

IESO Stakeholder Advisory Committee
Meeting Notes and Supplemental Comments
August 17, 2016
St. Andrew's Club & Conference Centre, Toronto

Advisory Committee Members:

Mr. Brian Bentz – Chair (representing Distributors and Transmitters)
Ms. Ersilia Serafini – Vice Chair (representing Ontario Communities)
Mr. Steve Baker (representing Related Businesses/Services)
Mr. John Beaucage (representing Ontario Communities)
Ms. Darlene Bradley (representing Distributors and Transmitters)
Mr. David Butters (representing Generators)
Mr. Jared Donald (representing Generators) (via teleconference)
Ms. Julie Girvan (representing Consumers)
Ms. Valerie Helbronner (representing Generators)
Mr. Geoff Lupton (representing Ontario Communities)
Mr. Mark Passi (representing Consumers)
Mr. Mark Schembri (representing Consumers)
Mr. James Scongack (representing Generators)
Mr. Paul Shervill (representing Related Businesses/Services)
Mr. Todd Wilcox (representing Distributors and Transmitters)
Mr. Terry Young (representing IESO)

Absent:

Mr. Jack Burkom (representing Related Businesses/Services)
Mr. Rob Mace (representing Distributors and Transmitters)

IESO Presenters:

Mr. Bruce Campbell
Ms. Kimberly Marshall
Ms. Barbara Ellard
Mr. Kim Warren
Ms. Sorana Ionescu
Ms. Katherine Sparkes
Ms. Susan Harrison

IESO Board Members:

Mr. Tim O'Neill – Chair
Mr. Bruce Campbell
Mr. Murray Elston
Ms. Susanna Han
Mr. Ronald Jamieson

Ms. Margaret Kelch
Mr. Bruce Lourie
Ms. Deborah Whale
Ms. Carole Workman

Agenda Item 1: Welcome

Mr. Brian Bentz (Chair)

Mr. Bentz welcomed all to the meeting, noting that Mr. Mark Passi is attending his first meeting as a new SAC member. Mr. Passi is the Manager of Energy Affairs at Glencore and the AMPCO chair. Mr. Bentz introduced the IESO Board of Directors. He invited attendees on site and on the phone to ask questions and provide input by sending him an email during the meeting (iesosac18@gmail.com).

Agenda Item No 2: IESO Business Update

Mr. Terry Young

Mr. Young introduced the IESO executive team in attendance, noting that all are available for questions: Kimberly Marshall, Michael Lyle, Doug Thomas, Kim Warren, and JoAnne Butler. He provided highlights on a number of key initiatives underway at the IESO.

Conservation

As directed by the government, a mid-term review has been initiated of the Conservation First Framework and the Industrial Accelerator Program and an engagement initiative will be launched shortly.

The Achievable Potential Study results have been provided online. The study has two underlying components: a behind-the-meter generation study and an energy efficiency study. Results estimate that within the Conservation First Framework time frame and budget approximately 7.4 terawatt-hours (TWh) of achievable electricity savings are available in Ontario, and this is consistent with the established province-wide target of 7 TWh.

The IESO has begun working with stakeholders, customers, and local distribution companies (LDCs) to develop two new programs on pay-for-performance for multi-distributor customers and a Whole Home pilot program to coordinate audits for gas and electricity in the home. It is comprised of two gas utilities and 70 LDCs. The plan is to implement both of these programs by the end of this year.

Regional Planning

Ten local advisory committees have been set up, and assessments of all 21 regions identified by the Ontario Energy Board have been completed and evaluated. Planning is being carried out across the province where necessary.

Cap and Trade

An update has been provided on the IESO's work with the Ministry of Environment and Climate Change and the Ministry of Energy.

Ontario Planning Outlook

The Minister of Energy has requested that the Ontario Planning Report be submitted by September 1, 2016. After submission, formal consultation is expected as part of the government's Long-Term Energy Plan (LTEP) consultation.

Operations

An update on operations has been prepared, and Mr. Kim Warren will be happy to answer questions.

Grid/LDC Coordination Initiative

The IESO has launched a project to identify data-sharing opportunities, including operational and forecast information, to increase visibility between the grid and LDC operations.

