

Province-Wide Pay-For-Performance (P4P) Draft Program Documents Webinar: IESO response to input received

The IESO is designing a new province-wide pay-for-performance program for Multi Distributor Customers (MDCs) that will be launched before the end of 2016. On November 1, 2016, the IESO held a webinar to seek feedback on the draft program documents and to provide updates on the program design. The IESO appreciates the input received during the webinars, as well as written feedback submitted to engagement@ieso.ca. This document summarizes the submitted questions and comments in relation to the webinar held on November 1, 2016, and presents the IESO's response.

There are five sections to the aggregated feedback, representing approximately 93 questions and comments received, which have been grouped into the following topics:

- I. [Participant Agreement Language](#)
- II. [M&V Procedures \(Schedule E\)](#)
- III. [Eligibility](#)
- IV. [Program Rules](#)
- V. [Other](#)

Related materials, including the draft program documents, are available on the IESO website at <http://www.ieso.ca/Pages/Participate/Stakeholder-Engagement/Pay-for-Performance-Program-Engagement.aspx>.

A list of the parties who have provided feedback, along with their questions and comments, can be found on the aforementioned webpage.

I. Participant Agreement Language

| Stakeholder Feedback | IESO Response |
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| <p>1. The following wording changes to the Participant Agreement and Schedule terms are recommended:</p> <ul style="list-style-type: none"> • Update the definition of ‘Eligible Measures’ in Schedule B to also reference measures that are eligible. The following addition to the definition is recommended, ‘Eligible Measures include but are not limited to the following, <ul style="list-style-type: none"> ○ Re-commissioning (includes operational improvements and maintenance projects) ○ Behavioural Projects ○ Equipment Retrofits’ • Eligible Facilities should be a defined term in the Participant Agreement and in Schedule A. | <p>Thanks for your input. The Schedule A definition of “Measures”, which is referred to in the description of “Eligible Measures” specifically calls out “the installation, retrofit, replacement, modification, commissioning or re-commissioning of equipment, systems, processes or behaviours that consume or result in the consumption of electricity.”</p> <p>Facility eligibility criteria is defined in Schedule B Eligibility Criteria.</p> |
| <p>2. Clarification requested on the incentive cap of up to 20% of the average annual electricity consumption mentioned in the draft participant agreement. Is there a cap on incentives in relation to project costs?</p> | <p>No. In this program there is no cap on incentives related to project costs.</p> <p>The annual Performance Incentive is capped at the incentive rate of 0.04/kWh X 20% of the annual consumption for the historic period used to develop the Baseline Energy Model.</p> |
| <p>3. Clarification requested on whether there is a defined term within the Participant Agreement for persistence of savings. Should persistence be assigned based on the project types?</p> | <p>The multi-year incentive structure was designed to encourage customers to maintain energy savings from implemented measures without explicitly requiring persistence of project savings. Variance in savings persistence by project type will be considered in the evaluation of the program (and informs the requirement that participants include information on implemented measures in Savings Reports). The principle being employed was to make the participation by the customer as simple as possible while encouraging them to take advantage of a full range of energy savings opportunities.</p> |
| <p>4. There does not appear to be any mention in the participant agreement regarding the term of participation in the program or actual program start and end dates. Is the term 4 years?</p> <p>For example, an agreement may be approved on August 1 but the actual measurement period may not begin until September 1 and then be in place</p> | <p>A Facility may participate for a maximum of four consecutive [year-long] Pay-for-Performance Periods, with the caveat that the final Pay-for-Performance may be truncated by the program term of December 31, 2020. The final Participant Agreement has been revised to make this clearer.</p> <p>Regarding the example presented, the program</p> |

