

VERSION NOTES

- Changes to the version presented April 27, 2017 are marked with

CHANGES TO SLIDE

Slide #(s)	Description of change(s)
7	Timing updated and current status outlined
8, 10, 11	LDC workshop and LDC surveys added
13	Achievable Potential perspective added
16	Added note about constrained zones
14, 17	Captures specific Advisory Group comments

- New slides are marked with

NEW SLIDE

Slide #(s)	Description of change(s)
18, 19, 20	Achievable Potential perspective added

- Overarching changes:

- Slides removed – appendices outlining project plan and topics (provided within each current state summary)
- Structure of the deck updated



CONSERVATION FRAMEWORK MID-TERM REVIEW

DRAFT MARKET RESEARCH PLAN

APRIL 27, 2017

NAVIGANT

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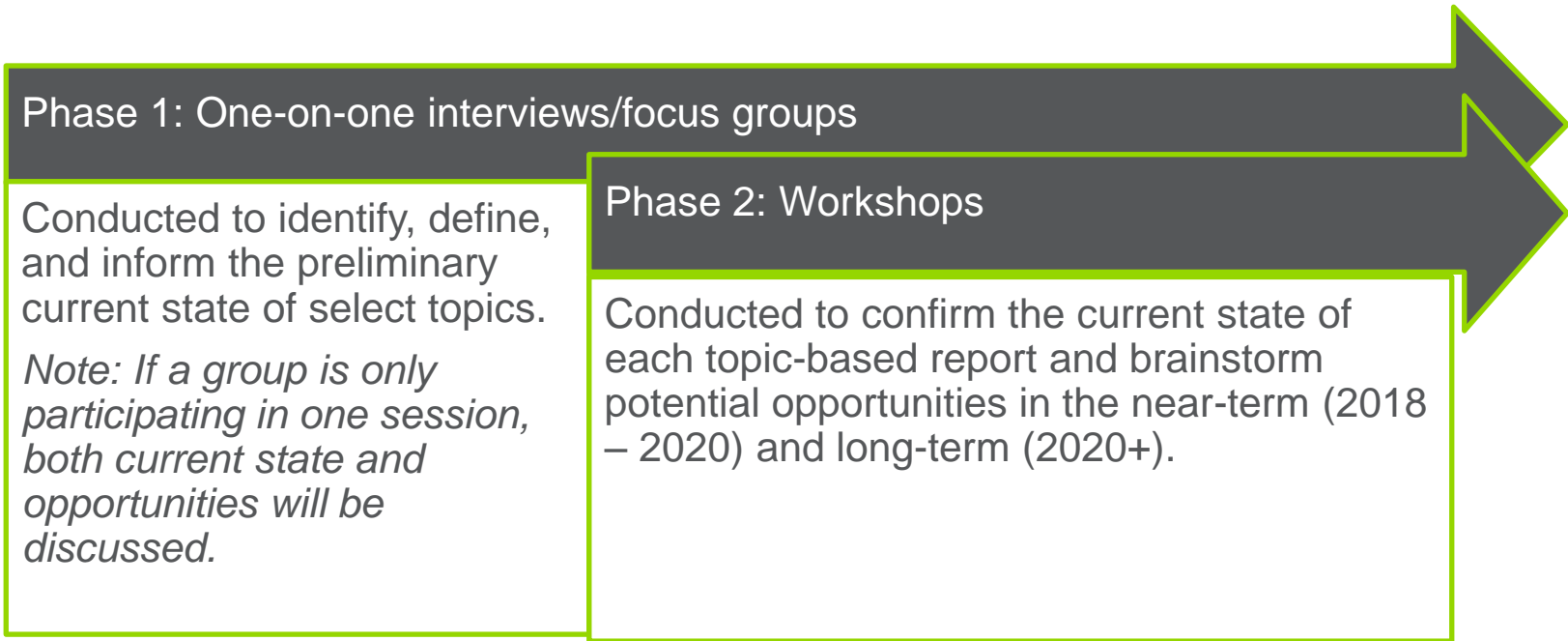
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OVERVIEW

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:



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



* If confirmation of public information is required, if additional information is permissible to use, contact information for phase 1 or 2 market research, etc.