Mr. Bentz commented that from the perspective of a local distribution company that is seeing some organic load growth, there is interest in addressing load growth in creative and innovative ways that enhance interoperability and sustainability of the system. PowerStream has partnered with the IESO to explore the potential of solar battery technology in homes. The pilot study involves a 5-KW array and a 12-KWh battery with a controller. The pilot is now active in 20 homes and is receiving positive feedback. Whether it is scaleable in terms of expanding the amount of energy produced and perhaps dispatching power on an aggregated basis has yet to be determined. Data sharing, impact, and cost are being examined.

Engagement Update

The Technical Panel has delayed a vote on the real-time generator cost guarantee cost-recovery framework for five weeks to allow discussions to continue. Voting has been rescheduled for the September meeting. The retail wholesaler representative on the Technical Panel has resigned, and a call for nominations will soon be issued through the IESO Bulletin.

A capacity exports stakeholder initiative is under way.

The IESO filed an update of the 2016 IESO Business Plan with the Ontario Energy Board on May 13. Settlement discussions are taking place this week.

Comments

Mr. Butters said that with respect to cap and trade, all contracts should be treated equitably. The July 28 decision by the Ontario Energy Board to hide the cost of carbon in the delivery charges of gas and utilities is puzzling and disappointing, given that cap and trade was designed to change consumer behaviour.

Mr. Butters said the Technical Panel decision update is unrealistically rosy and does not align with Technical Panel reports he has received. He also asked whether the IESO knows what the schedule might look like for long-term planning once the Technical planning report is delivered to the government. Mr. Young replied that how the schedule might look is unknown.

Mr. Baker said the market is trying to sort out regulations and implications for combined heat and power (CHP) under the conservation initiative, and the ability to meet the 7-TWh target. The IESO needs to look at conservation demand management (CDM) plans and their impacts on CHP, as there is confusion about this in the market.

Mr. Bentz echoed Mr. Baker's comment about using CHP as a tool to achieve conservation targets and the threshold that is set for exemptions under the legislation. It is necessary to look at the potential impact of increasing overall costs of small-scale CHP.

Ms. Helbrunner asked whether the IESO will post the reports that outlined an Integrated Regional Resource Plan (IRRP) was not required for a particular region. Mr. Lyle replied that this information is publicly available.

Ms. Helbrunner asked for an update on LTEP targets. Ms. Butler said the IESO is on track for LTEP targets of 10,700 for non-hydro renewables and 9,000 for water renewables.

Ms. Helbrunner asked how SAC members should use the active engagement table provided in the handout. Mr. Young replied that it serves to give members a snapshot of the initiatives under way. It is updated for each SAC meeting. Ms. Helbrunner suggested providing black lines on previous versions so that members can track progress.

Mr. Shervill asked whether 16% for the 2015 conservation results meets IESO expectations and looked for an explanation of the increase in the net-to-gross adjustments. Mr. Young replied that the IESO was pleased with the results achieved by the LDCs and the uptake received in the programs in 2015. There was continuation from

one framework to the next, and momentum was maintained. Specific LDC targets will be discussed as part of the mid-term review.

Mr. Schembri said Loblaw has been involved in the pay-for-performance directive within the energy conservation framework and supports that the engagement is moving quickly.

Referring to cap and trade and the provincial Climate Change Action Plan (CCAP), an observer asked whether the IESO has analyzed the plans and proposals, including the proposal for overnight charging. Ms. Butler said the IESO is now working with the government on proceeds recycling, but has not yet looked at deeper-level issues such as overnight charging.

Mr. Wilcox asked for an update on LDC pilots for reforming the Regulated Price Plan (RPP). Mr. Lyle said the IESO has had preliminary discussions with the Ontario Energy Board around understanding the impacts.

Mr. Donald said he appreciates the IESO's quick work in bringing the microFIT program back online ahead of schedule.

Agenda Item No 3: Strategic Plan

Mr. Bruce Campbell

Mr. Campbell provided an overview of the IESO strategic plan for 2016–2020. He said his goal is to position the company strongly in an increasingly complex sector. The strategic plan provides a bridge to the business plan.

