

Conservation Framework: Mid-Term Review Engagement Plan

I. Introduction

The IESO invites stakeholders and communities to provide feedback to inform the combined mid-term review of the 2015 to 2020 Conservation First Framework (CFF) and Industrial Accelerator Program (IAP) – referred to here as the conservation framework. The review will focus on targets, budgets, progress, lessons learned (on cost recovery, performance incentive mechanisms and CDM contribution to regional planning), and alignment with Ontario’s Climate Change Action Plan (CCAP), for CFF and IAP. The results of the review will inform potential approaches to achieving the objectives of the conservation framework for the remainder of the term to 2020 and beyond.

A third party consultant (selected through a competitive procurement process) will support the IESO with the completion of the mid-term review. The consulting firm will be responsible for project management, reporting, conducting interviews, supporting engagement activities, research and analysis, and report writing.

A Mid-Term Review Advisory Group will also be formed to provide support and advice to the IESO for the completion of the mid-term review.

Input from stakeholders and communities through open (public) engagement meetings will be key leading up to and throughout the review. The IESO encourages all interested parties to participate in this engagement.

This engagement plan outlines the background, objectives, proposed timeline and considerations for the mid-term review.

This engagement plan may be subject to review and update as the process evolves. All comments and enquiries in this engagement can be directed to engagement@ieso.ca.

II. Background

The Ministry of Energy’s [2013 Long-Term Energy Plan](#) (LTEP) announced the establishment of a new provincial CDM target of 30 terawatt hours (TWh) in 2032. The current conservation framework has established a seven terawatt hour target to be achieved in 2020 through local distribution company (LDC) conservation and demand management (CDM) programs and 1.7

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TWh target to be achieved in 2020 through the IAP which is offered to transmission connected customers.

A Ministerial [direction issued to the IESO on March 31, 2014](#) set the objectives and requirements for the IESO and LDCs to fulfill in designing and implementing the Conservation First Framework for the years 2015-2020. One of the IESO's obligations in this direction and the direction on the IAP is to complete a mid-term review by June 1, 2018. Guidelines for a mid-term review are also contained in the Energy Conservation Agreements between the IESO and LDCs.

[A March 26, 2014 directive to the Ontario Energy Board](#) (OEB) requires the organization to carry out a mid-term review of the natural gas Demand Side Management (DSM) framework to align with mid-term review in the electricity sector.

The Minister of Energy issued [a direction to the IESO on October 23, 2014](#) mandating that "...benefits calculated for the Total Resource Cost Test include a 15 per cent adder to account for the non-energy benefits... value attributed to non-energy benefits shall be subject to review at the formal mid-term review".

Since many parties are interested in and involved in both CFF and IAP, the IESO will undertake a single combined review of both programs.

III. Stakeholders and Communities

The IESO encourages all parties with an interest in this initiative to participate in this engagement. This initiative will be of particular interest to LDCs, consumers who are eligible to participate in the IAP or LDC-led conservation initiatives, consumer groups and associations, and service providers/channel partners that support the initiatives.

A Mid-Term Review Advisory Group will also be formed composed of specific membership as outlined in Phase 2 below.

IV. Engagement Objectives

The objective of this engagement is to ensure that stakeholders and communities understand this initiative, and can inform and provide comment on the initial plan and later developments of the mid-term review.

The IESO is looking for input to ensure the report is comprehensive, rigorous and incorporates the objectives of the mid-term review as stated in the applicable ministerial directions and Energy Conservation Agreements with LDCs.

V. Key Opportunities and Considerations of Mid-term Review

The review will examine the following key issues:

- Budget and target allocations (including potential target exchange mechanism)
- Cost-effectiveness of resource acquisition
- Collaboration amongst LDCs, natural gas utilities and other opportunities
- Governance and LDC collaboration
- Integration of CDM with regional planning
- Customer/market engagement and satisfaction
- Alignment of CDM activities with Ontario's Climate Change Action Plan (CCAP) and potential impact of CCAP on CFF/IAP budgets, targets and programs
- Central services provided by IESO in support of CDM activities
- Non-energy benefits of CDM activities
- Lessons learned on cost recovery and performance incentive mechanisms
- Other innovative options to increase conservation

V. Approach

The implementation of this engagement plan will be in accordance with the IESO's approved engagement principles.

This is a public engagement process. All materials will be posted on the IESO engagement webpage dedicated to this initiative. In addition, any information supplied by interested parties will be posted (with consent) to the designated engagement webpage.

