

IESO Engagement

From: Linda Varangu
Sent: December 14, 2016 5:38 PM
To: IESO Engagement
Subject: stakeholder responses to the sector based energy manager program

Please find our responses to the questions below

Kind regards
Linda

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Questions for Consideration:

Does the scope of work provide enough information without being overly prescriptive on how savings will be achieved in any particular sector?

Does the scope include energy use reductions of various forms of energy (electricity, natural gas, diesel etc.)?

Please clarify on the ability to submit a proposal for 2 sectors, which are related, but different.

Would IESO like to see

a single submission that includes total energy savings and costing individually for each sector,

Followed by a final project cost that combines the costing of each individual sector, with a cost reduction due to the amalgamation of the 2 sectors.

Does the proposed funding schedule which includes a pay-for-performance model present too much of a risk for sector associations to respond?

Although in our sector we are pretty sure that savings can be had, we still do not have final control over the approval process in any of the buildings. Having the delivery agent, which in a sector based program is generally a not-for-profit, assume this risk is not appropriate.

We suggest a program model that clearly outlines the requirements of delivering the program that the delivery agent outlines (i.e. must complete X assessments and deliver reports/business cases to the clients to represent at least the total savings the delivery agent has indicated can be achieved).

This approach is similar to what the IESO has outlined for the Capability Building Projects where a max of \$60K is provided for the sector. It is more prescriptive but only in the objectives.

The way the pay-for-performance draft RFP is written we would have to increase our project cost by 30% for the last 2 years to ensure that our work is fully paid for in years 3 and 4 if we fall between 50-60% of total energy savings.

Remove the risk and you will have more cost effective responses to the RFP.

There must be other ways acceptable to the IESO to ensure a successful sector program delivery than risk the financial health of the not-for-profit, the same organization which you want to have build trust in the sector.

This pay-for-performance model is also a risk for the IESO, as bad press in relation to this program would create poor working relationships with the sector going forward.

Is there enough information in the scope of work coupled with your sector knowledge to help you estimate the number of Save on Energy incentive applications required to achieve Dec 31, 2020 total energy savings target?

We have prior knowledge of operating a sector based energy efficiency program and can draw on this past experience. We know that in our sector there is a large range of possibilities for energy savings (i.e. much more than just lighting) and we had many SaveOnEnergy applications that were novel and where the energy savings in each application could vary considerably. Our sector is very complex and requires a high degree of sector-specific technical knowledge.

The number of SaveOnEnergy applications should not be the objective – it should be the total energy savings achieved. By having the total number of applications as the target you are applying a disincentive to a sector where the real savings come from more complex operations.