The IESO spends a great deal of time doing mandated, day-to-day business to keep the markets and power systems working well. This leaves a thin layer of resources to devote to strategic change across the company. Thus, the IESO must be very focused in determining what must be done. The following needs have been identified:

- **Maintain reliability:** The goal is to deliver superior performance in a changing environment. The objectives are to enhance coordination with the LDCs and promote robust cybersecurity practices.
- **Continue market development:** The goal is a more efficient and sustainable marketplace. The platform must evolve to deal with a wider range of technologies and to gain efficiencies. Ms. Butler is leading this effort. The first step is to look at potential costs and benefits, get some results next year, and make decisions to take forward.
- **Improve engagement:** The IESO strongly values continual improvement in engagement practices. For example, an Interim Market Document Change (IMDC) process has been in place since market opening. Improvements are needed and are

currently being contemplated. The IESO wants to build more input into the strategic planning process and move toward an annual cycle. Although it is a five-year strategy, fine tuning will be required along the way as the environment changes.

Comments

Mr. Baker said the IESO has done a good job on the strategic plan. He said there is a need to build public confidence around how much money Ontarians will be expected to pay for their power, and why, and what is going to happen to the price of power. Mr. Campbell replied that gaining public confidence to demonstrate the need for improvements in the electricity industry at the sake of cost is a hard message and one that the entire sector needs to work on.

Ms. Serafini said the strategic plan is ambitious and well done. She echoed Mr. Baker's comment about the need to build public confidence. Mr. Butters agreed with these comments. He said it is important to ensure that public value is provided at the intersection of the technical report, the CCAP, and the price of power. Mr. Campbell replied that these are important insights.

Agenda Item No 4: 2017 to 2019 Business Plan and 2017 Corporate Performance

Measures

Ms. Kimberly Marshall

Ms. Marshall said the IESO is in the process of having its 2016 revenue requirement approved by the OEB. Planning for 2017, which is an extension of 2016, is now under way. There is some uncertainty in planning around the CCAP, cap and trade, and procurements.

Merger synergies will continue to be a big focus for the future.

Other initiatives for 2017 include:

- Enabling residential customers within the demand response (DR) auction
- Developing a post-LTEP implementation plan
- Using the website for education and data sharing
- Focusing on employee engagement and the Operations Readiness Initiative

There is \$29 million in the capital project envelope for 2017.

Becoming more outcome-oriented is a continuous process. There is a focus on engaging new participants.

Corporate performance measures have been designed to measure the progress towards the achievement of the strategic objectives. For example:

- There is a need to self-certify compliance with reliability standards.
- Moving along key recommendations with respect to regional planning is a focus.
- LDC coordination is a focus for Mr. Kim Warren's group.
- The IESO can play a cybersecurity leadership role in conjunction with the Ontario Energy Board and other parties, and this effort is being led by Mr. Doug Thomas's group.

The IESO would like to become more specific about progress on IESO pricing impacts on competitive procurements and LTEP comparators.

Bigger IESO participation in conservation and DR is planned.

The 2016 customer satisfaction survey results will set a baseline for measuring future improvements.

The first employee engagement survey was done this year. Action plans will follow.

The IESO is ensuring that operational capacity is effective and efficient, while at the same time ensuring that it is working on the right things.

Monitoring risk is ongoing. Resourcing in a complex and changing environment has been identified as a key risk and added to the list this year.

Comments

Mr. Scongack asked whether cybersecurity risk is considered to be higher or lower in 2017. Mr. Thomas said the IESO has a robust cybersecurity posture but that cybersecurity risk cannot be completely mitigated and will therefore always exist.

Ms. Girvan asked whether SAC members have a list of corporate performance measures. She asked how these will be measured and whether targets have been set. Ms. Marshall replied that the IESO has set targets for each of the measures which can be provided.

Ms. Girvan noted that within the business plan highlights for 2017–2019, a stakeholder priority has been set to enhance education and transparency efforts related to costs and conservation opportunities. She said the IESO needs to work with government and the Ontario Energy Board to educate consumers about future price increases that are coming.

Ms. Serafini asked whether the cost and timelines of 2017 key initiatives has been determined, considering that the IESO usage fees are anticipated to remain flat through

2017. Ms. Marshall replied that each working group has a defined activity list for timeline mapping.

Mr. Shervill asked whether the IESO is tying achievements to employee compensation. Ms. Marshall replied that achievements are tied to performance management.

