



## Housing Services Corporation

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February 5, 2018

Independent Electricity System Operator  
Terry Young  
1600 – 120 Adelaide Street West  
Toronto, ON M5H 1T1  
[engagement@ieso.ca](mailto:engagement@ieso.ca)

### **RE: Input on 2015-2020 Conservation First Framework Mid-Term Review Final Report**

Dear Mr. Young:

On behalf of the Housing Services Corporation (HSC), I welcome this opportunity to submit input on the Final Report of the 2015-2020 Conservation First Framework Mid-Term Review.

HSC is focused on the long-term health of Ontario's social housing asset. Since 2002, we have worked with Ontario's 1,400 social housing providers and 47 Service Managers to manage their building portfolios more effectively. We help protect Ontario's \$40 billion housing asset with hands-on services that help social housing operators improve building efficiency and reduce utility costs; protect them from liability and support effective risk management; and help maximize capital dollars via effective asset and data management.

HSC has provided feedback on behalf of Ontario's social housing sector as a consumer representative on the Conservation First Framework Mid-Term Review Advisory Group. We support many of the recommendations outlined in Navigant's final report and submit the following comments on behalf of our sector to inform the IESO's recommendations to the Ministry of Energy.

#### **Integrate Frameworks in the Post 2020 period**

A clear, fair, streamlined, consistent, and aligned post-2020 framework with a one-window approach to gas, electricity, water, and climate change initiatives is critical. It should be structured to reduce customer confusion, improve application processes, ensure consistent application of rules, and address whole building opportunities. Ministerial direction is needed to align the framework, prevent program overlap, and ensure conservation comes first in policy and program activities.

The following improvements to the customer experience and program offerings should be made before 2020 to lay the groundwork for the next framework:

- Overhaul the onerous customer application system;
- Require greater consistency in how programs are interpreted and project savings are applied across LDC territories;
- Establish a database of proven projects and incentive amounts to help Retrofit customers prioritize projects in their portfolios in the pre-audit stage;
- Pilot a program for alternatives to electric baseboard systems for multi-residential buildings; and

- Require LDCs to provide proactive, one-on-one support to social housing providers. For example, LDCs could meet annually with local housing providers to review capital repair plans and identify savings opportunities.

### **Pursue a Whole Building Approach for Programs**

Building improvements often apply across fuels and building systems yet incentive programs are typically siloed by fuel and equipment type. A whole building program is needed and should:

- Include solutions for equipment, operations and maintenance, staff training, and tenant education to empower building operators to achieve deeper, more persistent energy savings;
- Accommodate real-life project timelines; and
- Maximize the potential for cost and energy savings of multiple measure projects.

In addition to the current Whole Home pilot, a Whole Building Program is needed to transition the Retrofit Program into an integrated energy and water management program for commercial customers. Social housing would make an excellent pilot group for a Whole Building Program for 2018-2020, with roll-out to all commercial customers by 2020.

### **Include Non-Energy Impacts (NEIs) and greenhouse gas (GHG) emissions impacts in benefit-cost analyses**

Before 2020, NEIs and GHG emissions should be included, at minimum, as adders in cost-effectiveness tests to address biases in program decision-making and capture climate change impacts. For 2020 onward, benefit-cost analyses should account for the additional NEIs associated with providing programs to low-income and social housing customers:

- **Emissions Impacts:** Future benefit-cost analyses should better address climate change-related impacts with specific attention to low-income and social housing customers, given this group is disproportionately impacted by climate change.
- **Utility arrears and financial impacts:** Low-income customers pay a larger portion of their income to utilities and have less capacity to address utility arrears, and utilities typically bear larger arrears-related carrying costs for this group. NEIs can be included to capture these issues.
- **Societal impact:** NEIs should capture the economic benefits unique to low-income programs.
- **Participant comfort, noise, and health and safety impacts:** Additional impacts associated with providing programs to social housing and low-income customers should be factored into benefit-cost analyses. See, for example, the NEIs evaluated in *Massachusetts Special and Cross-Cutting Research Are: Low-Income Single-Family Health and Safety-Related Non-Energy Impacts (NEIs) Study* and similar studies.

These NEIs should apply to both low-income programs for single family buildings and retrofit programs accessed by social housing providers with multi-residential buildings.

### **Additional Comments**

As the next framework is developed, stakeholder engagement will be important and can involve:

- Consumer representation on working groups and/or a dedicated LDC/Consumer working group;
- Advisory group, feedback requests, interviews, and workshops similar to those of the mid-term review process. While the Mid-Term Review Advisory Group provided valuable input opportunities, the Customer workshop was prescriptive and gave little opportunity for constructive, detailed discussion;
- Integration of utility and climate change program feedback opportunities to inform a one-window aligned framework.

As we move into the next framework, a key priority will be enhancing the customer experience through improved input opportunities and streamlined programs. Program consistency and continuity during the transition between frameworks needs to be prioritized to help social housing providers confidently plan and budget for projects. Most importantly, clear direction from government is needed well in advance of 2020 to establish an aligned utility and climate change framework.

Please contact me at (416) 594-9325 ext. 252 or [hwong@hscorp.ca](mailto:hwong@hscorp.ca), or Myfanwy Parry, Manager of Energy Services, at ext. 308 or [mparry@hscorp.ca](mailto:mparry@hscorp.ca) to discuss this submission.

Sincerely,

A handwritten signature in black ink, appearing to read 'Howie Wong', written in a cursive style.

Howie Wong  
Chief Executive Officer

Cc: Hon. Peter Milczyn, Minister of Housing