



# CONSERVATION FRAMEWORK MID-TERM REVIEW

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DRAFT MARKET RESEARCH PLAN

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NAVIGANT

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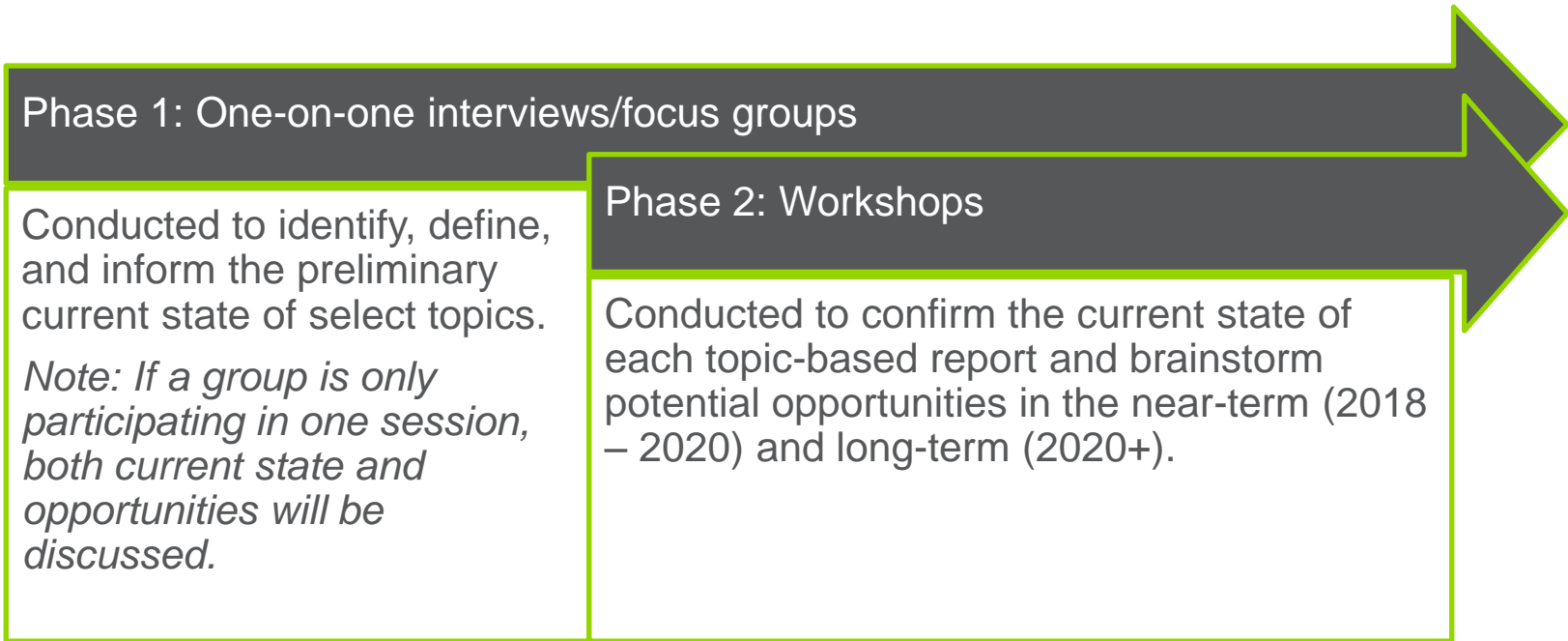


# SECTION 1: MARKET RESEARCH PLAN

- I. Overview
- II. Key Activities

# RESEARCH METHODS

The graphic below illustrates research methods that will be used in concert with secondary data and analysis to inform the conservation framework mid-term review:



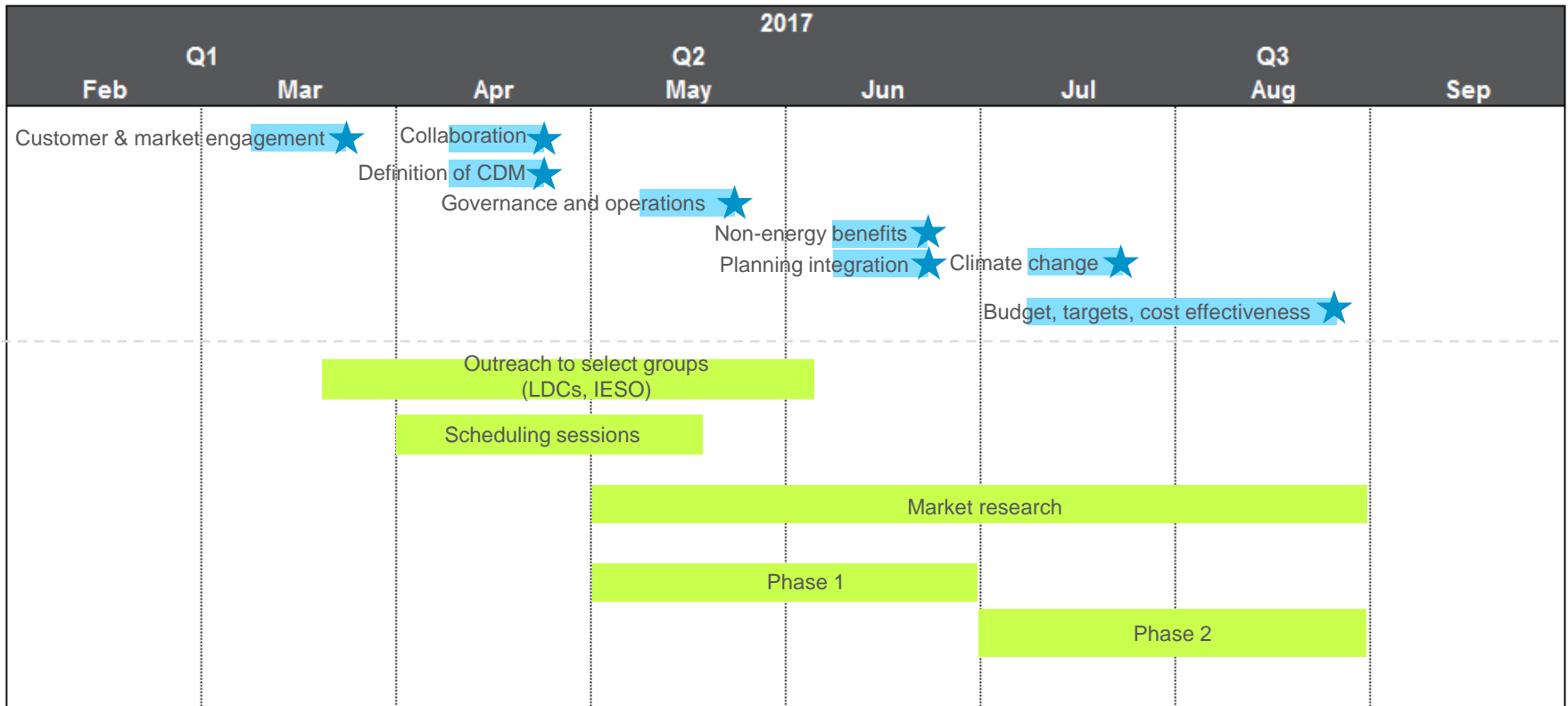
SECTION 2: MARKET RESEARCH PLAN

I. OVERVIEW

PLAN TIMING

The graphic below illustrates the market research activities and phases that are planned to obtain information to support the achievement of the Conservation Framework Mid-term Review objectives. The topic based reports are shown for reference.

★ Topic-based reports      Market research activities



**SECTION 2: MARKET RESEARCH PLAN**

**I. OVERVIEW**

**RESEARCH BY GROUP AND TOPIC**

The graphic below maps the market research phases by topic and group. Additional detail will be provided on subsequent slides. It is important to highlight that the Advisory Group will also be providing input through the stakeholder engagement process.

Group		Customer & Market Engagement	Definition of CDM	Collaboration	Governance + Operations	Planning Integration	NEBs	Climate Change	Budgets, targets, CE
Industrial Accelerator Program customers									
Large customers									
Small business customers and associations									
Channel Actors	Applicant reps								
	Consultants								
	Contractors (non-res)	<b>PHASE 1: ONE-ON-ONE INTERVIEWS/FOCUS GROUPS</b>							
	Distribution								
	Manufacturers								
	Retail								
	Contractors (res)								
HRAI									
Individual LDCs									
Gas utilities									
Ontario Energy Board									
Conservation First Implementation Committee		<b>PHASE 2: WORKSHOPS</b>							
IESO-Planning and Conservation staff									
Customers									