With respect to innovative approaches to engagement, Mr. Beaucage noted that many First Nation and Metis communities have their own policies on how and when to consult, and that it is a complex process. Mr. Lyle replied that the IESO acknowledges the need to use different approaches when engaging with indigenous communities than when engaging with stakeholders in light of their constitutional status, and distinct cultures and challenges.

Mr. Wilcox said there is a lot of anger about electricity rates and, therefore, a need for sustained public education. In 2008 the rate was 10 cents per KWh and this has risen to 19 cents in 2015/2016. With respect to collaboration between gas and electricity, he noted there is a difference between the willingness to collaborate and opportunities to collaborate. For example, there is only one trained auditor in northeastern Ontario, making execution difficult. Mr. Young acknowledged the challenges that exists in northeastern Ontario and the need for continued efforts on collaboration.

Ms. Bradley asked for an explanation of how insufficient support from key stakeholders impedes the IESO's ability to effectively pursue key initiatives (identified in the handout as a key risk for 2017). Ms. Marshall replied that preliminary risk mitigation plans have been developed, and continuous improvement to good stakeholder engagement is important.

Mr. Lupton said end-use consumers are being hard hit financially from many angles and want to understand the rationale as well as look for opportunities within industry changes including the cap and trade and climate change initiatives. Ms. Marshall agreed and said Mr. Wilcox and Mr. Bentz are on the front line of hearing about this impact.

Mr. Butters said public misunderstanding of the electricity sector is a big issue, which the IESO is in the best position to address. Until this happens, stakeholders will be plagued with complaints.

There is a new energy minister. Mr. Schembri said the IESO has to build trust with the minister and ensure that the government respects the technical capacity of the IESO. Mr. Campbell said the IESO has had early, positive engagements with the new minister.

Mr. Schembri said he believes it is possible to move prices down in the energy sector within the medium to long term. The market renewal process is the mechanism to make this happen as it moves to leveraging DR resources more effectively.

Ms. Helbronner said criticism of the sector is welcomed, but it should never come from a lack of understanding. She echoed the need for better public understanding.

Agenda Item No 5: Market Renewal

Ms. Barbara Ellard

Ms. Ellard said market renewal is a comprehensive program for change within the power sector driven by changes that are comparable to those in other sectors of the global economy. The IESO has held two stakeholder sessions to receive formal and informal feedback and has engaged a consultant to undertake a Benefits Case. The goal is to finalize the work plan and Benefits Case by early 2017. Stakeholder feedback has been supportive. A pragmatic approach is required that is mindful of contracts, regulations, and public policy. Market Renewal has three key workstreams: (1) renewing the energy market, (2) growing capacity as a market-based mechanism, and (3) enhancing operability and flexibility of resources. Each work stream and each initiative will have its own engagement.

On the capacity side, work on the DR auction continues. The capacity auction design from 2014 will be revisited and the IESO will build upon that foundation. The enabling of capacity exports will continue on an enduring platform.

On the energy side, the two-schedule pricing system is proposed to be replaced with a single-schedule system that will enable the implementation of a day-ahead market and improved real-time unit commitment.

On the operability side, the IESO acknowledges that the need for greater flexibility exists now, and it has identified targets of 300 MW by 2017 and an additional 700 MW by 2018. The IESO is seeking ways to unlock flexibility from existing assets in the near term, while remaining cognizant of the need to implement an enduring mechanism to foster flexibility.

The three work streams— energy, capacity and operability— will be done in parallel. With respect to the energy stream, the IESO is starting the work in a staged and sequenced manner but is open to a single coordinated implementation of the various initiatives.

The IESO has hired a third-party consultant to undertake the bulk of the work associated with the Benefits Case assessment. A broad analysis will be done that will go beyond the traditional cost-benefit analysis; it will draw on both qualitative and quantitative perspectives, linking into work that has been done in Ontario and other jurisdictions. The proposed approach is to assess the costs and benefits of implementation, identify broader efficiency benefits, and facilitate future change. The IESO will continue to

engage with market participants, in particular to understand the costs and the contractual impacts.

