

Provincial Energy Manager Program Multi-Distributor Customer Energy Managers

Stakeholder Engagement Initiative
Webinar - July 24, 2015

Objectives

The objectives of this webinar and stakeholder engagement initiative are to:

- Provide an update on the proposed Provincial Energy Manager Program
- Seek input from stakeholders to help identify any opportunities or barriers with respect to the proposed Multi-Distributor Customer Energy Manager program

Agenda

- Background
- Participation to date
- Proposed program
- Implementation timeline
- Questions

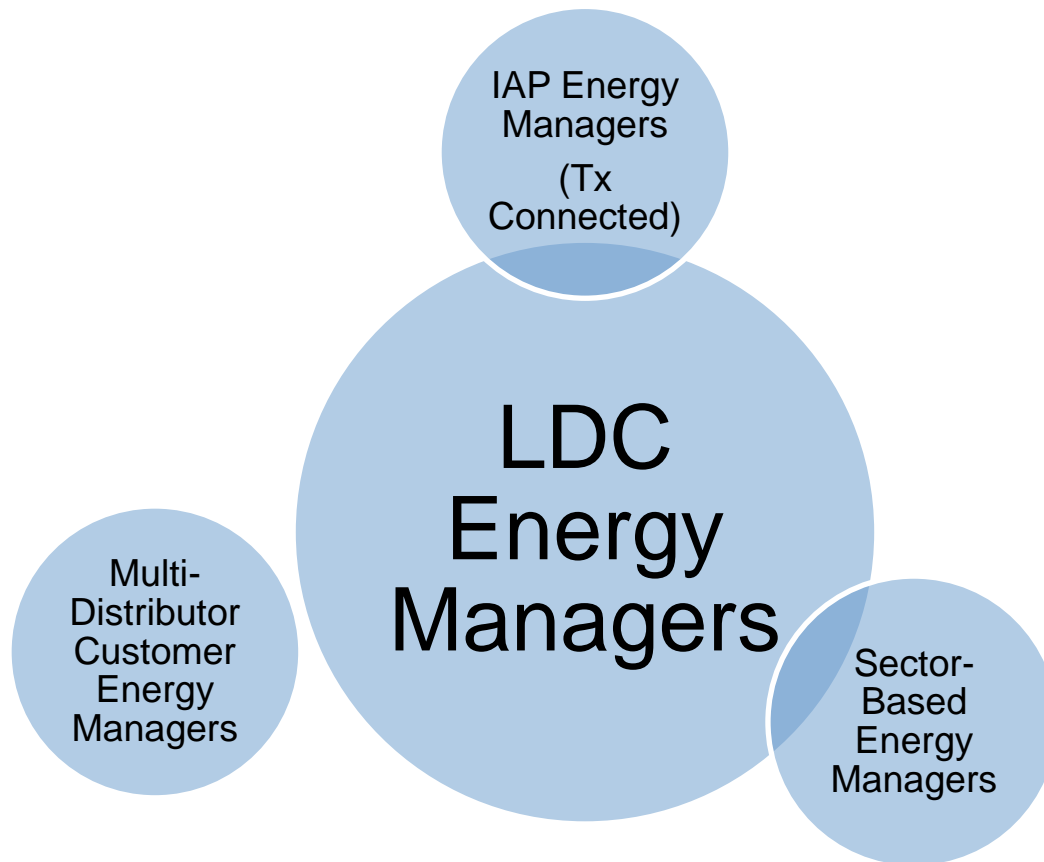
Background: Conservation First Framework

- On March 31, 2014, Minister of Energy directed the Ontario Power Authority to implement a new conservation framework focused on:
 - Providing electric utilities with long-term stable funding and budgets
 - Cost-effective electric utility conservation plans
 - Greater electric utility autonomy
 - Making province-wide programs available for delivery
 - Flexibility to align conservation programs to local needs
 - Streamlined approvals and administrative requirements
 - Encouraging innovation
 - Regional and natural gas utility collaboration

Background: Provincial Energy Managers

- Direction received from Minister of Energy October 23, 2014:
 - “The OPA shall procure and coordinate the cost-effective services of energy managers to ensure their sufficient availability to target small business, commercial and institutional customers across the province.”
- IESO has developed a proposal to address the direction and has refined with input from LDC working groups

Energy Manager Resources



Results to Date

- **LDC Embedded Energy Managers:**
 - Energy Managers who have completed two terms in a facility have a median savings of approximately 3,000 MWh
 - Approximately 2/3 of Energy Managers have saved more than 4% of the consumption at their facility
- **Multi-Distributor Customers (MDC):**
 - MDC customers represent approximately 4% of the participants in Retrofit yet account for up to 40% of the total savings
 - The Achievable Potential Study forecasts that approximately 2.7 TWh of savings may be realized from MDCs

Multi-Distributor Customers (MDC)

- MDCs are defined as those customers that have a centrally managed energy management function with facilities located in five or more LDC territories
- We are looking to support MDCs with minimum aggregated load of 15 MW and/or annual energy use of 75 GWh or more

Proposed MDC Energy Manager Criteria

- The proposed criteria for energy manager funding include:
 - Incremental, embedded resource
 - One resource per company
 - 2,000 MWh minimum savings target per year
 - 10% of annual savings to come from non-incented projects
 - Two year contract with options to renew

MDC Incentive

- The proposed incentive is as follows:
 - \$40/MWh to be paid annually based on in-service savings
 - \$50K initial funding per year (no claw-back)
 - Up-front initial funding will be subtracted from total incentive payment at year end
 - \$150K funding cap (3,750 MWh savings)

Reporting & Support

- Proposed reporting requirements:
 - Completion of an Energy Management Plan for the facilities in portfolio
 - Quarterly & Annual Progress Reports
- Proposed IESO Support:
 - Training Courses (i.e. CEM)
 - Help Desk
 - Access to Energy Manager Hub and networking opportunities with other LDC/IESO funded energy managers

Implementation Timeline

- **August 6, 2015:** Stakeholder feedback due
- **August 14, 2015:** IESO to respond to stakeholder feedback
- **August 2015:** Finalize Program for Multi-Distributor Customer Energy Managers
- **Fall 2015:** Application Available
- **January 2016:** In-Market

Questions for Consideration

- What additional criteria should IESO consider in providing funding for MDC energy managers?
- Will the proposed funding model encourage your company to find additional energy savings?
- Does the proposed funding model properly incent your company to adopt structured energy management practices?

Questions?

Please submit feedback to
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