

# Energy Efficiency Auction Pilot – Feedback Form

Webinar Date: March 23<sup>rd</sup>, 2020

**Date Submitted:** [2020/04/13](#)

**Feedback Provided By:**

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Following the March 23<sup>rd</sup> public webinar on the **Energy Efficiency Auction Pilot**, the Independent Electricity System Operator (IESO) is seeking feedback from participants on the draft detailed design of the auction pilot including the proposed resource participant agreement terms, Measurement and Verification (M&V) procedures, and timeline.

The referenced presentation can be found on the [Energy Efficiency Auction Pilot engagement webpage](#) under the March 23<sup>rd</sup>, 2020 entry.

**Please provide feedback by April 13, 2020 to [engagement@ieso.ca](mailto:engagement@ieso.ca).** Please use subject header: *Energy Efficiency Auction Pilot Feedback*. To promote transparency, this feedback will be posted on the [Energy Efficiency Auction Pilot engagement webpage](#) unless otherwise requested by the sender.

Feedback received will be considered in order to refine the detailed design, the M & V procedures and the participation agreement. The IESO will work to consider and incorporate comments as appropriate and post responses on the engagement webpage.

Thank you for your time.

Question	Feedback
Are any requirements or processes unclear?	
Do the proposed dates present any challenges?	Given the current remote working arrangements and related changes to electricity demand being seen in Ontario, it seems prudent to postpone the auction until a clear picture of the economic and electricity sector impacts develops.
Do any of the Participant Agreement terms present an undue barrier to participation?	<ul style="list-style-type: none"> <li>• Section 2.1(f): For Participants who are multi-unit buildings, the implementation of demand saving measures is likely in the works a year prior to implementation. As a result, this provision would not be truthful. Since the provision is a representation &amp; warranty of the Agreement, it gives the IESO cause to termination if found to be untruthful as per section 3.2(c).</li> <li>• Section 2.1(g): It could be that the Participant or its customers had preliminary plans or had budgeted for the proposed measure prior to the implementation of the Pilot Program. They may have made a commitment to purchase the retrofit, does a commitment to purchase fall within the definition of a ‘binding commitment’? This is also a rep &amp; warranty and therefore cause to terminate if found to be untruthful as per section 3.2(c).</li> <li>• Section 2.1(h): what if the Participant leases the Facility, would it have all required rights and authority? If the Participant is a lessee, it has obtained all required rights and authority to install or implement the measure as set out in the agreement.</li> <li>• Section 3.2(g): IESO may, <i>without cause</i>, terminate the agreement upon 60 calendars days prior written notice. Remedies for early termination are in Section 5.8. How does this affect the Participant’s customers who has procured or implemented demand savings measure? Does the calculation allow for the completion of the installation of the measure? If not, vendors or contractors may look to the Participant for compensation.</li> <li>• Section 3.3: The IESO has the ability to terminate with 60 days notice, as per Section 3.2(g). The Participant will have incurred costs only to have the IESO walk away which places the Participant at risk from a financial perspective. Further, if terminated, the IESO could have recourse against the Participant for whatever</li> </ul>

Question	Feedback
	<p>reason. This section should be reciprocal ie in the event the IESO termination, the Participant should have recourse against the IESO.</p> <ul style="list-style-type: none"> <li>• Section 4.4(b): The IESO has the ability to approve or reject any changes submitted by the Participant. I would recommend that the IESO should act reasonably in its discretion. See Section 6.2 as an example, ie the M&amp;V Plan is subject to the IESO’s approval acting reasonably.</li> <li>• Section 5.3: The IESO may request any further information it requires in order to validate the M&amp;V Report. I would recommend that the IESO should act reasonably in its request for information and evidence. Also, the IESO has the ability to refuse any EE Capacity Payment in its sole and absolute discretion if it believes the information provided is incomplete, insufficient or inaccurate. Again, IESO should be acting reasonably. They should also give the Participant an opportunity to support its position before refusing to pay the EE Capacity Payment</li> <li>• Section 5.5: Note that the IESO will pay the EE Capacity Payment following the Obligation Period. If there is no payment, the Participant will have incurred costs.</li> <li>• Section 5.8: this section should reference section 3.2(g), not section 3.2(f)</li> <li>• Section 6.5: Regarding reasonable access, for a period of 7 years following the last Obligation Period, the IESO may access the Participants records. If the obligation is to provide demand savings for 2 years, why allow access for 7 years. The IESO should have all relevant documents to pay the EE Capacity Payment therefore access to the Participant’s records for 7 years is excessive.</li> <li>• Section 7.2(a): there is a limitation of liability equal to the sum of the EE Capacity Payment paid by the IESO. What if the dispute is about the <i>non-payment</i> of the EE Capacity Payment? In such a case, the limitation of liability should be limited to the amount that would have been paid.</li> </ul>
<p>Does the requirement for auction participants to provide audited financial statements present an undue barrier to participation?</p>	<p style="text-align: center;"><b>No</b></p>

**General Comments/Feedback:**