The IESO has established a market renewal working group, which will allow for in-depth discussion and will complement the stakeholder process. It will have 13 active members and two alternate members on the load side. The first meeting will take place the week of August 29 with the consultant in attendance.

Comments

Mr. Bentz asked what the medium-to-long-term vision of market renewal is. Ms. Ellard said it is about establishing market mechanisms that allow for a more dynamic and flexible market place.

Mr. Butters said being serious about market renewal means recognizing that too much government intervention impedes efficiency and innovation. Efficiencies around fuel are small compared to the fixed costs of generation, for example. The IESO should let the government know that it must step away and let things unfold if it wants to benefit from market renewal.

Agenda Item No 6: Curtailing Linked Wheel-Through Transactions

Mr. Kim Warren

Mr. Warren provided a summary of activities and concerns with respect to curtailing wheel-through transactions to avoid nuclear shutdowns during periods of surplus baseload generation (SBG). March and April 2016 saw SBG periods about 90% of the time. In recent years, about 50% of all nuclear shutdown events have occurred during the month of May.

He explained that a linked wheel-through transaction is the transfer of energy through Ontario to another jurisdiction. These transactions are usually of no concern unless under certain operating conditions including times of SBG. Shutting down nuclear units, particularly those instances that are unforeseen and are done on reasonably short notice, bring about significant risks in terms of potential operator error and reliability standard violations. On May 20, 2016, the IESO implemented a change to its internal procedures, through the Interim Market Document Change (IMDC) process, to add additional transparency in how the IESO will curtail linked wheel-through transactions in order to avoid a nuclear shut-down. The IMDC process was implemented in this case due to the urgency of forecast market conditions. It was further reported that the IESO has yet to curtail a linked wheel-through transaction for the purpose of avoiding a nuclear shutdown.

Mr. Young said feedback received as a result of the use of the IMDC procedure has been collected and analyzed through the IESO internal audit group. As a result of this review,

the IMDC process has been identified as an area that the IESO would look at to ensure that it aligns with the new set of the organization's engagement principles. An early review suggests that there is a need to establish criteria and set expectations on the scope of engagement through an IMDC process as well as publish and respond to input received. The IESO will continue its review effort and report back to stakeholders.

Comments

Mr. Scongack said there was a significant shift in the market in 2008-09 with periods of surplus load demand prompting unit shutdowns. If a nuclear unit has an impairment, a shutdown can last 15 days or longer. He commended the IESO for moving swiftly on the IMDC. Mr. Butters also commended the IESO for moving swiftly.

Agenda Item No 7: Smart Metering Entity Licence Order Working Group

Ms. Sorana Ionescu

Ms. Ionescu said the Smart Metering Entity (SME) working group was initiated to respond to the January 26, 2016, Order from the Ontario Energy Board. The Order states that, effective January 1, 2017, the SME must collect four new fields of information: postal code, distributor rate class, commodity rate class, and occupant change data. As well, the next SME licence renewal application must include an implementation plan for third-party access, including an assessment of the cost implications.

The SME Licence Order Working Group is comprised of 13 LDCs along with observers from the Ontario Energy Board, the Ministry of Energy, the Electricity Distributors Association and gas utilities. The Information and Privacy Commissioner is closely involved in consultations. The group meets monthly and focuses on how to collect data while respecting privacy and analytic requirements, designing technical specifications, and implementing the new code into the Meter Data Management Repository (MDM/R) production environment.

The IESO has hired Privacy Analytics Inc. as a consultant. The company confirmed that the IESO has high levels of security controls in place. The testing phase for data collection is under way.

The SME working group is currently looking at best practices for third-party access to the data, and the implementation plan will be filed with the licence renewal application in early October but the details of the effort are just starting and stakeholder input will be a very important aspect of this development. Third-party access principles at the Canadian Institute for Health Information, Enbridge, the Municipal Property Assessment Corporation, and Statistics Canada provide good models. Ms. Ionescu said it is important to determine motivation and principles early. Purpose and governance must encapsulate the value for the electricity customer and for the system, keeping the

long term in mind. The goal is to create efficiencies and minimize costs while ensuring no impact on current MDM/R billing functions or operational reporting.