**SECTION 2: MARKET RESEARCH PLAN**

**II. KEY ACTIVITIES**

**PHASE 1: ONE-ON-ONE INTERVIEWS AND FOCUS GROUPS**

Group		Method
Industrial Accelerator Program customers*		<ul style="list-style-type: none"> <li>One-on-one interviews</li> </ul>
Large customers*		
Small business customer		<ul style="list-style-type: none"> <li>focus groups</li> </ul>
Small business associations		<ul style="list-style-type: none"> <li>One-on-one interviews</li> </ul>
Channel Actors	Applicant reps	<ul style="list-style-type: none"> <li>focus group, non-residential focus</li> </ul>
	Contractors (non-res)	
	Consultants	<ul style="list-style-type: none"> <li>One-on-one interviews to gain in-depth market insights</li> </ul>
	Distribution	<ul style="list-style-type: none"> <li>focus group, upstream focus</li> </ul>
	Manufacturers	
	Retail	
	Contractors (res)	<ul style="list-style-type: none"> <li>focus group, residential focus</li> </ul>
HRAI		
Individual LDCs		<ul style="list-style-type: none"> <li>One-on-one interviews focusing on LDCs with unique experience (e.g., P4P, regional planning)</li> </ul>

**Target:**

Groups with direct contact with the CFF or IAP programs and groups with unique perspectives and experience.

**Objectives:**

One-on-one interviews and focus groups will be conducted to identify, define, and inform the preliminary current state of select topics.

*Note: If a group is only participating in one session, both current state and opportunities will be discussed.*

**Guided by:**

Issues for each of the topics mapped to the groups which are identified in the project plan (and reiterated in the appendix).

\* Participants and non-participants



## SECTION 2: MARKET RESEARCH PLAN

## II. KEY ACTIVITIES

## PHASE 2: WORKSHOPS/WEBINARS/SURVEYS

Group	Method
Gas utilities	<ul style="list-style-type: none"> <li>Workshops will be focused on collaboration and climate change.</li> </ul>
Ontario Energy Board	<ul style="list-style-type: none"> <li>Workshop with OEB staff surrounding the topics mapped to OEB.</li> <li>Focus on understanding the opportunities and limitations to modify structural elements of the natural gas framework to enable collaboration (e.g., attribution, changes to DSM plans, CE)</li> </ul>
Conservation First Implementation Committee	<ul style="list-style-type: none"> <li>Workshops grouped by topic as appropriate, occurs after all LDC Working Group workshops have concluded.</li> </ul>
IESO – Conservation and Planning staff	<ul style="list-style-type: none"> <li>Workshop(s) with IESO-Conservation Staff on topics that influence the methodologies and objectives of both teams.</li> <li>Workshops(s) to map current processes, discuss research findings and brainstorm and scope opportunities.</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Workshop to brainstorm review current opportunities identified throughout the market research phases.</li> </ul>

**Target:**

Groups that are involved with the mechanics of the framework and can provide diverse perspectives.

**Objectives:**

Workshops, webinars, and surveys will be conducted to confirm the current state of each topic-based report. Workshops will be conducted to brainstorm potential opportunities in the short-term (quick wins), medium-term (2018 – 2020), and long-term (2020+).

**Guided by:**

Issues for each of the topics mapped to the groups which are identified in the project plan (and reiterated in the appendix).



# APPENDIX

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## PROJECT PLAN

## SECTION 2: PROJECT PLAN

## I. DELIVERABLES AND KEY ACTIVITIES

## ACTIVITIES

The issues identified by the IESO were grouped into eight major topics that will guide the Framework Review through four key activities outlined below:

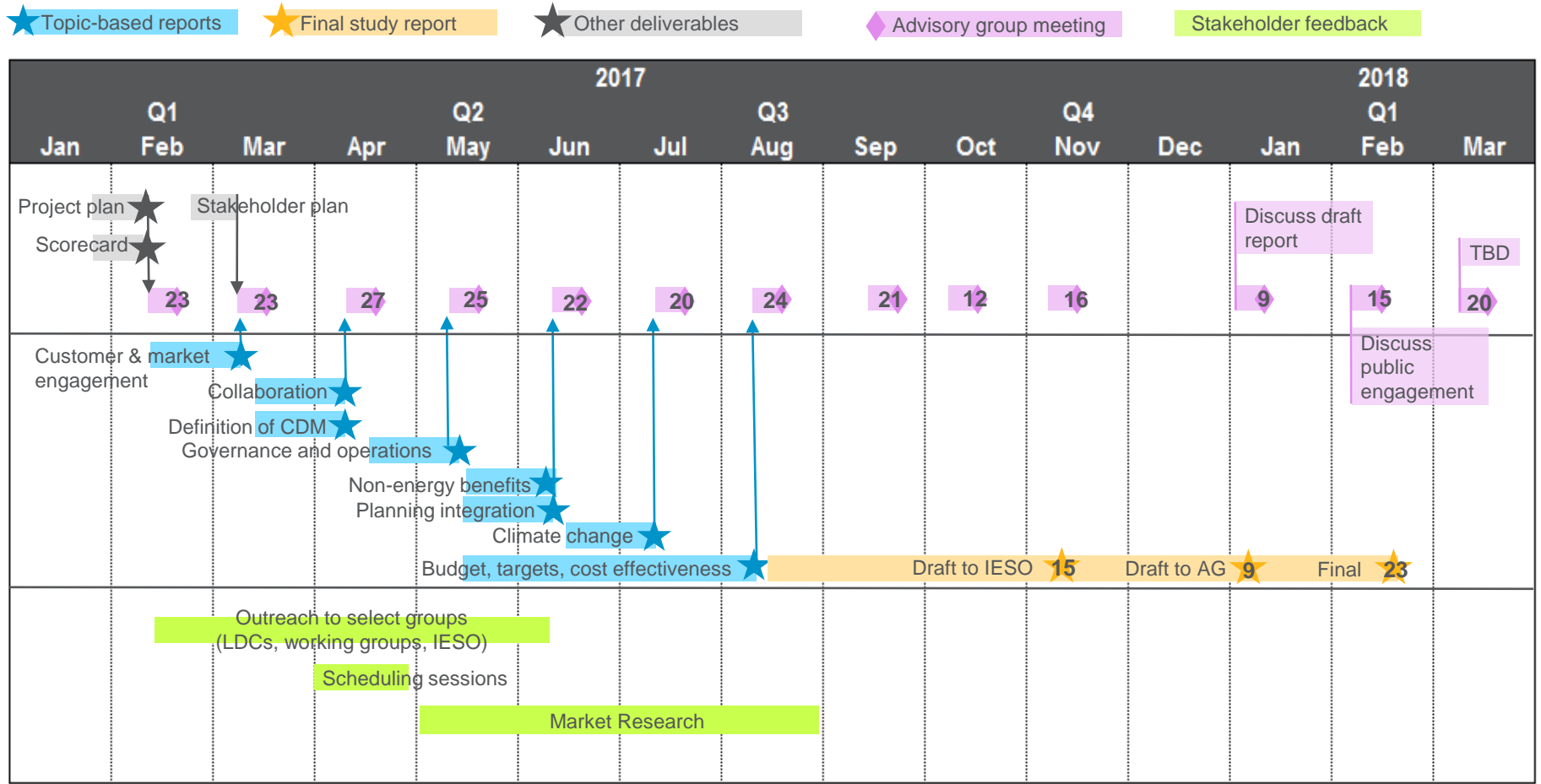


SECTION 2: PROJECT PLAN

I. DELIVERABLES AND KEY ACTIVITIES

PROJECT PLAN

The graphic below illustrates the deliverables and key activities that are planned to achieve the objectives of the Conservation First Midterm Framework Review.



## SECTION 2: PROJECT PLAN

## II. TOPIC BASED REPORTS

## TOPIC 1: CUSTOMER &amp; MARKET ENGAGEMENT

## Key Questions

Are programs meeting the needs of the customer? Is the structure under which we operate creating challenges for the customer or market actors who could support CDM/DSM? Are there any customer or sector specific gaps in the framework? How can we improve the customer experience? How do customers view our brand?

