

# Memorandum

To: Stakeholder Advisory Committee

From: Conservation and Corporate Relations

Date: January 24, 2017

**Subject: IESO Business Update – Conservation**

This memorandum provides an update to the Stakeholder Advisory Committee (SAC) on the IESO's conservation initiatives.

## Direction

The IESO received Direction from the Minister of Energy late last year which included amendments to the delivery of programs under the Conservation First Framework (CFF) and the Industrial Accelerator Program (IAP). Since the launch of CFF and the renewed IAP in 2015, opportunities have been identified to ensure that all customers across the province have equal access to province-wide conservation programs and benefit from participating in energy efficiency initiatives. With respect to the delivery of province-wide programs LDCs who are currently not offering all province-wide programs and choose to add a program to their service territory will be able to resubmit their CDM Plans by May 1, 2017, outlining their plan to deliver the program in 2017 utilizing their allocated CDM Plan budget. With regards to new province-wide programs LDCs will have four months to include the program through the submission of a revised CDM Plan. Should an LDC choose not to deliver an approved province-wide program, the IESO will deliver the program in the LDC's service territory utilizing existing CFF budget. Savings that result from IESO's delivery of the program will be attributed to the provincial CFF target and not to the LDC's CDM target.

With regards to the delivery of programs for IAP customers, some customers have distribution connected sites where programs are delivered by LDCs. IAP customers

will have the option to have their distribution connected sites administered through the IAP by the IESO. Savings that result from distribution connected sites through the IAP will be attributed to the applicable LDC's CDM target with all costs funded through the IAP budget.

### **Energy Performance Program**

The Energy Performance Program for Multi-Site Customers launched on December 21, 2006 was initiated through Ministry direction. This program emerged out of a Conservation Fund pilot which demonstrated that a whole-building, pay-for-performance program approach benefits both customers and ratepayers: creating a framework to incent customers to engage in proactive energy management beyond equipment retrofits while shifting the burden of financial risk off of ratepayers. The Energy Performance Program is in response to requests from multi-site customers for consistent access to CDM incentives across the province with a single point of contact, and the design process was characterized by proactive consultation with potential participants, to develop a customer-centric program. While the program is centrally delivered, LDCs will assist in communicating the launch of the program and marketing it to their customers. The savings from the program will be allocated to LDC CFF targets.

### **Results**

As of Q3 2016, LDCs achieved 1.63 TWh of energy savings since 2015, contributing to 23% of the 2020 CFF target of 7 TWh. IESO's Industrial Accelerator Program (IAP) achieved 0.179 TWh of energy savings since 2015, representing 11% of the 2020 target of 1.7 TWh. In Q3 2016 alone, 0.133 TWh of new projects were contracted under IAP, contributing to a total of 0.570 TWh currently under contract (34% of 2020 target) which is anticipated to come into service in 2017 and 2018.