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| <p>for a defined period of time. In the example above the participation/measurement start date is presumed to be at the beginning of the next measurement cycle – for clarity, participation/ measurement for a new agreement using energy baseline data covering September 1 to August 31 will need to start on the following September 1 to line up with the baseline data.</p> <p>The participation/measurement period would then begin as of September 1 and the Participant would be expected to participate for a minimum of two years after the participation/measurement period start date, then the remaining term, years 3 and 4, would be optional (as described in the webinar today)</p> | <p>assumes that customers have access at the outset to the historical electricity consumption data required to develop the Energy Baseline Models required for program application. It is not necessary that Performance Periods are in calendar alignment with the periods from which data was used to develop Energy Baseline Models.</p> <p>Once a customer’s Participation Agreement has been executed, the first Pay-for-Performance Period begins immediately.</p> <p>You are correct that participants commit to enroll facilities for a minimum of two years and a maximum of four.</p> |
| <p>5. Recommendation that the IESO considers citing industry recognized references where possible in the M&V Procedures (Schedule E).</p> <p>Clarification requested on how the 20% CV (RMSE) threshold, CUSUM and rolling variance thresholds were established.</p> | <p>Thanks for your input. For clarity, Energy Baseline Models are not required to meet a specific Coefficient of Variation of the Root Mean Squared Error [CV(RMSE)] threshold. Applicants are asked to include this metric to assist the Technical Reviewer in assessing submitted models. The <15% target was informed by ASHRAE Guideline 14-2002, which suggests a CV(RMSE) <20% for models used to measure whole-building energy performance, and the professional experience of the M&V Consultant retained to support program development.</p> <p>The CUSUM and 28-Day Rolling Variance thresholds (+/- 1.5% and +/-3.5% respectively) were developed following detailed analysis by the M&V Consultant of load profile models for a range of interval-metered commercial facilities across Canada.</p> |

II. M&V Procedures (Schedule E)

| | Stakeholder Feedback | IESO Response |
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| 1. | The M&V Procedures could be daunting to facility managers. Help from the Participant’s consultant, | Thanks for your input. IESO is developing marketing materials to convey the benefits of this |

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| | <p>the LDCs, and the IESO will be required to help the customer understand the benefits of this program.</p> | <p>program and will consider how barriers to participation could be addressed through Training & Support initiatives.</p> |
| 2. | <p>There are concerns regarding the use of hourly data as proposed in the raw data requirements of the M&V procedures:</p> <ul style="list-style-type: none"> • Hourly data is not typically available or if it is, the quality of the data can be problematic. • Using hourly data can make it very difficult to prepare a proper regression analysis for energy systems. • The RETScreen software was purposely designed around the typical data available to users which does not include hourly. The hourly data must be aggregated to daily data in a separate spreadsheet before being imported in the software, to meet the requirement that baseline models must be prepared based on historical hourly interval data. | <p>Thanks for your input. For clarity, while Baseline Energy Models must be built using hourly interval data, the models themselves can be daily. To facilitate modelling using the popular RETScreen tool, we will be making available a simple Excel-based tool that aggregates hourly interval data into daily units for import.</p> <p>Please note that the draft M&V Procedures provides guidance on accounting for gaps or quality issues with interval meter data.</p> |
| 3. | <p>The following recommendations and comments were made on the weather data that is used:</p> <ul style="list-style-type: none"> • Allow the use of daily NASA Near Real-time Global Radiation and Meteorology data, in addition to Environment Canada data: <ul style="list-style-type: none"> ○ It is available within the RETScreen Expert software and from NASA's website. ○ This data is used by many of RETScreen's 500,000+ users worldwide and has proven to be robust for M&V. ○ It is available for the entire surface of the planet, and not limited to the relatively few ground weather stations. ○ Alternatively, use the local weather station data that RETScreen Expert also easily incorporates into its analysis. • Allow daily weather data when daily aggregation is performed on the energy data. • Weather data from Environment Canada can be downloadable in the RETScreen software. | <p>Thanks for your input. The final M&V Procedures will be revised to allow daily granularity for model weather data when using daily energy data and include NASA as an acceptable weather data source.</p> |
| 4. | <p>General compatibility of the RETScreen Expert Software with the M&V procedure requirements:</p> | <p>Thanks for your input.</p> |