## Focus Areas

## CFF:

- Challenges of coordination across multiple utilities
- Customers with facilities across multiple territories
- Brand/program awareness and customer relationships
- Variation in program offering across ON
- Customer satisfaction with programs
- Channel participation in/support for programs
- Efficacy of current approach & barriers to entry

## IAP:

- Active and non-participants, efficacy of current approach
- CDM/DSM integration into business practices
- Awareness and Understanding of programs
- Channel participation in/support for programs

## Methodology

- Review and analysis of existing research, surveys, and feedback gathered by IESO and LDCs
- One-on-one interviews with a sample of LDCs and IAP customers
- Segmentation of customers (e.g., by sector, by size, participants/non-participants)
- Interviews with channel participants (vendors, manufacturers, service providers)
- Review systems and tools that support customer outreach

## Inputs

- IESO: contact list
- IESO: market research, brand research, survey results, EM&V reports
- LDCs: surveys, summary findings, summary of direct feedback from customers (if available)
- Navigant: customer engagement research

# TOPIC 2: DEFINITION OF CDM

## Key Questions

How has the definition of CDM changed over time in Ontario? Is the current definition appropriate to achieve the policy objectives of the framework?

The definition of CDM will also be considered in other topic reports, where appropriate (for example how the definition of CDM impacts customer and market engagement)

## Focus Areas

- CFF:
- Defining CDM
- IAP:
- Defining CDM

## Methodology

- Review of existing and evolution of the definition of CDM in Ontario
- Jurisdictional review of definitions of CDM

## Inputs

- Public: ministry directives and policy documents (e.g., LTEP)
- Navigant: research and key contacts

## SECTION 2: PROJECT PLAN

## II. TOPIC BASED REPORTS

## TOPIC 3: COLLABORATION

## Key Questions

What benefits can and have been realized from collaboration? How can additional collaboration be enabled? What are the barriers to collaboration and what are some options to tackle these barriers? Are there structural changes that can be addressed in future frameworks (2020+)?

## Focus Areas

## CFF:

- Cross fuel collaboration and costs
- Cross fuel cost effectiveness inputs
- Attribution and cost sharing
- Collaboration opportunities with government funded initiatives
- LDC collaboration
- Lack of seamless programs

## IAP:

- Cross fuel collaboration and costs

## Methodology

- One-on-one interviews with natural gas utilities and LDCs, existing collaborative groups (e.g., GTHA, CHEC, KWCG, working groups)
- Review of natural gas and electricity policies and guidelines to identify structural barriers
- Interviews with Ministry, OEB, IESO staff

## Inputs

- IESO: contact list
- IESO: list of existing collaborative engagements (e.g., approved collaboration funding projects)
- IESO: Energy Conservation Agreement, guidelines
- OEB: Natural Gas DSM Framework
- Collaboration Fund activities

# TOPIC 4: GOVERNANCE AND OPERATIONS

## Key Questions

Are the structures, internal processes, and accountabilities in place effective and efficient? What can we do to improve these structures? Are there additional tools and/or changes that can better support our objectives? What could future frameworks look like? What are some key considerations thinking beyond 2020?

## Focus Areas

### CFF:

- Framework governance structures (roles and responsibilities)
- Review central services/IESO processes and opportunities for improvement
- New tools to support program development

### IAP:

- Assess Account Manager model
- Assess application and supporting processes

## Methodology

- Review of IESO central services and supporting documentation, processes, agreements, etc.
- Review of Energy Conservation Agreement, central services spending to date, committed funding (agreement terms)
- One-on-one interviews with working group reps, LDCs, IESO
- Interviews with channel partners (association, vendors, service providers)
- Perform benchmark comparisons

## Inputs

- IESO: contact list
- IESO: process documentation, agreements or key facts of agreements for central services
- IESO: central services spending, budgets
- LDCs and IESO: existing framework structures, key contacts
- Navigant: research and key contacts
- Benchmark: resource acquisition costs, cost effectiveness, administrative vs. incentive cost splits, CSAT scores



## SECTION 2: PROJECT PLAN

## II. TOPIC BASED REPORTS

## TOPIC 5: NON-ENERGY BENEFITS

## Key Questions

What other benefits are we observing from the programs? How do we appropriately capture and communicate these benefits? Are there any changes that need to be made to better capture these benefits? Based on a review of the IESO's planned non-energy benefits study.