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										
Other associations										
Channel Participants	Applicant reps									
	Consultants	PHASE 1: ONE-ON-ONE INTERVIEWS/ FOCUS GROUPS/SURVEYS								
	Contractors (non-res)									
	Distribution									
	Manufacturers									
	Retail									
	Contractors (res)									
HRAI										
Individual LDCs										
Gas utilities										
Ontario Energy Board										
Customers		PHASE 2: WORKSHOPS								
Conservation First Implementation Committee and other LDCs										
IESO-Planning and Conservation staff										



KEY ACTIVITIES

II. KEY ACTIVITIES

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

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

Target:

Groups with direct contact with the Conservation First Framework or Industrial Accelerator Program 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

II. KEY ACTIVITIES

PHASE 2: WORKSHOPS

Group	Method
Gas utilities	<ul style="list-style-type: none"> Workshops will be focused on collaboration and climate change.
Ontario Energy Board	<ul style="list-style-type: none"> 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, Cost Effectiveness).
Customers	<ul style="list-style-type: none"> Workshop to brainstorm review current opportunities identified throughout the market research phases.
Conservation First Implementation Committee and other LDCs	<ul style="list-style-type: none"> Workshops(s) to map current processes, discuss research findings and brainstorm and scope opportunities.
IESO – Conservation and Planning staff	<ul style="list-style-type: none"> Workshop(s) with IESO-Conservation Staff on topics that influence the methodologies and objectives of both teams. Workshops(s) to map current processes, discuss research findings and brainstorm and scope opportunities.

Target:

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

Objectives:

Workshops, webinars, and surveys (if necessary) will be conducted to confirm the current state of each topic-based report. Workshops will be conducted to brainstorm potential opportunities in the near-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 current state summaries.



SEGMENTATION

II. SEGMENTATION

APPROACH

- Contacts for interviews and focus groups will be selected to target the following:
 - **Region:** Using IESO zones mapped to individual LDCs
 - **LDC Size:** Using the number of customers
 - **Industry:** Using program penetration by industry (North American Industry Classification System code)
 - **Highest Achievable Potential:** Using end use and sector data from the Achievable Potential Study (APS) to prioritize
- A summary of segmentation by group is listed below and subsequent slides will provide a more detailed explanation of each

Group		Region	LDC Size	Industry	APS
Industrial Accelerator Program customers				✓*	
Medium/Large customers (GS > 50 kW)		✓	✓	✓	✓
Small business customers (GS < 50 kW)		✓	✓	✓	
Small business association		N/A	N/A	N/A	
Other Associations		N/A	N/A	N/A	
Channel	Applicant reps & Non-residential contractors	✓			
	Consultants	N/A	N/A	N/A	✓
	Manufacturers & distributors	N/A	N/A	N/A	✓
	Retail, residential contractors, and HRAI	✓			✓
Individual LDCs		✓	✓		