After January 1, 2017, when the data collection begins, the consultant will have access to the real data, and pilot projects will follow.

Comments

Mr. Bentz said PowerStream is ready to go live on January 1, 2017 for collecting data, with minimal effort and expense. However, there is concern about the confidentiality of consumer information and potential liabilities.

Ms. Girvan asked why the Ontario Energy Board ordered the collection of the additional data, how it will be used by third parties, and what is the value to them. Ms. Ionescu replied that there has been a sense of frustration in the past that the Ontario Energy Board and others have been unable to harness data. The additional data will help with analyses of conservation benefits and consumer behaviour. Municipalities also want data for regional planning.

Mr. Wilcox asked whether users will be paying for the collection of the additional data and the provision of third-party access, or whether it will be charged to the MDM/R. Ms. Ionescu said this is undetermined and input is welcome. The Canadian Institute for Health Information charges hourly for processing requests, with different prices for for-profits and not-for-profits, for example.

Mr. Schembri asked how interval meter data ties in. Ms. Ionescu said 60-minute interval data are being accumulated daily, monthly, and yearly, and this provides a profile of how a customer segment performs.

Mr. Schembri asked whether interval meter data will be layered with the smart metering data. Ms. Ionescu said it depends on interest from the marketplace. The IESO will create the infrastructure. How and by whom it is accessed will be addressed later.

Ms. Girvan asked for elaboration on the value of the SME to customers. Mr. Young said one value is in the IESO and LDCs working together to better understand use in order to meet customer needs through the design of effective conservation programs.

An observer echoed Mr. Bentz's concern that there are lingering sensitivities regarding privacy of information. He said Ontario's Green Button Initiative is an online platform to standardize consumer access to energy consumption data. One component of Green Button is to allow for consumers to grant data access to third parties. As part of the CCAP, it appears that the Ministry of Energy is moving toward mandating the implementation of Green Button for electricity, gas, and water LDCs, which he said seems to overlap with the work of the SME working group, particularly with respect to

third-party access. The observer said he encourages the IESO to look for synergies, and asked if the Ministry of Energy has engaged with the IESO on Green Button. Ms. Ionescu said the IESO is engaged in discussions to understand the synergies.

Agenda Item No 8: Conservation Framework Mid-Term Review

Ms. Katherine Sparkes/Ms. Susan Harrison

Ms. Sparkes said the 2015–2020 Conservation First Framework has a target of 7 TWh of energy savings by the end of 2020. All LDCs have developed a six-year CDM plan setting out how they will achieve individual targets in their areas through a combination of local, regional, and provincial programs. The Industrial Accelerator Program for transmission-connected customers has a 1.7-TWh reduction target by 2020.

Since 2014, when the government directed the IESO to initiate these programs, there have been mergers, acquisitions, and consolidations within the LDC community, the IESO-OPA merger, and the government introduced CCAP. The deadline to submit the mid-term review to the Ministry of Energy is June 1, 2018. However, the LDCs and others have urged the IESO to complete the review as soon as possible, so talks between the IESO and LDCs began in the summer of 2016.

The mid-term review will examine the following:

- Province-wide and individual LDC targets
- Funding provisions and cost-recovery mechanisms for the framework, including performance incentives for LDCs
- LDC collaboration
- Integration with conservation and regional planning
- Impacts of provincial climate change goals
- Potential opportunities after 2020 (There are many significant conservation projects with long lead times, and there is a need to plan ahead to address them.)

The IESO is looking for comprehensive and inclusive engagement on the mid-term review.

The Achievable Potential Study is one of many inputs for assessment in the mid-term review, ensuring that LDCs set achievable targets and identify gaps. A related outcome within this study is to look at differences in potential and uptake of new programs and technologies throughout the province. The IESO is looking to ensure that conservation is delivered where it is needed, which speaks to the need for integration with regional planning. Also included is a planned approach to guide investments that support provincial climate change objectives.

Other inputs for assessment include system planning projections per the LTEP; lessons learned from the Evaluation, Management, and Verification Program; expenditures versus budgets; resource acquisition approaches in other jurisdictions; and assessment of non-energy benefits of energy efficiency.

