

IESO/OEB Achievable Potential Study Advisory Group – Meeting Minutes #3

Agenda

Date: Thursday, August 9, 2018	Time: 10:00 a.m. to 2:00 p.m.
Location:	IESO Office (120 Adelaide St W., 1805&1806)
Meeting Chair:	Nik Schruder (IESO)

Meeting Objective(s):

1. Introduce the successful proponent
2. Review 2019 APS draft project plan
3. Discuss expectations for Advisory Group engagement and input
4. Request Advisory Group feedback on draft project plan

Attendees:

Members: Ehsan Dibaji (ClearRESULT, delegate for Ryan Shaw), Drew Everett (Union Gas), Bala Gnanam (BOMA Toronto), Ian Jarvis (Enerlife), Daniel Johnson (Enbridge Gas), George Katsuras (Hydro One), J.J. Knott (Healthcare Energy Leaders Ontario), Michael Marchant (Toronto Hydro), Sean Meleschuk (Utilities Kingston), Shahid Naeem (Peel District School Board, teleconference)

Observers: Kyra Bell-Pasht (Environmental Commissioners Office), Samantha Byers (Enbridge Gas), Clarence Cheng (Ontario Ministry of Environment, Conservation and Parks), Haris Ginis (Union Gas), Mehdi Hosseini (GreenON), Patrick Tomlinson (Ontario Ministry of Energy, Northern Development and Mines)

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

Navigant: Ben Grunfield, Divya Iyer, Bala Krishnamoorthy, Peter Steele-Mosey, Stu Slote, Jonathan Strahl (teleconference)

Regrets:

Members: Andy Armitage (Thunder Bay Hydro), Pascale Duguay (OEB), Michael Lio (Buildability), Jeff Quint (Waterloo North Hydro)

Action Items Identified	Status/Timing
Project Team proposes to hold monthly Advisory Group meetings on the second Thursday of the month moving forward.	Calendar invites have been sent.
Project Team and Navigant to issue draft project plan to Advisory Group and Expert Panel	August 17, 2018
Project Team and Navigant to host public webinar to review Project Plan	August 20, 2018
Deadline for Advisory Group, Expert Panel and public comments	August 29, 2018
Project Team to circulate and post comment responses and revised project plan	September 13, 2018

Key Themes Identified
<ul style="list-style-type: none"> • Methodological Clarifications – the Advisory Group, Project Team and Navigant discussed a number of methodological details pertaining to the APS data inputs, assumptions and potential calculations. The details of these discussions are captured below. • Future Decision Points – some methodological decisions will need to be made as the project progresses with input from stakeholders. Navigant and the Project Team will work to develop a more detailed project schedule highlighting major decision points for the next Advisory Group meeting. • Stakeholder Engagement and Input – the Project Team reviewed expectations for stakeholder engagement set out in the engagement plan and reiterated that the Project Team would facilitate sharing of information and feedback between the Advisory Group and the Navigant team. • Request for Draft Project Plan Feedback – the Project Team indicated that it would circulate the full draft of the Project Plan on August 17th and would be seeking feedback from the Advisory Group and broader stakeholders by August 29th

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.

The Project Team noted that Eddie Young from BC Hydro wishes to listen in on Navigant's draft Project Plan presentation to inform BC's future potential study work. No concerns were raised. Patrick Tomlinson is replacing Freed Akhter from the Ministry of Energy.

Agenda Item 2: Review and confirmation

Speakers: Valerie Bennett (OEB)

Valerie reviewed the action items from the May 31st Advisory Group meeting and confirmed the meeting minutes as final. As a result of feedback from Advisory Group members, the Project Team has agreed to share Expert Panel feedback on APS project deliverables with the Advisory Group and to revise the Project Charter to clearly state the expectation of Expert Panel objectivity.

