

**From:** Chantal Sylvestre  
**Sent:** July 27, 2016 3:38 PM  
**To:** IESO Engagement  
**Subject:** Re: Proposed Pay for Performance (P4P) CDM Incentive Program by the IESO

To whom it may concern:

Energy@Work is pleased to provide feedback and suggestions for the proposed Pay for Performance (P4P) CDM Incentive program. Energy@Work attended the IESO webinar on July 21 at 10:00 am to discuss issues and review the draft engagement plan for the Pay for Performance Program (P4P). Details to be found [here](#).

We are pleased to see the Ministry of Energy getting involved and that they recognize that the current CDM program needs to be improved as witnessed by its directive to the IESO.

### Webinar Highlights

It was evident during the question period that there were some blank areas that the IESO needs to take a look at i.e. on-site generation, increase in consumption, etc. regarding the P4P Program. ***However, the intent of the P4P was made clear and hopefully implementation will be equally clear and avoid “unintended” challenges by becoming overly complicated as is the case with some of the existing CDM programs.***

### Overview of the P4P Program:

Participants are awarded through improving whole building energy performance through a provision of incentives at a set \$0.04/kWh rate for at least 2-4 consecutive years.

To be eligible, there must be at least 2 buildings from 2 different LDC areas registered, both with a minimum annual consumption of 2,000,000 kWh. A robust baseline energy model is required and IPMVP Option C is to be used to quantify savings in an annual report. Building must have hourly meter data.

The incentive is based on annual kWh savings from the baseline energy model and independent on the specific Energy Efficiency Measure, i.e.,

- Tenant derived savings
- Operational and or behavioural changes
- Capital measures (Note: can not apply to additional incentive programs).

The participation building must also have no plans for major changes in the next two years. In addition, the buildings participating in the P4P program are not eligible to apply for any other incentives concurrently.

### Suggested Feedback and Suggestions:

1. We support the P4P program: Sounds like a practical way to capture a range of measures and also encourages innovation, participation with tenants, vendors and other team members.
2. \$0.04/kWh is very modest and should be increased to \$0.06/kWh

3. Important to have a third party arbitrator in case there is a program rule challenge or there are better ways to administer the program from customer experiences. The current CDM program lacks a means to review a program element, interpretation, etc. and is causing excessive challenges that could be eliminated.

4. Application should be kept to a simple agreement. We do not want a repeat of the 22 page application currently used for an audit

5. Since this is “pay for performance” additional information should not be required, i.e., invoices, time sheets, etc. – again **Simple** is more elegant, customer sensitive and the operative word.

6. Since the baseline will be adjusted for weather, occupancy, etc., there can also be an allowance for a major retrofit as well.

For example if a new chiller is being installed in Year 2 which would result in a savings of 300,000 kWh – this should be allowed under the retrofit program at \$0.10/kWh , but the Y2 baseline under the P4P adjusted to remove the 300,000 so that there is no “double dipping”

7. Submission requirements should be kept to a minimum, i.e.

7.1 Program Application – 3 page maximum

7.2 Reference base year data with a clear description of the required energy model to be developed and meeting Option C – IPMVP

7.3 Annual “revised” energy report showing the results in kWh from the hourly data – i.e., estimated savings. If there are no savings – there will be no payment.

8. Upon Agreement Application signed by the customer, the customer is allowed to assign the incentive to third party to help ensure program success.

9. A couple of example submissions should be prepared using actual data to help clarify the methodology for weather correction and other issues.

**Bottom line:**

***Objective is to reduce energy use and demand to help Ontario be more productive – P4P can meet these ideals. Also, persistence is a key component to improving building performance and we believe this is achieved through a continuous improvement process – again what the P4P provides.***

We look forward to an opportunity to review the draft P4P program again prior to release.

Energy@Work

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