Ms. Harrison said a multi-stakeholder advisory group has been proposed to provide expert advice while working through the details of the mid-term review. The group is expected to have 10 or 11 members, selected through an open invitation process. It will focus on such things as briefing the consultant, discussion of data sources, and the preliminary review of analyses, and will bring these to the larger engagement audience.

The draft engagement plan will be launched in September 2016, starting with a webinar to obtain feedback on key topics. The advisory group will be in place by Q4 2016. A consultant to do the analysis will be hired in 2017 through a competitive procurement process. By the end of 2017 a draft of the mid-term review will be posted for stakeholder input in preparation for final completion in Q1 2018.

Comments

Mr. Bentz noted that the provincial CCAP and its impacts must be considered within the mid-term review on conservation in terms of participation and cost-effectiveness, opportunities for collaboration between programs, opportunities to attribute CCAP results to conservation targets, considerations of cooperation among customers, and addressing potential shortfall results, including seeking new direction from the energy minister's office if required.

Mr. Bentz said it would be wise to defer the submission deadline for the mid-term review beyond January 2018 because there may not be a full year of results to go on. The mid-term review should include a review of broader IESO processes, including the approval of program change; redesigning the business case; and reviewing and improving CDM plans, evidence processes, reporting and evaluation, governance, and administration.

Mr. Bentz said there are concerns about the ability of the LDCs to achieve what is forecast in the Achievable Potential Study and about the assumptions that have been built into the study. It is important to continue to manage and communicate the potential.

Ms. Serafini echoed Mr. Bentz's concern about the timing of the mid-term review. Given the delayed start of many programs as well as redesigns that are under way, there is concern from the market that substantive results will be not ready for review.

Ms. Sparkes acknowledged the comments made about delaying the timing of the mid-term review and indicated that LDCs had generally supported using both verified and reported program results as inputs to the review.

Ms. Serafini noted that slide 7 in the handout refers to a requirement by the Energy Conservation Agreement that where the CDM plan identifies a target gap, the LDC will resubmit the CDM plan to indicate how the target can be achieved. Slide 9 refers to potentially establishing a target exchange mechanism. She asked how these two points are connected. Mr. Young replied that the IESO continues to hear from LDCs about the facilitation of a target exchange.

Mr. Wilcox said it might be helpful to get representatives on the advisory committee who are ahead and behind target and gain their perspectives.

Ms. Girvan cautioned against moving ahead with unaudited results. She also suggested having consumers represented on the advisory committee. Mr. Lupton agreed with this suggestion.

Mr. Baker echoed Mr. Bentz's concern about the timing of the mid-term review. He suggested that the electricity and gas sectors get together for a discussion with the energy minister about this. Mr. Young replied that the mid-term review is multi-staged and the finished report is due in mid-2018. Some things can be done early, some late. The IESO is already seeing trends and challenges 18 months into the conservation framework and has begun to address them.

Mr. Baker said he questions the practical value of the review when, from the gas perspective, the LDCs have barely rolled out the programs.

Agenda Item No 9: Other Business

There was no other business.

Agenda Item No 10: Adjourn

Mr. Bentz thanked everyone for their participation. The next meeting will be held in October 2016.

Addendum Supplemental Questions

As outlined in these Meeting Notes, attendees have the ability to send questions by email to iesosac18@gmail.com related to items discussed at each SAC meeting. Best efforts are made to address questions along with their intended agenda item. This Addendum represents those questions received by email that were not raised during the meeting followed with the IESO's response in italics.

Question from Darla Campbell, CTR Inc.

Small Ontario farmers are facing bills as in the tens of thousands a year. Fixed costs of electricity are so high that conservation does little. Some are looking at going off grid if solutions in the \$100-150k range become viable. Have you considered how losing rural customers will impact the grid?

***IESO Response:** Outlook A in the [Ontario Planning Outlook](#) explores the implications of lower electricity demand and electricity resources that would be required to support that outlook.*

Conservation benefits both customers and the provincial power system. Through Save on Energy programs, consumers are able to take control of their energy use and reduce both their current and future energy costs. Save on Energy programs target all consumers sectors. On a power system level, every dollar invested in conservation saves about two dollars in avoided generation and transmission infrastructure.