

Conservation Framework: Mid-term Review – Webinar #2

July 6, 2017

The IESO held the second stakeholder meeting for the Conservation Framework Mid-term Review on July 6, 2017 on the Definition of Conservation and Demand Management in Ontario. The IESO invited stakeholders to ask questions on the materials presented.

Materials can be found on the Conservation Framework: Mid-Term Review stakeholder engagement webpages at <http://www.ieso.ca/sector-participants/engagement-initiatives/engagements/conservation-framework-mid-term-review>

IESO received questions from the following stakeholders during the webinar:

Cornerstone Electric Concepts	Rodan Energy Solutions
Burlington Hydro	WalterFedy
Sinergia Mundial	Ontario Clean Water Agency (OCWA)
SNP Technical Services Inc.	Just Energy
Quest Canada	Plug'n Drive
Meridium Energy	Spark Power

Below is a summary of the questions received during the webinar along with the IESO responses, *in italics*.

Rodan Energy Solutions

Question raised regarding whether pure on-site generation is included in the definition of Distributed Energy Resources (DERs)

Yes, on-site generation is included in the definition

Cornerstone Hydro Electric Concepts

Confirmation sought around whether self- or co-generation is deemed conservation and whether these installations were included in the CDM target

The Conservation First Framework (CFF) target was based on energy efficiency (EE) potential identified in the Achievable Potential study released in 2014 which only considered the EE potential in the province. BMG projects are currently eligible as conservation measures in the PSU program under the CFF and in the Industrial Accelerator Program (IAP).

Rodan Energy Solutions

Clarification sought on examples of behavioural conservation programs

Participants are encouraged to include examples in their comments to the IESO. Some examples of behavioural conservation include: benchmarking programs, energy challenges, and operations and maintenance programs.

Burlington Hydro

Clarification sought around the definition of natural conservation

Natural conservation is defined as changes in energy use that will happen in the absence of any programs as the result of people becoming more knowledgeable about energy use and energy efficiency. Reference from Conservation Report mentioned: "Projected changes in end-use efficiency in the absence of new and incremental market interventions are defined as natural conservation."

http://cms.powerauthority.on.ca/sites/default/files/news/3926_CECO_Report_May_2007.pdf

WalterFedy

Clarification sought on why the definition of Conservation and Demand Management would be different for distribution connected customers and transmission connected customers

The definition of what is eligible to be considered as Conservation and Demand Management is currently more strictly defined in the Conservation First Framework (CFF) direction making programs available to distribution connected customers. The behind the meter customer generation thresholds are different for the Conservation First Framework (CFF) at 10 MW versus Industrial Accelerator Program (IAP) at 20 MW due to the size of customer sites eligible for the IAP. The IESO welcomes feedback on whether the definitions should be the same or different for distribution and transmission connected customers.

Sinergia Mundial

Question posed around what additional programs could help reach the 2015-2020 targets in the context of renewable generation

Through the Mid-term Review process, the IESO is looking to collect feedback on this question and welcomes comments from all interested parties on this topic.

Ontario Clean Water Agency

Clarification sought around whether monitoring and targeting programs would fall under the energy efficiency or the behavioural category

Monitoring and targeting programs could fall under either category depending on the nature of the program and the actions and technologies used to support the program. Navigant noted that not all program types fit perfectly under one broad category or another.

SNP Technical Services Inc.

Clarity sought around the IESO's position on energy storage technologies vis a vis CDM activities that reduce peak demand but do not inherently save on energy usage

Storage is not currently eligible under the current definition of CDM but can be a resource used to meet local or regional electricity reliability needs through the regional planning process. The Climate Change Action Plan may be another area for exploration as storage presents an opportunity to offset peak demand when the electricity system typically draws on fossil fuels. The IESO encourages feedback from all interested parties on this topic.

Rodan Energy Solutions

Clarity sought around why demand response technologies are not included as part of the definition of CDM in ON

Currently demand response capacity is secured through the IESO Demand Response auction in the province of Ontario. There is currently not a demand target under the CFF or IAP (since 2015).

Just Energy

Question posed around the eligibility of technologies like voltage reduction, storage and micro grids under CDM

Voltage reduction is applied on the distribution side rather than the customer side of the meter and is not incentivized in most other North American jurisdictions under a CDM or DSM (Demand-side Management) budget. There are other factors beyond policy objectives to consider as well when discussing eligible CDM technologies and approaches such as meeting market and customer needs, progress to target and cost-effectiveness.

Quest Canada

Clarity sought on what criteria is used to determine alignment of a technology or approach with policy objectives. Specifically, combined heat and power (CHP) shows no linkage with innovation, however, stated that this does not accurately reflect all CHP projects such as integrating heat pumps, using chilled water to displace cooling, etc.

Innovation was considered against a high/medium/low score and across all historical projects funded under CDM in ON thus far. Webinar participants asked to bring forward examples of innovative CHP in their written responses.

Ontario Clean Water Agency

Clarity sought around whether projects that switch electrical equipment from 208V to 400V or 600V are eligible for CDM and receive incentives.

High efficiency transformers as a measure that will result in energy savings (kWh) and/or demand savings (kW) can be considered eligible under the Save On Energy Retrofit Program (Custom track) at the discretion of the LDC. However, projects that generate only kVA savings are not eligible under the existing Program Rules.

Plug'n Drive

Question posed around why electric vehicles (EVs) are not considered eligible under CDM

Use of an electric vehicle will most likely lead to new electricity consumption rather than reduction in electricity use. IESO welcomes comments on how EVs and smart charging should be considered under the CFF and IAP in the future.

Meridium Energy

More information sought on how a federal government initiative encouraging a shift from non-renewable natural gas and other fuels to renewable electricity as a mechanism to support climate change objectives, particularly for space and water heating, fits in with Ontario CDM.

Climate change initiatives in Ontario are framed under the Climate Change Action Plan developed by the Ministry of Environment and Climate Change in Ontario. The IESO is seeking feedback through this process on how and if the CFF and IAP should be revised to address GHG reduction goals and the role CDM can play in efficient electrification.

Meridium Energy

Clarity sought around the methodology that the IESO uses to account for interactive effects when considering the net impact of activities related to energy efficiency and conservation.

The IESO's EM&V Protocol & Requirements provides guidance for the calculation of interactive effects from conservation activities. Where quantifiable the IESO's calculates the impact of the interactive effects through the annual EM&V process and includes these values in the net results of the programs. Details on the impact of interactive effects can be found in the program evaluation reports located on the IESO website at: <http://www.ieso.ca/en/sector-participants/conservation-delivery-and-tools/evaluation-measurement-and-verification>

Cornerstone Electric Concepts

Appreciation shared for holding a webinar on this topic. In addition, advice provided that a roundtable discussion would be more suited for these topics.

The IESO has formed the Mid-term Review Advisory Group to facilitate group discussion on the Mid-term Review topics. The upcoming workshops that form part of the market research phase of the Mid-term Review will provide additional opportunity for deeper discussion on these topics. These workshops will take place in the fall. The final Mid-term Review webinar in Q1 2018 will provide the opportunity for all interested parties to comment on options and opportunities for the Conservation Framework for 2018-2020 and 2020+ identified through the Mid-term Review Study.