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| <ul style="list-style-type: none"> • The current software calculates all the required statistical indices except for the 'Net Determination Bias Error (NDBE)'. This indice will be added and will be available in the next release (expected early 2017). • RETScreen can produce a spreadsheet showing calculations of how the model output is calculated as a function of the independent variables and the time periods required by copying the data in RETScreen and pasting it into a spreadsheet to verify and validate the calculation. • The Coefficient of Variation of Root Mean Squared Error (CV(RMSE)) identified in the M&V Procedures is the same as "Coefficient of variation of the RMSE" in RETScreen Expert. • The CUSUM Analysis report graph is not a default graph in RETScreen. RETScreen uses absolute values but with a few steps it is possible to replicate the required graph in RETScreen. RETScreen will look into updating the software to allow for the variance in the CUSUM graph to be calculated on a dynamic basis. • A similar graph to the Rolling 28-day Variance Analysis Report identified in Appendix F can be produced using the moving graph option in RETScreen. RETScreen will look into updating the software to allow for the analysis to be calculated more dynamically. • The excel tool that will be provided to simplify the CUSUM Analysis as identified in Appendix E is not required with RETScreen as the graphs can be replicated in the software. It is also possible to paste the data from RETScreen to the excel tool to generate the chart. • The M&V chart available in the software is similar to the one presented in the M&V procedure. It follows the International Performance Measurement and Verification Protocol (IPMVP) rules. • The software can automatically run a series of simulations by changing the degree-day | <p>Please note IESO will make available a simple Excel-based tool to generate the CUSUM Analysis Report and the Rolling 28-day Variance Analysis Report. When daily actual and daily model-predicted energy consumption values for the 12-month baseline period are inputted, the tool will automatically calculate the cumulative variance and rolling 28-day variance plus provide graphical representations of the variances over the baseline period.</p> |
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| | <p>reference temperature and choose the one which yields the highest R2 value as identified in Appendix B.</p> <ul style="list-style-type: none"> The graph in Appendix C showing monthly electricity consumption on the interval data can be replicated in RETScreen. | |
| 5. | <p>Section 5.7 of the M&V Procedures that discusses the use of multiple regressions in a model should also indicate that a single multivariate model developed with 'day type' and/or 'occupied vs. unoccupied' as independent variables may also be appropriate.</p> | <p>Thanks for your input. The final M&V Procedures will indicate that single multivariate models are also acceptable.</p> |
| 6. | <p>The example provided in Appendix C of the M&V Procedures could benefit from a more detailed narrative and description of the steps undertaken. For example, the 'weekend' model has a negative slope, which means the building uses less energy on the weekends as the OAT rises. It is possible that the practicality of this relationship can be explained for this example building, but without a detailed narrative about why this makes sense at the building level, it is perhaps not the best example of a model.</p> | <p>Thanks for your input. The example will be updated to include a more detailed narrative and description of the steps undertaken.</p> |
| 7. | <p>Schedule E wording change recommendation: 1.1.1 "Minimum 1.5M kWh/yr" - This would be better written as 1,500,000 kWh/yr or 1,500 MWh/yr</p> | <p>Thanks for your input. This will be updated in the final M&V Procedures.</p> |
| 8. | <p>The EM&V Procedures may benefit from a clearer definition of 'the same load profile' in section 3.3. Clarification on the guidelines/criteria that will be used by the IESO's technical reviewers to establish whether buildings have the same load profile is recommended.</p> | <p>Thanks for your input. For clarity, multiple buildings aggregated in a single Baseline Energy Model should share a <i>similar</i> load profile, as determined at the discretion of the program's Technical Reviewer.</p> |
| 9. | <p>Section 4.7 of the M&V Procedures includes wording indicating that occupancy data will not be accepted as an independent variable. This has the potential to unfairly prevent multi-distributor customers such as hotel chains and multi-family building owners from participating in the program in an equitable way.</p> | <p>Thanks for your input. The final M&V Procedures will accept occupancy data as a Baseline Energy Model independent variable, where the data is measured and recorded.</p> |
| 10. | <p>The baseline year procedure should provide the flexibility to allow the user to choose, for the baseline year, a period that has an energy consumption that is representative of present</p> | <p>Thanks for your input. For clarity, applicants will need to provide 24 months of consecutive hourly interval data ending no earlier than 5 months prior to the submission of the Facility Application. The</p> |

