

# Conservation Framework: Mid-term Review – Webinar #3

## Written Comments and Response

### September 7, 2017

The IESO held the third stakeholder meeting for the Conservation Framework Mid-term Review on September 7, 2017 on the following topics:

- Collaboration
- Governance and Operations
- Planning Integration
- Climate Change

The IESO invited stakeholders to ask questions on the materials presented and provide written comments. 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 written comments from the following stakeholders after the webinar:

- Burlington Hydro Inc.
- Housing Services Corporation
- Quest CHP Consortium
- Union Gas Limited

Below is a summary of the questions and written comments received following the webinar along with the IESO response, *in italics*.

Comments received following the September 7th, 2017 public webinar for the Mid-term Review followed five main themes:

- CDM Behind the Meter Generation Strategy
- Collaboration amongst LDCs, gas utilities and other organizations
- Increased stakeholder input into the CDM frameworks and the Mid-Term Review
- Improvements to the governance and operations of the CDM frameworks
- Improvements to framework design

Specific questions were also posed, responses are below. Please note that comments received on the calculation of marginal emission factors, EM&V practices and program implementation tools fall outside the scope of the Mid-term Review.

Comments received:

CDM Behind the Meter Generation Strategy: (Comments received from Burlington Hydro and Quest CHP Consortium under this theme)

- Expand CDM to include behind the meter renewable generation
- Combined Heat and Power (CHP) should be continued to be incentivized under CDM because it provides peak demand benefits and can be prioritized to defer transmission upgrades and use of high-emitting central gas plants
- CHP emission factors should be compared to on the margin grid electricity

*The comments above regarding the Definition of CDM will be taken into consideration for the final Mid-term Review report produced by Navigant, if applicable. Emissions factors will be updated in the Mid-Term Review Final Report following the release of the 2017 Long Term Energy Plan.*

Collaboration amongst LDCs, gas utilities and other organizations: (Comments received from Burlington Hydro, Housing Services Corporation and Union Gas Limited under this theme)

- Increased collaboration between LDCs, gas utilities, IESO, infrastructure planners and the Green Ontario Fund will avoid duplication of efforts and improve delivery efficiencies and customer experience
- A single point of contact for conservation programs will benefit customers
- Clarity around how incentives are treated from multiple entities for the same project should be provided

*The comments above will be taken into consideration for the final Mid-term Review report produced by Navigant when considering the topics of collaboration and climate change.*

Increased stakeholder input into the CDM Frameworks and the Mid-Term Review and improved program operations and application timelines: (Comments received from Housing Services Corporation and Burlington Hydro under this theme)

- Allow customer representation in CDM working groups
- Improve application process and associated timelines

*The comments above will be taken into consideration for the final Mid-term Review report produced by Navigant when considering the topic of governance and operations.*

Improvements to framework design: (Comments received from Housing Services Corporation under this theme)

- Incremental CDM is currently at odds with LDC business models. It should be made a requirement for LDCs and supported under the framework
- Demand targets should be included within the Conservation First Framework to help address GHG emission goals

*The comment above will be taken into consideration for the final Mid-term Review report produced by Navigant when considering the topic of planning integration and climate change.*

The following specific questions were posed by Burlington Hydro: *((Note: as noted above, these questions do not fall within the scope of the Mid-term Review))*

- There are multiple issues with iCon and the Save on Energy Portal, and stakeholders would like to know how these are being addressed and whether LDCs' use of the Temagami system is being considered

*A number of short term actions have been taken to restore the stability and performance of the iCon system. The volume of the database storing supporting documents has been reduced by over 40% through archiving of legacy framework documents, automated upload and downloads of documents have been restricted to outside business hours, and repair scripts have been deployed to repair the database tables.*

*This has enabled time to construct a longer term solution of restructuring the SharePoint database to levels recommended by Microsoft. This work is scheduled to occur throughout the month of November. Once complete the solution should restore the stability and performance of iCon for as long as needed.*

*As the IESO and its LDC partners work to develop the next generation solution to iCon, the way LDCs interact and utilize such systems is paramount to its design. LDCs and their partners are key members of the project team and their input is a structured part of each cycle of development.*

- Guidance sought on how net-to-gross calculations were determined across LDC territories

*The IESO Evaluation Measurement and Verification (EM&V) team employs third party evaluation contractors to evaluate all in-market programs on an annual basis. The evaluation activities include developing an annual Final Evaluation Plan for each program. The plans include a detailed discussion on how the evaluation for a given program year will be conducted, including a detailed description on the methodology employed to calculate the net-to-gross (NTG) adjustment factor. Each plan also includes the algorithm used to calculate each of the adjustment factors. As per the plans, free-ridership values are determined by survey responses from customers who have participated in a given program. Free-ridership is measured by asking customers a series of questions that measure two components a) the customer's intention to proceed with the project in the absence of the program b) as well as the influence of CFF on the project. The differences in free-ridership are a function of the survey responses from customers who have participated in a program. As each LDC delivers programs differently, it would be expected that the customer responses would reflect those differences. These differences are reflected in the varying NTG numbers by LDC and region. Realization Rates (RR) are developed on a province-wide level, as this is a function on how a specific measure operates.*

*In early 2017, prior to finalizing the evaluation plans, IESO Evaluation Manager and third party consultant reviewed the Draft Evaluation Plans with the relevant LDC Working Groups (Business and Residential Working Groups) for their input. After incorporating LDC feedback into the Evaluation Plans, the IESO held LDC webinars to communicate the evaluation activities to the broader LDCs community. Following the webinar the Final Evaluation Plans were posted to the LDC extranet. The IESO held the webinars on the evaluation plans in Q1 of 2017, in advance of Preliminary Verified and Final Verified results being released. Further, following the release of Preliminary Verified results on June 1, 2017, the IESO held webinars on the Preliminary Verified Results which highlighted any early insights from the evaluation process. Following the release of the draft and final reports to LDCs, the IESO and third party consultants analyzed the differences across LDC and regional, the insights from this analysis will be included in the 2016 Final Evaluation Reports which will be posted publically in Q4 2017 on the IESO website.*