

Memorandum

To: Stakeholder Advisory Committee

From: Terry Young, VP, Conservation and Corporate Relations

Date: August 15, 2017

Subject: IESO Business Update – Conservation

The following is intended to provide an update to the members of the Stakeholder Advisory Committee (SAC) on a number of conservation-related items.

2016 Verified Results

Final 2016 Annual Verified Results were made available to all LDCs on June 30, 2017, and are now available on the [IESO Conservation Targets and Results webpage](#). In 2016, LDCs achieved 1.2 TWh of energy savings persisting to 2020, which when combined with 2015 results, represents 38 percent of the 7 TWh Conservation First Framework (CFF) target. These results demonstrate the continued collaborative relationship between the IESO and LDCs, and the collective success achieved in fostering a culture of conservation in Ontario.

The IESO continues to support LDCs in the delivery of conservation programs, having approved resubmissions of 41 CDM Plans in 2016.

Supporting and enabling customer choice and innovation remains a key focus under the CFF, with the IESO having approved 14 local programs, and 7 pilot programs submitted by LDCs in 2016. These local and pilot programs are estimated to achieve 266 GWh of energy savings.

Residential programs far exceeded both historical performance and the 2016 CDM Plan forecast, accounting for 43% of verified energy savings persisting to 2020. Overall net savings increased by 130% due to higher participation in Coupons and Heating and Cooling, largely driven by LED bulbs and Electrically Commutated Motors respectively.

Business programs accounted for 56% of verified energy savings persisting to 2020, which fell short of the 2016 CDM Plan forecast by 27%. Further, the total net energy savings decreased by

28% over 2015, due to a lower number of completed projects and a lag in reporting by LDCs. The Retrofit Program remained the dominant source of savings for business programs, achieving 94% of net energy savings in 2016.

The IESO intends to meet with LDCs that are below their CFF target to look for opportunities to provide further support.

Ministerial Direction on Province-Wide Programs

The IESO continues to work on the implementation of the Minister of Energy's December 2016 Direction as we get ready to assume a greater role in the delivery of the province-wide conservation programs. An RFP to procure vendor services to deliver certain province-wide programs, where gaps in availability have been identified following LDCs' resubmission of their CDM Plans on May 1, 2017, is currently under development and is planned to be posted Q3, 2017. Based on the analysis, there will be a need for the IESO to deliver some province-wide programs in 12 areas of the province with the exception of the Retrofit, Small Business Lighting, and Coupon Programs.

IESO Support for Climate Change Action Plan

A verbal update on the IESO's activities to support the Ontario Climate Change Solutions Deployment Corporation (OCCSDC) will be provided at the August 23 SAC meeting.

Home Assistance Program Delivery – August 4, 2017 Minister of Energy Direction

The IESO received a [Direction](#) from the Minister of Energy on August 4, 2017, which included amendments to the CFF Direction, related specifically to the delivery of province-wide programs to low income customers. Through the amending Direction the IESO will be responsible for centrally designing, funding and delivering the Home Assistance Program beginning January 1, 2018. This change is intended to improve the availability of CDM programs to low-income customers.