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| | <p>operating conditions. It should not be restricted to the past 12 months of data. A minimum 24-month period is recommended.</p> | <p>Baseline Energy Model should be developed using the most recent 12 months of data unless the applicant can demonstrate that this period is not representative of standard operating conditions.</p> |
| <p>11.</p> | <p>Clarification requested on the baseline adjustment:</p> <ul style="list-style-type: none"> • How will the technical reviewer be informed when a baseline adjustment is required? • What are the required timelines for a Participant to advise that a Baseline Adjustment will be submitted, to submit a Baseline Adjustment, and to review and confirm the Baseline Adjustment in the agreement? • What is the schedule of the various periods (Baseline Period, Implementation Period, and Performance Period)? <p>Energy Baseline Adjustments should be reviewed with the IESO’s Technical Reviewer to decide if and how the adjustment will be reported before any work is done or the Participant’s consultants are engaged.</p> | <p>Participants will submit a Baseline Adjustment Request, containing the information specified in Appendix G of the M&V Procedures, to the program mailbox.</p> <p>Participants must submit a Baseline Adjustment Request within 60 days of becoming aware of an event necessitating a baseline adjustment as described in Section 9 of the M&V Procedures. IESO is in the process of determining service standards for Baseline Adjustment Request review with the Technical Reviewer.</p> <p>Applicants are required to provide minimum of 24 months of consecutive hourly interval data to support validation of Energy Baseline Models but the Baseline Energy Model should be built with the most recent 12 months (See response to Section II, Item 10 above). The first Pay-for-Performance Period for a Facility commences on IESO’s acceptance of a Facility Application Form and Pay-for-Performance Periods are 12 months long (unless truncated by the termination of the agreement on December 31, 2020). Where uncertainty exists about the need for a baseline adjustment, participants will have the opportunity to consult with the Technical Reviewer to determine if a Baseline Adjustment is necessary.</p> |
| <p>12.</p> | <p>The IESO may want to consider aligning terminology in the M&V Procedures with terminology in the IPMVP. For example, in Section 1.1.6, the terms “non-routine adjustments” and “routine adjustments” are not being used, and “non-routine adjustments” are being referred to as “Baseline Adjustments.” Further, the first term in the savings equation could be expressed as “adjusted baseline,” rather than “baseline model output.” Another example is the use of “Pay-for-</p> | <p>Thanks for your input. While the program M&V Procedures are in alignment with IPMVP Option C, the program documents do include some program-particular terminology (such as the use of “Pay-for-Performance Period” rather than “Reporting Period”) to emphasize key elements of the program, facilitate contracting, and for ease of understanding with customers without intimate knowledge of IPMVP. The finalized M&V Procedures will note where there is variance from standard IPMVP</p> |

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| | Performance Period” rather than “Reporting Period.” | terminology. |
| 13. | <p>Request for the IESO to provide the following information on aggregate models:</p> <ul style="list-style-type: none"> • What is the justification for accepting aggregate models? • In what other jurisdictions are aggregate models accepted? • What industry reference material provides direction on the prerequisites for aggregate models (e.g., same building type, but not same building size)? • Are the statistical requirements for aggregate models the same as the requirements for single-facility models? • If smaller buildings are aggregated into a single building, will each of the smaller buildings receive the \$1,500 modeling incentive? • Can buildings with less than 1,500 MWh of consumption be aggregated? | <p>Aggregate models, where multiple buildings are included within a single Energy Baseline Model, emerged in discussions with stakeholders as a solution to facilitate the participation of smaller buildings while controlling program administration and technical review costs. Previously, aggregated building models were accepted in the original Ontario Power Authority-administered Demand Response program for the measurement and verification of demand reduction at approximately 100 buildings. We are unaware of other jurisdictions where aggregate models are accepted; however, this is not surprising as there are currently few other jurisdictions offering whole-building, pay-for-performance programs/pilots. The statistical requirements for aggregate models are the same as for single-facility models</p> <p>Only buildings with less than 1,500,000 kWh annual consumption can be aggregated.</p> <p>Please note that where multiple buildings are included in an aggregated building model, the model is only eligible for one \$1,500 Modelling Incentive.</p> |
| 14. | Clarification requested on what the reference of 1.5% and 3.5% variation from the baseline indicates. | <p>This refers to the CUSUM Analysis and Rolling 28-Day Variance tests used to validate Baseline Energy Models. Both measure variance between the daily consumption predicted by the Baseline Energy Model and daily actual metered consumption over the course of a baseline year. CUSUM Analysis variances greater than +/-1.5% indicate significant sustained changes in electricity consumption not predicted by the model. Rolling 28-Day Variances greater than +/- 3.5% indicate significant short-term changes in electricity during the year not predicted by the model.</p> |
| 15. | Clarification requested on whether the format of the Annual Savings Report is included in the M&V | <p>The Annual Savings Report template is posted as Draft Schedule F Form of Savings Report.</p> |

