

CONSERVATION FRAMEWORK MID-TERM REVIEW

FINAL REPORT APPROACH AND
METHODOLOGY

AUGUST 24, 2017

NAVIGANT

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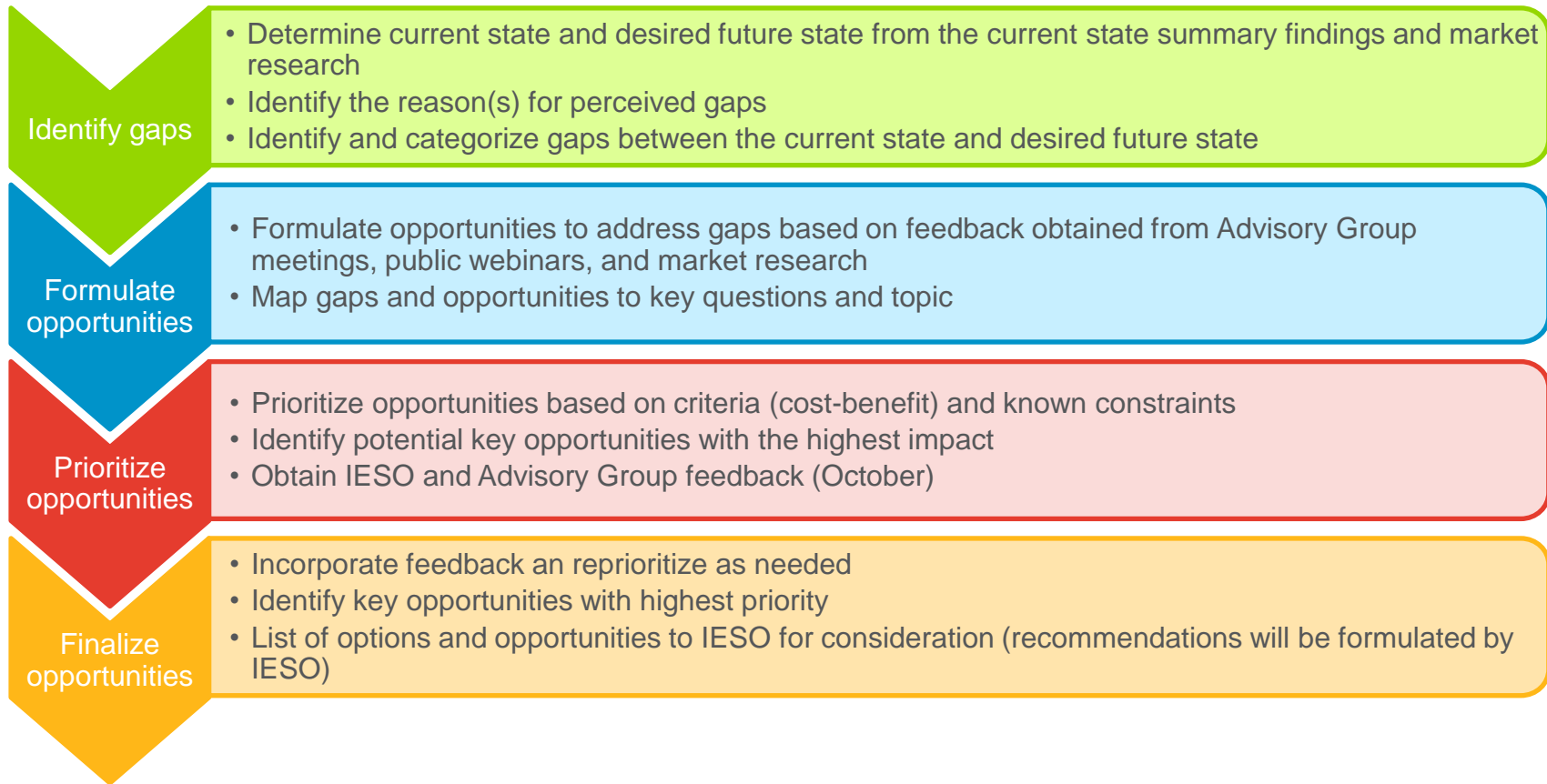
MID-TERM REVIEW

Navigant was engaged by the IESO to complete the mid-term review for the Conservation First Framework and Industrial Accelerator Program. Issues were identified by the IESO and grouped into eight major topics that will guide the Framework Review through four key activities outlined below. This presentation outlines the approach to support the development of opportunities.

Current State Summaries		Market Research	Opportunities	Final Study Report			
Topics	Report Date	Current State Summaries:	Objectives:	Research, analysis, market research inform potential modifications			
Customer and market engagement and satisfaction	March 16	Summarize the current state of each theme (e.g., existing operations, policies, progress, decisions, etc.) and are used as a basis for market research	<ul style="list-style-type: none"> To confirm and enhance content of the topic reports To gather insights into future framework improvements, design, and delivery 	Cost-benefit and gap analysis to scope opportunities			
Definition of CDM	April 20			Consolidated list of medium-term (before 2020) and long-term (post 2020) opportunities for prioritization by the IESO	Consolidation of findings, feedback, and identification of issues and opportunities		
Collaboration	April 20					Methodologies and approach clearly discussed	
Governance & operations	May 18						Out of Scope: <ul style="list-style-type: none"> New mass market research 2011-14 framework in-depth analysis New program design LDC Mid-term incentive Evaluation Measurement & Verification protocols Codes and Standards
Planning integration	June 15						
Climate change	July 13						
Budgets, targets, cost effectiveness	August 17 September 14						
Non-energy impacts	October 12						
		May to August	September/October				

