate day for monthly meetings going forward.