Questions/comments:

An Advisory Group member asked that the Project Charter be further revised to note that the Advisory Group's role is to review major assumptions as well as providing advice. The Project Team does not deem it necessary to update the Project Charter as it will consider input on significant project assumptions to be an important form of advice. The Project Team will continue to work with Navigant to clearly identify and prioritize inputs and methodological decisions to ensure feedback can be solicited in a way that balances stakeholder interests and is considerate of the timelines and budget available to complete this study.

Another member asked that the Project Charter be updated to include a schedule of Advisory Group meetings. As the Project Charter is not meant to be a project management tool and future meeting dates are placeholders at this time that could be subject to change, the Project Team will consider other tools and formats (e.g., Advisory Group meeting materials) to provide updates on future meeting dates and planned discussion topics.

Agenda Item 3: Review of APS RFP Evaluation and Results

Speakers: Katelyn Margerm (IESO)

Katelyn reviewed the APS RFP evaluation process including the proposal and interview evaluation processes that led to Navigant's selection as the successful proponent.

Questions/comments:

A member asked how the methodologies were evaluated. The Project Team responded that each member of the evaluation committee evaluated the proposed methodologies against the detailed scope of work and evaluation criteria set out in the RFP.

Agenda Item 4: Project Plan Overview

Speakers: Ben Grunfield, Peter Steele-Mosey, Divya Iyer, Bala Krishnamoorthy, Tyler Capp, Jonathan Strahl, Stu Slote (Navigant)

Navigant introduced their team, reviewed their past experience delivering APS in other jurisdictions and walked through an overview of the draft 2019 APS project plan.

Task 1: Project Plan

A member asked what the expectations were for collecting and receiving data from LDCs. The Project Team noted that data needs have been identified in the RFP scope of work available on the project webpage and that they would be working with Navigant in the coming days to prioritize data requests and identify any gaps in the available data.

A member asked for clarification of the study time horizon. The Project Team clarified that given the 2017 base year, the study will calculate potential for the 2018-2038 period for completeness, but since the work will be completed in 2019, the focus of results and reports will be on the 2019-2038 period.

A member asked whether any discrepancies between the 2016 and 2019 APS results for the 2015-2020 Conservation First Framework period will be analyzed and addressed, whether more detailed results from the 2019 APS will be made available for near-term years and whether the 2019 APS results will be used to inform future conservation frameworks. The Project Team responded that the extent to which the 2019 APS is used to inform future frameworks and policy (post 2020) will be largely determined by government. This study will not be used to revisit the current framework's targets or budget. Navigant also noted that the intent is to produce yearly APS outputs for the entirety of the study period but more detailed data can be produced for near-term years as required.

Task 2: Base Year Disaggregation

A member asked whether a detailed methodology document for base year disaggregation as well as a project schedule will be produced and shared with the Advisory Group. The Project Team noted that they are still working to review the data and refine the work plan and Navigant will present more details at the next meeting.

The Project Team noted that what were previously called 'sub-sectors' on past APSs (e.g., single family dwellings, schools, restaurants) will be called 'segments' for the purposes of this study. No concerns were raised.

Task 3: Reference Forecast

One member asked if Navigant will seek to align natural gas and electricity forecast assumptions with the new government's policies. The Project Team responded that the electricity demand forecasts will be updated by the end of this year to inform the next Ontario Planning Outlook and will consider the influence of different economic and policy drivers. Navigant has budgeted time to develop alternate forecasts by modifying the IESO and natural gas utility reference forecasts to reflect different input assumptions. The group then discussed possible challenges associated with the timeline for IESO's reference forecast updates and the Project Team committed to providing an update on the project schedule at the next meeting.

Task 4: Measure Characterisation

A member asked whether measure assumptions will be transparent. The Project Team responded details about the measure characterisation development, prioritization and review process will be provided at the next Advisory Group meeting. The Project Team will aim to prioritize discussions with the Advisory Group around high impact measures and scope the requests for input to align with the available time and budget for the project.