APPROACH TO FINAL REPORT

- The schematic below outlines the proposed methodology to identify gaps with the Conservation First Framework and Industrial Accelerator Program and to develop opportunities to address these gaps



IDENTIFY GAPS

<p>Determine current state and desired future state from the current state summary findings and market research</p>	<ul style="list-style-type: none"> • Current state summaries provided responses to key questions posed by IESO at the start of the mid-term review • Though the current state is determined, the future state is unclear and will be further explored during market research activities 		
<p>Identify the reason(s) for perceived gap</p>	<p>Root cause(s) for the gaps will be identified through:</p> <ul style="list-style-type: none"> • Research and analysis conducted and feedback obtained as part of the current state summaries • Market research activities - focus groups, workshops, interviews 		
<p>Identify and categorize gaps between the current state and desired future state</p>	<p>Funding LDC, customer, and third party funding mechanisms and performance incentives</p>	<p>Process Decision making authority, key processes that support the Framework</p>	
	<p>Tools Tools available to LDCs and customers to support the Framework</p>	<p>Program High-level program approaches/portfolio mix available to customers</p>	
	<p>Metrics Targets and other measurable outcomes of the Framework</p>	<p>Policy Changes that must be made by Directive or broader government policy (e.g., definition of CDM)</p>	

FORMULATE OPPORTUNITIES

Formulate **opportunities to address gaps** based on feedback obtained from Advisory Group meetings, public webinars, and market research

- Opportunities developed will aim to tackle the root causes for the gaps identified, multiple opportunities may be identified to tackle gaps
- Opportunities put forward will consider the impact to different stakeholder groups:

Customer	Program availability and coverage, flexibility of programs to meet customer needs, influence and impact of other programs
Channel Partners	Ability of manufacturers, contractors, service providers to participate in and drive CDM/DSM, meet customer needs
IESO	Scope of the changes to address the gap, resourcing and capabilities, impact on ability to meet policy objectives
LDC	Degree of disruption, flexibility to meet customer needs, resourcing and capabilities

Map gaps and opportunities to **key questions and topics**

- Each gap and approach combination will be mapped to the corresponding key question (what are we trying to solve) and topic (e.g., planning integration, climate change)

PRIORITIZE OPPORTUNITIES

<p>Prioritize opportunities based on criteria and known constraints</p>	<ul style="list-style-type: none"> At this stage, criteria and constraints will be assessed as high, medium, and low <table border="0"> <tr> <td data-bbox="587 415 672 444">Effort</td> <td data-bbox="751 396 1128 465">Estimated resources needed (e.g., costs, FTEs)</td> <td data-bbox="1203 476 1367 505">Constraints</td> <td data-bbox="1416 425 1769 559">Policy/ contractual/ structural constraints that may prevent changes from being made</td> </tr> <tr> <td data-bbox="587 534 691 562">Benefit</td> <td data-bbox="751 499 1155 596">E.g., energy savings, cost savings, customer satisfaction, cost efficiency, etc.</td> <td></td> <td></td> </tr> </table>	Effort	Estimated resources needed (e.g., costs, FTEs)	Constraints	Policy/ contractual/ structural constraints that may prevent changes from being made	Benefit	E.g., energy savings, cost savings, customer satisfaction, cost efficiency, etc.		
Effort	Estimated resources needed (e.g., costs, FTEs)	Constraints	Policy/ contractual/ structural constraints that may prevent changes from being made						
Benefit	E.g., energy savings, cost savings, customer satisfaction, cost efficiency, etc.								
<p>Identify potential key opportunities with the highest impact</p>	<ul style="list-style-type: none"> The top executable opportunities will be identified based on maximizing benefits (in terms of achievement of policy objectives) and minimizing effort while considering impact to stakeholders Opportunities will be classified into execution timeframes <table border="0"> <tr> <td data-bbox="581 789 741 818">Short Term</td> <td data-bbox="780 789 954 818">Within 1 year</td> <td data-bbox="1002 789 1199 818">Medium Term</td> <td data-bbox="1238 789 1406 818">Before 2020</td> <td data-bbox="1456 789 1615 818">Long Term</td> <td data-bbox="1673 789 1763 818">2020+</td> </tr> </table>	Short Term	Within 1 year	Medium Term	Before 2020	Long Term	2020+		
Short Term	Within 1 year	Medium Term	Before 2020	Long Term	2020+				
<p>Obtain IESO and Advisory Group feedback (October)</p>	<ul style="list-style-type: none"> Review draft prioritized opportunities to obtain feedback 								

FINALIZE OPPORTUNITIES

Incorporate feedback and reprioritize as needed	<ul style="list-style-type: none">• Adjust prioritization based on additional research suggested and/or direct feedback
Identify key opportunities with highest priority	<ul style="list-style-type: none">• Opportunities that would provide the greatest impact grouped by the timing of the impact
List of options and opportunities to IESO for consideration (recommendations will be formulated by IESO)	<ul style="list-style-type: none">• The finalized opportunity list will be provided to IESO as part of the final report• Recommendations will be formulated by IESO and provided to the Ministry of Energy for consideration