*as much industry differentiation as possible given small number of customers

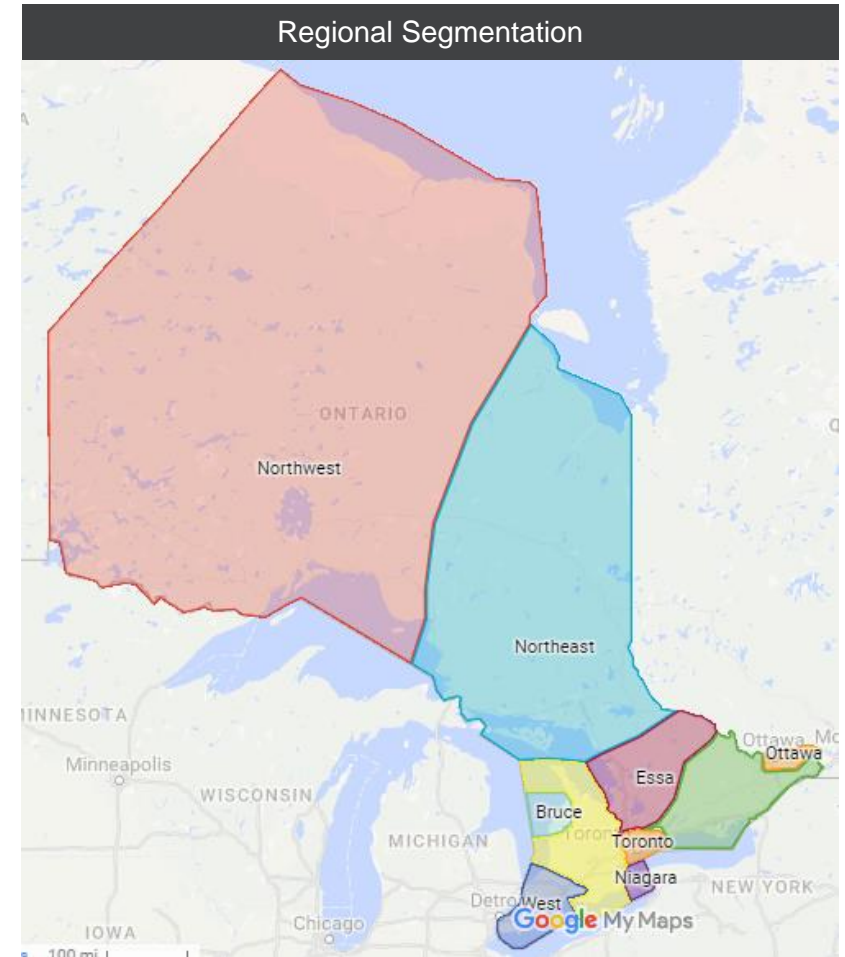
DETAILED SEGMENTATION

Group		Method	#	Criteria	
Industrial Accelerator Program customers		Interviews	7	Participants (segmented by sector)	
			4	non-participants (segmented by sector)	
Medium/Large customers		Interviews	10	participants: industry, regional, and LDC size representation	
			4	non-participants: industry, regional, and LDC size representation	
			5	multi-site participants: industry representation	
			2	multi-site non-participants: industry representation	
Small/medium business customers		Focus group	1	participants: industry, regional, and LDC size representation	
			1	non-participants: industry, regional, and LDC size representation	
Associations		Interviews	8 - 10	Targeting sectors/customer groups such as: Ontario Federation of Small Businesses, MUSH (Municipal, Universities, Schools, Hospitals), low income, indigenous, agriculture, consumers, etc.	
Channel	Applicant reps Contractors (non-res)	Focus group	1	Business focus: region and channel participant (4 regions * 2 channels * 2 contacts), participants and non-participants	
	Consultants	Interviews	5	For example: ClearResult, Burman, engineering consulting contacts (participating and non-participating)	
	Distributors Manufacturers	Focus group	1	Upstream focus, participants and non-participants	
	Retail	Focus group	1	Residential focus: regional representation, participants and non-participants	
	Contractors (res) HRAI	Focus group	1	Residential focus: region and channel participant (4 regions * 3 channels) , participants and non-participants	
	Individual LDCs		Interviews	15	region, experience with aspects of the Framework

II. SEGMENTATION

BY REGION

- Region: LDCs are split by IESO Zonal Map and grouped
 - Group 1 (North): Northwest/Northeast
 - Group 2 (East): Essa/East/Ottawa
 - Group 3 (South): West/Bruce/Southwest/Niagara
 - Group 4 (GTHA): Toronto



Source: IESO.ca

II. SEGMENTATION

BY LDC SIZE

- Size: LDCs are split between Small, Medium, and Large based on number of customers, LDCs will also be mapped to constrained zones as part of the planning integration current state summary

Sizes	
Small Utilities	Under 12,500 customers
Medium Utilities	12,500 to 100,000 customers
Large Utilities	More than 100,000 customers

Source: *Renewing Ontario's Electricity Distribution Sector: Putting the Consumer First*