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| | Procedures. | |
| 16. | Clarification requested on whether regional NTG values will be applied to this program from an EM&V perspective. | The IESO is still finalizing the Evaluation, Measurement and Verification (EM&V) methodology and plan for this program. Net-to-gross values are likely to be assessed on a per participant basis (similar to the project-level net-to-gross values used in the evaluation of the Process & Systems Upgrade Program). |

III. Eligibility

| Stakeholder Feedback | | IESO Response |
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| 1. | <p>Clarification requested on whether a participant could to enroll in P4P as well as the Virtual Energy Manager program at the same time? Can the P4P model and M&V protocol be used to verify savings achieved each year through the Virtual Energy Manager program?</p> <p>This would allow the participant to get paid an incentive based on the verified savings achieved by ongoing commissioning without having to submit engineered calculations through the usual retrofit application. This would also save IESO effort on reviewing the retrofit apps and the associated M&V.</p> | <p>There is no Save on Energy Virtual Energy Manager program, however; if your question concerns the eligibility of savings from continuous commissioning activities supported by an Energy Management Information System tool branded “Virtual Energy Manager,” savings from these types of measures can certainly be verified through the program’s M&V Procedures. In fact, the program design (specifically the whole-building M&V approach and multi-year incentive structure) was shaped by the goal of making it easier to measure and incent savings from non-retrofit efficiency measures.</p> <p>For clarity, buildings enrolled in EPP cannot simultaneously participate in other Save on Energy programs with the exception of Energy Manager programs.</p> |
| 2. | Clarification requested on whether maintenance projects that return equipment to its original efficiency level are eligible. | Yes, recommissioning is considered an eligible measure. |
| 3. | Clarification requested on whether equipment retrofit is eligible. Is there a capital project cost or other cap on the incentive based on equipment retrofit? | Equipment retrofits are considered an eligible measure and there is no incentive cap based on project cost. The annual Performance Incentive is capped at the incentive rate of 0.04/kWh X 20% of |

