

Memorandum

To: Stakeholder Advisory Committee

From: Terry Young, VP, Policy, Engagement and Innovation

Date: February 21, 2018

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.

2018 Preliminary Results

Preliminary 2017 results, combined with 2015 and 2016 verified results, indicate that LDCs continue to progress well towards their 2015-2020 Conservation First Framework (CFF) target of 7 TWh, having achieved 55% (3.85 TWh) as of January 15, 2018. Based on these preliminary results, 50 LDCs have exceeded their mid-term threshold making them eligible to receive a mid-term performance incentive, with an additional nine LDCs expected to meet their mid-term threshold when factoring in projects in the pipeline.

The IESO will continue to engage LDCs that are trending below their CFF target to look for opportunities to provide further support.

The Industrial Accelerator Program (IAP) has achieved 38% (640 GWh) of the 1.7 TWh 2020 target under contract with 18% (336 GWh) in-service based on results from 2015 to January 31, 2018.

IESO Support for Green Ontario Fund

The IESO continues to work with the Ministry of Environment and Climate Change on the design and delivery of a suite of programs aimed at achieving GHG reductions. There are currently three programs in market targeting the residential sector:

- GreenON Installations (launched August 2017): Provides residential customers with an in-home energy assessment and direct installation of a smart thermostat at no cost.
- GreenON Support (launched December 2017): Provides GreenON Installations program participants with a detailed report customized to their home with additional efficiency opportunities and available incentive programs. Program participants can also receive technical support via email and telephone for questions on GHG reduction and energy efficiency opportunities.
- GreenON Rebates (launched December 2017): Targets residential single family homes, and provides rebates for low-carbon technologies. Program participants can receive rebates following the replacement of windows, insulation, ground source heat pumps and air source heat pumps by a participating contractor. Includes a smart thermostat rebate jointly funded between GreenON and Save on Energy.

Province-Wide Home Assistance Program Delivery

The IESO is implementing a centrally-managed Home Assistance Program (HAP) for low income customers across the province, as directed by the Minister of Energy on August 4, 2017.

The IESO initiated a competitive procurement process in November 2017 for a service provider to deliver HAP. LDCs have been advised to direct customers interested in participating in HAP to the IESO's call centre, where contact information is being collected. The HAP service provider will assume customer intake, scheduling of in-home energy audits with the installation of energy efficient measures, and stakeholder engagement focused on program redesign for the optimization of both electricity savings and GHG reductions following contract execution.

Industrial Accelerator Program and Conservation First Framework Target and Budget Exchange

The IESO received an amending Direction from the Ministry of Energy on February 8 to allocate 0.4 TWh of target from the Industrial Accelerator Program (IAP) towards the achievement of Centrally Delivered Programs and Province-Wide Distributor CDM Programs delivered by the IESO. The IESO will establish a budget to achieve the 0.4 TWh of savings, and seek approval from its Board this month. Notwithstanding this Direction, the IESO will continue to work to complete the Mid-term Review of the CFF and IAP by June 1, 2018, including a review of the targets and overall budgets for achieving the targets set out in each Direction.

Indigenous Conservation Programming

The IESO has developed a report on options to improve conservation programs, and access to programs, for First Nations and Métis, including those served by Independent Power

Authorities in response to the Implementation Directives received following the release of the Minister of Energy's Long Term Energy Plan (LTEP). The report has also been developed to inform the Conservation Framework Mid-term Review that the IESO commenced in December 2016, and will complete with recommendations to the Minister of Energy in late Q1 2018.

This report was developed with feedback received from First Nations representatives through an engagement initiative, which included a survey, regional meetings, community meetings, interviews and a public webinar in December 2017 that provided all interested parties with an opportunity to provide input. The IESO will post the final report and implement its recommendations in alignment with the Mid-term Review and LTEP Implementation Plan.