Size Segmentation	
Size	#
Small	26
Medium	36
Large	6

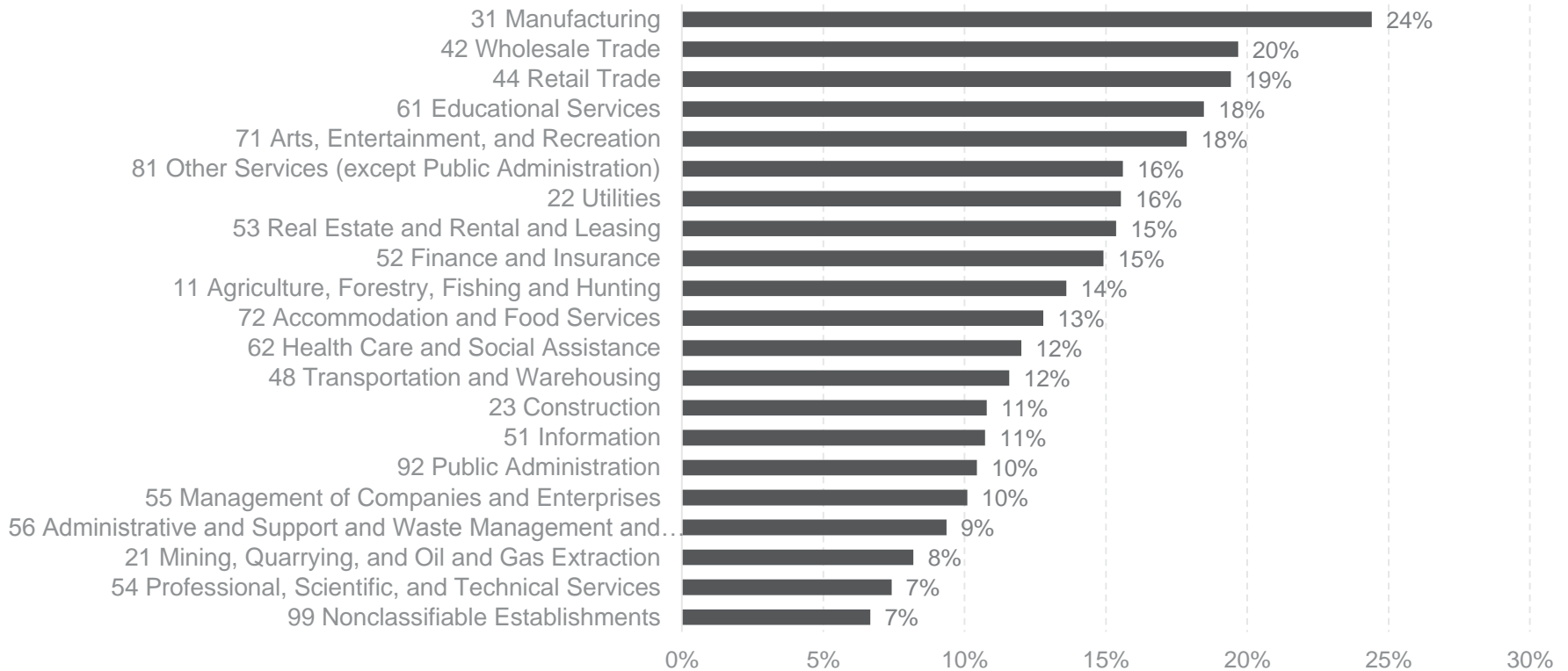
Source: *2015 OEB Yearbook adjusted for Alectra*

II. SEGMENTATION

BY INDUSTRY

- Industry: non-participant interviews will focus on industries with lower participation rates, exact industries and businesses will be selected to obtain representation for size and region,
- Specific industries to target include: Multi-unit Residential buildings (MURB, Municipalities/Universities/Schools/Hospitals (MUSH), agricultural

% of Total Number of Businesses Participating in Small Business Lighting, Retrofit, or Process & Systems