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| | | historical annual consumption. Please refer to Section 4(b) of the draft Participant Agreement for details. |
| 4. | Clarification requested on whether buildings enrolled in Enbridge's Run-It-Right Program are eligible. | Yes, buildings participating in natural gas efficiency programs such as Enbridge's Run-It-Right are eligible to participate in EPP. Incentives received through these programs do not impact EPP incentive calculation. |
| 5. | Clarification requested on whether participants can drop out of the program at any time and pursue another program such as Retrofit. | Participants commit to enroll buildings for a minimum of Performance Periods (two years) after which they can opt to leave EPP and pursue incentive through other Save on Energy programs. Opting out surrenders the rights to the full four years of Performance Incentive. |
| 6. | Clarification requested on whether the eligibility requirement to be a multi-distributor customer and enrol at least two buildings under two different LDCs still remains. | Yes, these eligibility conditions remain. Per the Minister of Energy's direction to IESO to establish the EPP, the program is currently restricted to multi-distributor customers. |
| 7. | Clarification requested on the types of buildings that are eligible for the program. Can portions of buildings participate that have appropriate metering? For example a commercial building office space excluding retail or a multi-residential building common area that is metered. | Yes, portions of building that have appropriate metering can participate provided they meet the program's standard eligibility criteria around minimum historical annual consumption, historical data availability, Baseline Energy Model fit, etc. |
| 8. | Clarification requested on whether there is a deadline to enrol. Can additional facilities be enrolled throughout the year or only at the annual enrolment anniversary? | Customers can enroll throughout the year, and can add new buildings at any time. |
| 9. | Clarification on whether employee engagement / energy behavioural projects will be accepted as projects that reduce electricity consumption. | Yes, employee engagement and behavioral projects are considered eligible measures. |
| 10. | Clarification requested on a scenario in which a landlord captures hourly data for the tenant - and the tenant pays part of the electricity consumption. Would a project like this be eligible even though the energy data is not given directly to the tenant? | Please refer to Section 4 of the draft M&V Procedures regarding raw data requirements for program participation. |
| 11. | Clarification requested on whether a participant can manually back out savings from capital equipment retrofits if they decide to apply for other Save on Energy incentives for those upgrades. This would be to avoid double dipping. | No, a building enrolled in EPP is ineligible for participation in other Save on Energy programs with the exception of the Energy Manager program for the duration of its enrollment. |

IV. Program Rules

| Stakeholder Feedback | | IESO Response |
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| 1. | Clarification requested on whether the NRCan ENERGY STAR Portfolio Manager is a requirement for program participation. | The use of NRCan ENERGY STAR Portfolio Manager is not a requirement for program participation. |
| 2. | Clarification requested on whether a participant will be removed from the program if the 5% target is not met after 3 years. What if the average savings over the 3 years is greater than 5%; would that have an impact? | IESO will consult with participants challenged to meet/maintain the 5% savings target. Buildings may be removed from the program if they are unable to achieve the target. |
| 3. | Clarification requested on whether a substitution can be made in an aggregated set of buildings. For example, suppose an aggregation was made for 5 schools, and one of the schools was slated for closure after 2 years. | No, once a building aggregation is accepted into the program building substitutions would not be accepted. There are provisions in the program to manage extenuating circumstances such as a school closure. |
| 4. | Clarification requested on whether the costs of the implemented measures need to be disclosed to the IESO and/or the LDCs. | No, costs of implemented measures do not need to be disclosed to IESO and/or LDCs. |
| 5. | Clarification requested on how the annual summary report would be adjusted for a building that uses back-up generation to minimize co-incident peaks. | A section will be added to the finalized Schedule F Form of Savings Report to account for savings from behind-the-meter generation which does not meet the requirements of the Conservation First Framework's Behind-the-Meter-Generation Guideline. |
| 6. | Clarification requested on whether equipment can be purchased in anticipation of enrollment in the program (equipment with long lead times). | Yes, provided the customer provides IESO with a letter of intent to enroll specific programs prior to equipment purchase. Please contact energyperformanceprogram@ieso.ca for details. |
| 7. | Clarification requested on whether savings from occupancy awareness are accepted, even though they may not be quantifiable. | Occupancy based controls are considered an eligible measure. For clarity, this program measures energy savings at the whole-building level. Participants do need to isolate savings from individual measures. |

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| 8. | The Monitoring and Targeting Program suffered from a lack of touch points and participants forgot they were participating. If there is only an annual reporting requirement, it is recommended that there are touch points throughout the year. | Thanks for your input. We expect the IESO and/or LDCs will have touch points with participants more than once per year. |
| 9. | Clarification requested on whether the IESO's approval is required before implementing a measure. | No, once a building is accepted into the program, IESO approval is not required before implementing measures. |
| 10. | Clarification requested on whether there can be multiple participants in a single application? | The IESO will only enter into a Participation Agreement with one counterparty. |