A member asked if the term 'baseline' is used interchangeable with 'base case'. Navigant replied that they use 'baseline' when referring to measures existing in-market and 'base case' when referring to the most likely future scenario.

A member asked how Navigant will consider the order in which measures are applied to an end-use when considering interactive effects. Navigant replied that in the past they have applied measures in order of cost-effectiveness however, this would require further discussion to determine the approach that will be used for this study.

A member asked how labour / installation costs would be calculated. Navigant answered that measure costs will be based on best available data including EM&V reports, the MAL/TRM, past potential studies and other cost databases.

A member asked how the potential of custom measures will be calculated. Navigant responded that most custom measures will apply to the industrial sector and their potential will be calculated as a percent of the applicable segment end-use consumption.

A member asked whether measures that are assumed to be replaced toward the end of their useful life are considered to be retrofits (i.e., early retirement measures) or replace-on-burnout measures. Navigant responded that they will make assumptions about average replacement timing for retrofit measures (e.g., two-thirds of the way through the measure's useful life) and replace-on-burnout measures are assumed to be replaced at the end of the useful life.

A member asked if assumptions will be based on historical building performance. Navigant responded that measure savings potential will be calculated using a mix of engineering assumptions and historical consumption data as is the industry standard.

Task 5: Technical Potential

A member asked how past program potential would be considered. Navigant responded that that persistence of historic program savings is built into the reference forecasts and also considered in the saturation of efficient technologies included in the measure characterization.

Task 6: Economic Potential

A member asked whether different avoided costs would be used for different seasons. The Project Team replied that avoided costs are broken out by summer and winter.

Task 7: Achievable Potential

A member asked whether cost curves will be prepared at the sector level only, noting that within the commercial sector for example, institutional customers have different payback acceptances than other commercial customers. Navigant noted that the curves presented are for illustrative purposes only and this can be further discussed when the task is initiated.

A member asked whether return on investment (ROI) can also be used as an input for achievable potential modeling. Navigant responded that payback is a more common metric used by customers when making investment decisions but that ROI can also be considered when developing the achievable potential scenarios.

A member asked whether measures will focus primarily on offering incentives or impacts of program redesign will also be considered. Navigant responded that customers' behavioural responses (e.g., to different types of incentive structures) will be considered through the achievable potential modeling and that specific behavioural programs can also be characterized as unique measures.

Task 8: Whole Building Benchmarking

A member asked if Navigant will make adjustments to the bottom-up model based on whole building benchmarking outputs. The Project Team responded that the primary aims of this task are to understand the magnitude of difference between the bottom-up and top-down approaches, the applicability of the top-down approach to other segments and what data would be required to implement this approach in other segments.

The group discussed the challenges with Ontario energy and water reporting and benchmarking data and Navigant confirmed that they will work with the Project Team to understand data issues and conduct data cleaning as appropriate.

Task 9: Sensitivity Analysis

No comments.

Agenda Item 5: Advisory Group engagement and input

Speakers: Bronwen Smith (IESO)

Bronwen reviewed the expectations for stakeholder engagement set out in the engagement plan and reiterated that the Project Team would facilitate sharing of information and feedback between the Advisory Group and the Navigant team.

One member asked how the Advisory Group and public will be made aware of requests for comment and how much time will be given to prepare responses. The Project Team answered that the Advisory Group will be sent direct emails with requests for input and the public will be notified via public webinars that will be advertised in the LDC weekly e-blast and the IESO bulletin. Webinar invites will also be sent directly to the list of past webinar participants. The Project Team will try to give at least 5 business days for comment or more if it can be accommodate in the project schedule.

Agenda Item 6: Next steps and action items

Speaker: Nik Schruder (IESO)

Nik thanked the Advisory Group for their time. Katelyn will send out calendar holds for upcoming Advisory Group meetings. The Project Team will circulate the draft Project Plan on August 17th.