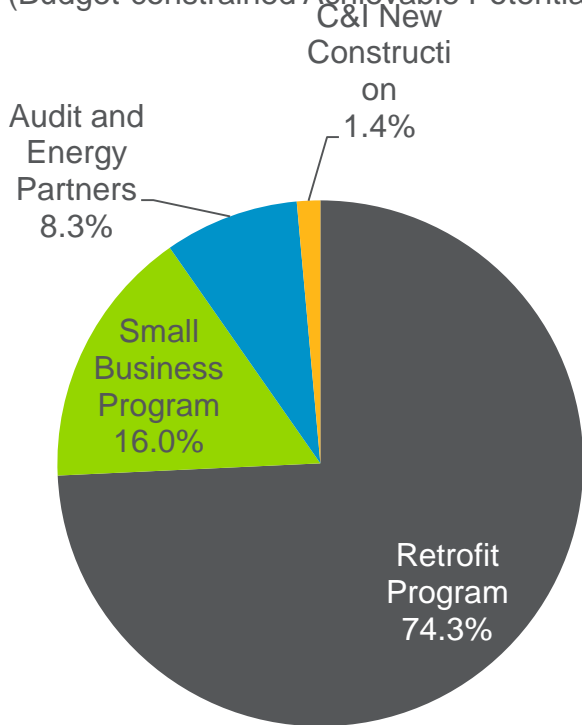


Source: IESO Segmentation Analysis

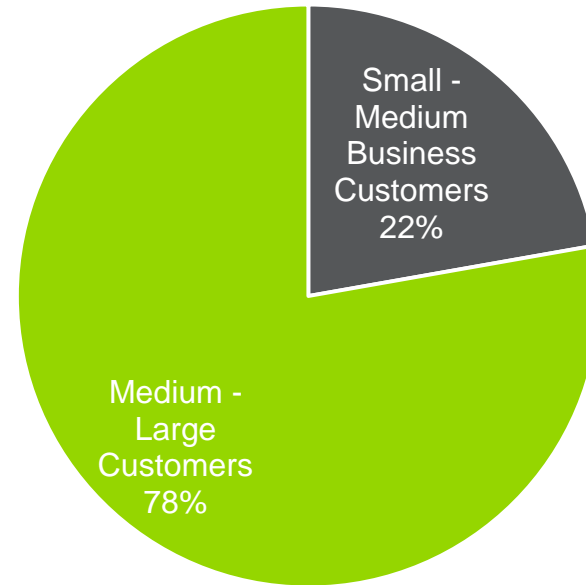
BY HIGHEST ACHIEVABLE POTENTIAL

- Over consideration of small business customers based on achievable potential

2015-2020 Persisting Savings by Commercial Program
(Budget-constrained Achievable Potential)



Breakdown of Targeted # of Interviews



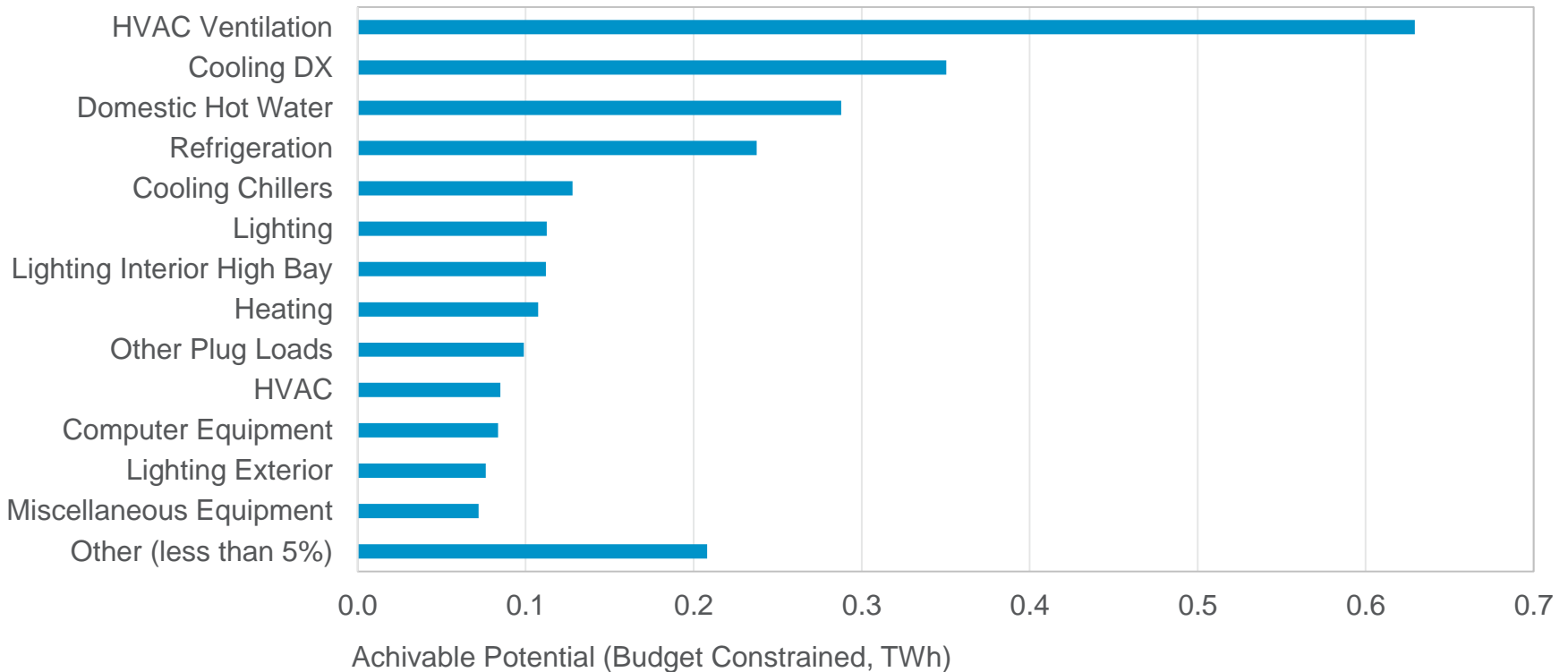
Source: Achievable Potential Study, Nexant