V. Other

| Stakeholder Feedback | | IESO Response |
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| 1. | Clarification requested on how fuel switching will be treated. | Fuel switching is subject to the Conservation First Framework Fuel Switching Guideline which places significant restrictions on the eligibility of fuel-switching projects for CDM incentives. |
| 2. | Direction requested on the role of the LDC throughout the customer engagement and technical review processes. | LDCs should continue to support customers throughout the process of applying to and participating in the program. A subgroup of the Business Program Working Group has been formed to provide input to the IESO on LDC needs to support successful program administration. Program administration and technical review will be handled centrally by the IESO and a third-party Technical Reviewer. |
| 3. | Clarification requested on how the IESO intends to contract the Technical Reviewer role for the program. | IESO intends to leverage an existing contract to provide Technical Reviewer services for Save on Energy programs. |
| 4. | Clarification requested on whether Hydro One counts as an LDC. For example, could the City of Ottawa enroll using a Hydro Ottawa property and a Hydro One property? | So long as the customer receives its electricity bill for different buildings from two different utilities (but not the IESO) the customer is eligible to participate. |
| 5. | Enticing features of the program for the educational sector: <ul style="list-style-type: none"> An integrated program across multiple LDCs Program is centrally administered by the | Thanks for your input. At this time there will be no gas collaboration in this particular program. |

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| | <p>IESO to provide a consistent experience for projects across the province and a single program point of contact</p> <ul style="list-style-type: none"> • The IESO will coordinate with the individual LDCs to allocate energy savings toward their CDM targets • Program designed to encourage customers to become more engaged in energy conservation • Aggregation of smaller sites (<1.5 GWh annual usage per site) into one agreement • The program allows savings from equipment retrofit, re-commissioning (operational improvements) and behavioural programs • Coordination with natural gas distributors is highly recommended | |
| 6. | <p>The following items are seen as barriers to participation:</p> <ul style="list-style-type: none"> • The cost for energy modeling and costs associated with energy baseline adjustments. There is uncertainty whether the \$1,500 incentive will be enough. • The incentive rate of \$0.04/kWh appears low when compared with the Retrofit program, but encourages and rewards customers to engage in operational and behavioural projects. | <p>Thanks for your input. IESO plans to explore how it can support developing market capacity for energy modelling through training and tools. With regards to the performance incentive, the results of the IESO-funded Pay for Performance pilot project and feedback from other potential participants indicate that \$0.04/kWh of savings every year for four years represents an attractive inducement.</p> |
| 7. | <p>Clarification requested on what differentiates this program from other Save On Energy programs since it essentially competes with existing programs for savings.</p> | <p>EPP's pay-for-performance incentive structure, whole-building M&V approach and centralized administration differentiate it significantly from the existing Save on Energy programs available for Commercial & Institutional customers. EPP is intended as a complementary offering to the current portfolio of programs, enhancing customer choice, and reflects feedback from multi-distributor customers.</p> |
| 8. | <p>Clarification requested on whether this program will prevent LDCs from doing Upstream/midstream incentive programs. How will double-dipping be prevented?</p> | <p>There are currently no LDC-delivered upstream/midstream incentive programs for measures applicable to Commercial & Institutional customers in market; however, "double dipping" with potential future upstream/midstream programs has been identified as a risk. The potential need to identify and account for "double dipping" is one of</p> |

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| | | the reasons that participants will be required to list implemented measures in Annual Savings Reports. |
| 9. | Clarification requested on whether LDCs must add the program to their CDM Plan or can LDCs elect to not offer the program. | <p>LDCs are not required to add EPP to their CDM Plans (although the savings achieved in their service territory will be credited against their CDM target).</p> <p>The program will be offered centrally by IESO to all customers across Ontario.</p> |
| 10. | LDCs should not have to continue to fund an energy manager if a large facility with an energy manager chooses to participate. | Thanks for your input. For clarity, all savings achieved through EPP in an LDC's service territory will be credited against their CDM target and several customers have identified continued access to the Energy Manager programs as vital to facilitate their participation in the program. |
| 11. | Clarification requested on how Energy Managers will claim the non-incented portion of their target if all building savings are paid through this program. | Recognizing the non-incented savings requirement for customers participating in the Energy Manager programs, the draft Annual Savings Report template allows customers to not claim a portion of their Performance Incentive for all captured savings. Customers can use the savings to address the non-incented savings target of the energy manager. |