## Focus Areas

## CFF:

- Review of IESO's planned non-energy benefits study and options for incorporating findings into CFF holistically (near-term and long-term)
- Environmental attributes

## IAP:

- Economic development impacts (job creation/retention)
- Environmental attributes

## Methodology

- One-on-one interviews with IAP customers and IESO account managers
- Analytical review of IESO methodology, documentation, etc. supporting the non-energy benefits adder
- Jurisdictional review of methodologies used to capture and report on non-energy benefits

## Inputs

- IESO/OEB non-enregy benefits study
- IESO: IAP customer contact information
- IESO: Procedural documentations and sample calculations
- Navigant: research and key contacts
- Toronto City Council – Resilient City Reports

## SECTION 2: PROJECT PLAN

## II. TOPIC BASED REPORTS

## TOPIC 6: PLANNING INTEGRATION

## Key Questions

How do the programs and framework fit into the broader energy and climate picture (today and in the short, medium, and long-term)? What can we do with respect to our approach, performance metrics (targets) measurement and governance to improve the value of energy efficiency to broader energy and climate policy and planning? What are the opportunities for further integration of CDM in regional plans?

## Focus Areas

## CFF:

- Local deferral opportunities through targeted EE
- Impact of energy only targets
- Integrated planning (climate change)

## IAP:

- Avoiding costs of local infrastructure improvements
- Economic growth
- Integrated planning (climate change)

## Methodology

- Review of existing methodologies and processes used to integrate CDM into system
- Review of metrics associated with system need and CDM (e.g., peak demand definitions)
- Jurisdictional review of methodologies and processes used to integrate non-wires alternatives, such as CDM into system planning and how local investments are funded.
- Incentives associated with behind-the-meter generation will be reviewed

## Inputs

- IESO: contact list
- IESO: regional planning documentation and reports
- Navigant: research and key contacts

## SECTION 2: PROJECT PLAN

## II. TOPIC BASED REPORTS

## TOPIC 7: CLIMATE CHANGE OBJECTIVES

## Key Questions

What does more aggressive climate policy mean to the framework, the future of CDM design and delivery, our customers?  
How can we better position ourselves and our customers to take advantage of the opportunities within this new policy?

## Focus Areas

## CFF:

- Aligning with CCAP, GHG target to complement energy targets
- Effect of CCAP on CFF budgets, targets, programs
- Impact of Cap & Trade on CFF programs
- EE/DSM (right use, right time, right cost)
- Impact on environmental attributes

## IAP:

- Impact on environmental attributes
- EE/DSM (right use, right time, right cost)
- Aligning with CCAP, GHG target to complement energy targets

## Methodology

- One-on-one interviews with IESO, MOE, MOECC, LDC and customer contacts.
- Review of Ontario's anticipated electricity system emissions
- Jurisdictional review of methodologies used in climate policies, end uses and industries targeted
- Review of electric vehicle incentives

## Inputs

- IESO: Contact list
- IESO: industry breakdown of participants/non-participants
- IESO: existing market studies/research
- IESO: forecast of Ontario emissions (defer analysis until LTEP released)
- Navigant: research and key contacts

## SECTION 2: PROJECT PLAN

## II. TOPIC BASED REPORTS

## TOPIC 8: BUDGETS, TARGETS, COST EFFECTIVENESS

## Key Questions

Are targets and budgets appropriate to achieve framework objectives? What infrastructure must be in place to enable appropriate targets and budgets to capture the opportunities and reduce the barriers? Are the metrics that measure success appropriate? What are some possible metrics for the second half of the framework and beyond 2020?

## Focus Areas

## CFF:

- Provincial adjustments
- LDC adjustments
- Mechanism to support re-allocation
- Options to enable target exchange
- Funding mechanism review
- P4P obstacles
- Impact of potential changes to avoided costs
- Cost-effectiveness by sector
- Budget/target allocation across segments
- Defining CDM

## IAP:

- Provincial adjustments, options for adjustment

## Methodology

- Review budgets, targets, CDM plans, allocation methodologies, spending, and actual results
- Review ECA and guidance documents
- Review achievable potential studies against results and CDM plans
- Interviews with working groups, regional groups (e.g., GTHA)
- Jurisdictional review of targets, budgeting, and supporting infrastructure
- Interviews with channel actors (service providers, vendors, etc.)

## Inputs

- IESO: consolidated LDC CDM plan, performance, spending information
- IESO: achievable potential supporting data
- IESO: IAP performance and spending, forecasts, methodologies
- IESO: EM&V results, cost effectiveness, lessons learned, supporting data
- IESO: Participation and cost reports
- IESO: Central Services activities and budget summary
- Navigant: research and key contacts
- MOE: 2017 LTEP (defer analysis until LTEP released)