Feedback Form

Industrial Energy Efficiency Program – June 23, 2021

Feedback Provided by:

Name: Irfaan Hasham

Title: Manager, Energy & Optimization

Organization: Enwave Energy Corporation

Email:

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To promote transparency, feedback submitted will be posted on the Industrial Energy Efficiency Program webpage unless otherwise requested by the sender.

Please provide feedback by July 14, 2021 to engagement@ieso.ca. Please use subject:

Feedback: Industrial Energy Efficiency Program

For context, the questions below are taken from slides 22 to 25 from the June 23, 2021 <u>presentation</u> posted on the <u>engagement webpage</u>.



General

Topic	Feedback
Are there any key areas of interest and/or concern on the draft program proposal and framework presented today?	We are concerned about which resources/technologies are eligible and which are ineligible. We would encourage greater clarity on these qualifications.

Participant Eligibility

Topic	Feedback
Should the program allow for aggregation of projects at different sites by the same participant?	Sure.

Торіс	Feedback
Should third parties be allowed to submit projects if they have the necessary authorization to deliver?	Yes. Third-party payment is another thing that should be considered an eligible cost as long as it is a cost that is towards the project and that is used to meet framework needs.

Project Eligibility

Торіс	Feedback
What questions do you have about technologies or projects that would be eligible under this program, given the definition of CDM?	 Is district energy (DE) considered in the Industrial Energy Efficiency Program? We strongly recommend that DE be eligible. Load displacement should also be considered. Thermal storage is another technology that should be considered for the program.
Торіс	Feedback
Are the minimum size and maximum incentive award thresholds reasonable?	The minimum threshold for energy savings may be prohibitively high. We recommend that the focus be directed towards more important demand savings instead of energy. A 1 GWh minimum savings threshold is more achievable and reasonable.
Торіс	Feedback

Торіс	Feedback
What should be considered when enabling stacking of incentives?	Stacking should be allowed, similar to the Federal Government incentive programs. If the goal is to reduce demand, there should be limited restrictions on how a business can utilize federal/provincial/municipal programs.

Project Selection Framework

Торіс	Feedback
Does the two-stage project selection framework presented today support or challenge your internal business processes?	The challenge is being able to put a proposal together and then implement within a year. For large scale industrial plants like ourselves, this is seen as very challenging. We recommend the IESO grant extensions to 18 or 24 months to ensure greater participation/competition.
Торіс	Feedback
Are there any related key considerations that the IESO should consider in developing the two stages? Any required timing?	Larger projects typically take more than a year to implement. Participant expenditures that happen prior to proposal submissions should be considered. Allow for projects that may be in development to be considered, not only greenfield projects that may take more time to become operational.
Торіс	Feedback
What are some key outputs from a stage I approval that would help facilitate your business processes?	Certainty around timing and expectations would help facilitate business processes. Also, the recognition of the need for flexibility for projects that may take more time to implement would allow for better planning.
Торіс	Feedback
What are considerations that should be applied to the weighting of selection criteria? Are there additional criteria IESO should consider?	The IESO should consider the efficiency of the specific technology and its impact on grid resiliency.

General Comments/Feedback

- District energy should be considered as it is one of the most efficient ways to cool a facility. Along with DE, thermal storage and load displacement should also be considered.

- Project financing should be considered as well as service contracts. Previous iterations of CDM frameworks were troubling to deal with for these types of projects even though they ultimately align with the framework goals.
- Third-party payment issues should be resolved prior to releasing a program. Third-party costs should be considered if there is an incentive limiting factor that takes into account costs. For instance, a district energy provider can pay up front for a customer connection and the costs can go unnoticed making the participant ineligible for the program.