

Overview of Non-Energy Impacts (NEI) Study

Presentation to the Mid-term Review Advisory Group

September 21, 2017

Agenda

1. Purpose
2. Methodology
3. Deliverables
4. Questions

Purpose

- As per the Oct 23, 2014 Directive, the IESO included a 15 percent adder in the Total Resource Cost (“TRC”) test to account for the non-energy benefits (NEBs) associated with conservation and demand programs, such as environmental, economic and social benefits. **The value attributed to NEBs shall be subject to review at the formal mid-term review.**
- IESO contracted DNV-GL to quantify the non-energy impacts (NEIs) at a measure level, to start the process of arriving at a more granular, Ontario-specific estimate of NEIs, based on comparisons with research from other jurisdictions.
- The purpose of the research is to 1) quantify NEIs (positive and negative), where feasible; and 2) identify NEIs that could benefit from further research

Methodology

Jurisdictional Scan

- Which jurisdictions acknowledge and/or have quantified NEIs?
- Which NEIs have been quantified and how have they been applied to cost tests?

Vetting of NEIs

- Quality of research
- How applicable is the research to Ontario?

Benchmark NEIs to Ontario

- Adjust NEI values for Ontario context

Input into Cost Effectiveness Tool

- Outcome will be updated CE calculations for EE measures (e.g. TRC, other costs)

Assess Impacts

- Review the impacts of including NEI values at the program and portfolio level

Deliverables

- (1) Updated Cost Effectiveness Tool with includes NEI
 - Where appropriate, 15% adder replaced with measure-level NEI values

- (2) NEI Report/"User Guide"
 - Methodology used to estimate NEI values
 - Outline areas of future research

Next Steps

- Presentation by DNV-GL at next Advisory Group Meeting by DNV-GL (October), which will include:
 - The approach used for the NEI study
 - Outcomes of the NEI study
 - Implications on the Conservation First Framework
 - Feedback and Discussion from Advisory Group members

Questions