The approach for this engagement initiative includes opportunities to provide input through various channels such as face-to-face meetings, webinars, information sessions, conference calls and/or written feedback. The IESO will consider all relevant input and illustrate how feedback was considered to shape the stated objectives and/or next steps.

Inquiries throughout this engagement initiative can be directed to engagement@ieso.ca.

Different phases of the mid-term review are outlined below.

Phase 1: Establishment of Conservation Framework Mid-Term Review Advisory Group (Q4 2016)

Through a call for applications (via invitation by email, the weekly LDC e-Blast and the Bulletin), the IESO will establish a Mid-Term Review Advisory Group that would provide support and advice to inform the consultant's work on the mid-term review.

The Mid-Term Review Advisory Group will consist of 12 to 14 members in total with the following representation:

- five consumers representing a mix of sectors, and distribution/transmission connected customers
- five LDCs, where possible representing different size utilities and different regions
- two consultants, service providers/delivery agents and/or manufacturers that are engaged in CDM
- IESO (Chair plus support staff)

The Advisory Group may also include observers from:

- Natural gas utilities
- industry/customer associations
- Environmental Commissioner's Office
- Ontario Energy Board
- Ministry of Energy

In accordance with the timeline set out in Section V below, the Mid-Term Review Advisory Group will observe a terms of reference so that members understands the mandate of the group and commitment required. An open invitation of membership will support the IESO's selection process with a goal of achieving representation from the groups identified above.

Phase 2: Establishment and Review of Project Plan (Q1 2017)

The consultant will be required to develop a project plan for the mid-term review. The plan will first be reviewed by the IESO and the mid-term review advisory group to ensure that it will successfully enable the achievement of the mid-term review's objectives. The IESO will then conduct a public webinar on the project plan. Stakeholders and interested parties will have the opportunity to ask questions and provide feedback on the proposed project plan during and after the webinar. Notice of the webinar along with registration details will be provided through the weekly LDC e-Blast, the IESO bulletin and on the IESO website. The materials for the webinar would be posted on the engagement webpages in advance.

Phase 3: Information Gathering (Q2/Q3 2017)

Information from many different sources will be required to conduct the review effectively, including:

- Input provided by interested parties through this engagement initiative
- The Achievable Potential Study
- System planning projections from the latest Long-Term Energy Plan (LTEP)
- Analysis of the results (verified and reported as available) of conservation efforts for the years 2015-2017
- Lessons learned from Evaluation Measurement & Verification (EM&V) reports
- Eligible expenses vs. budgets
- A review of resource acquisition approaches from other jurisdictions
- Potential relationship between CCAP and CFF/IAP funding and targets
- Assessment of non-energy benefits of energy efficiency

Both qualitative and quantitative input will also be essential to the review. The consultant may reach out to stakeholders and communities with the IESO's assistance to obtain this information through a variety of means, including email data requests, surveys and interviews.

Feedback may be solicited on key issues identified by the consultant during the study period from the Mid-Term Review Advisory Group and the public on an ad-hoc basis.

Phase 4: Mid-Term Review Results and Report (Q1 2018)

The Mid-Term Review Advisory Group will have an opportunity to review and comment on the results first. This will allow an opportunity to check for any errors or omissions. Afterward, there will be opportunities for all interested parties to provide feedback on key topics.

Upon the submission of the final report to the Minister of Energy, the IESO will publish the report on the website.

V. Proposed Engagement Schedule

Timing	Engagement Activity	Audience(s)	Responsible
Q4 2016	Draft engagement plan posted for input from all interested parties	Public	IESO
Q4 2016	Invitation and selection of Conservation Mid-term Review Advisory Group	LDCs, customers, service providers	IESO
Q1 2017	First meeting of Conservation Framework: Mid-Term Review Advisory Group (subsequent meeting dates of group to be determined)	Mid-Term Review Advisory Group members	IESO
Q1 2017	Mid-term review study plan posted for comment	Advisory Group/Public	IESO
Q2 & Q3 2017	Ad-hoc Advisory Group and public meetings on key topics as they are identified by the consultant during the study period	Advisory Group/Public	IESO
Q1 2018	Draft mid-term review report presented to Advisory Group	Advisory Group	IESO
Q1 2018	Webinar and feedback on key final report topics	Public	IESO
Q1 2018	Final report posted	Public	IESO
Additional Meetings/Information Sessions as Required			