II. SEGMENTATION

BY HIGHEST ACHIEVABLE POTENTIAL

- Interviews and focus groups will work to focus on businesses and sectors that align with the end uses achievable potential study

Commercial and Industrial Potential by End-Use



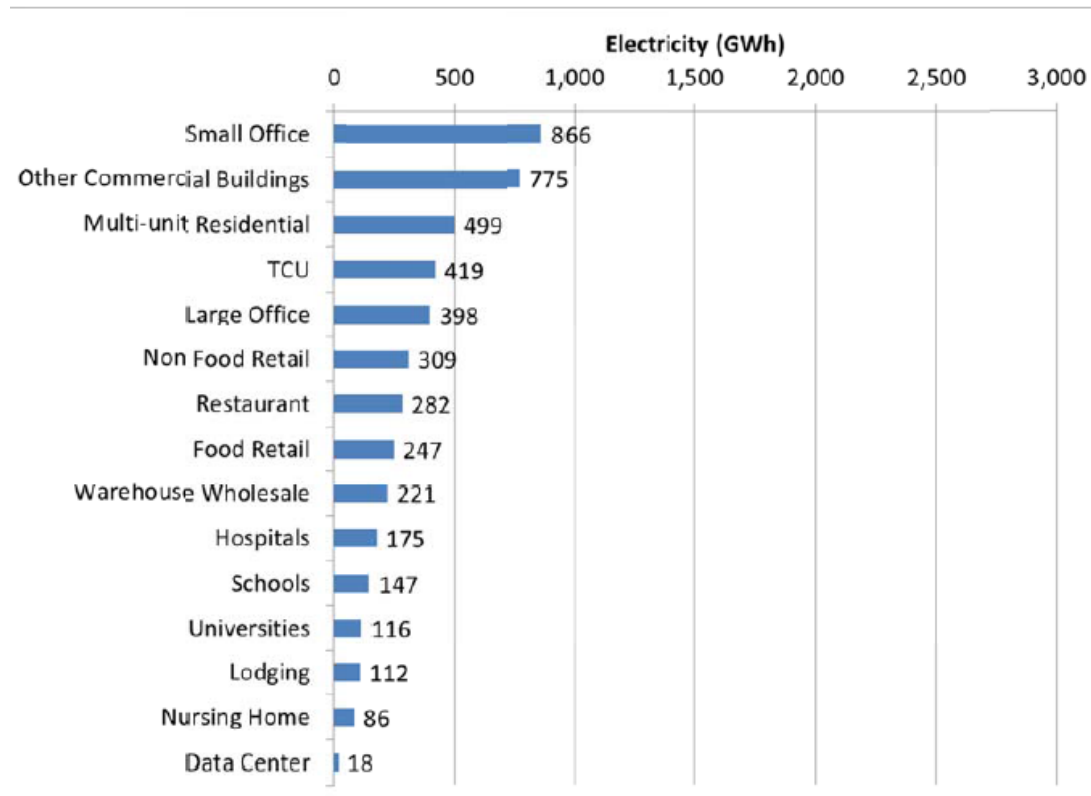
Source: Achievable Potential Study, Nexant

II. SEGMENTATION

BY HIGHEST ACHIEVABLE POTENTIAL

- Interviews and focus groups will work to focus on businesses and sectors that align with the achievable potential study

10-9: Budget Constrained Achievable Potential Persistent Savings by Commercial Subsector in 2020



Source: Achievable Potential Study, Nexant