

IESO MANAGEMENT UPDATE

To: Stakeholder Advisory Committee

From: Terry Young, VP, Conservation & Corporate Relations

Date: February 23, 2015

Subject: Conservation First Framework – Status of LDC CDM Plans

Information Item

Current Status of CDM Plans

IESO has received CDM Plans from three LDCs as of February 19, 2015. A joint CDM Plan was submitted by PowerStream and COLLUS PowerStream on December 18, 2014 and received conditional approval from IESO on January 30, 2015. Toronto Hydro submitted a CDM Plan on January 23, 2015; this plan is currently being reviewed by IESO.

Background

Per the Minister of Energy's March 31, 2014 direction to IESO, each LDC is required to develop a CDM Plan that will set out the programs that the LDC will deliver throughout the 2016-2020 period in order to meet their CDM target (a portion of the provincial 7TWh target allocated per the method developed collaboratively by LDCs and IESO).

Per the Minister's direction and the Energy Conservation Agreement (ECA) between each LDC and IESO, each LDC is required to submit a CDM Plan to IESO by May 1, 2015. IESO is required to review and provide each LDC with a decision on their plan within a) 60 days if the plan is submitted by an individual LDC and c) 30 days if the plan is jointly submitted by two or more LDCs. In October 2014 IESO published a tool kit – developed collaborative and in consultation with LDCs – including all the materials that LDCs had previously indicated they would need to develop a CDM Plan (e.g. CDM Plan template, cost-effectiveness tool, achievable potential tool, and etc.). IESO is also providing ongoing technical support (via webinars, in-person meetings and teleconference) to assist LDCs in completing their plans. IESO expects that the majority of LDC CDM Plans will be submitted in April 2015. Per the Conservation First objectives set out in the Minister's direction, LDCs – through discussions regarding CDM Plan development and submission – have indicated their interest in innovation through proposed new programs including pay-for-performance funding approaches.