

Memorandum

To: Stakeholder Advisory Committee

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

Date: August 11, 2020

Subject: **IESO Business Update – Energy Efficiency Update**

The following provides an update to members of the Stakeholder Advisory Committee (SAC) on energy-efficiency-related items since the last update in February 2020.

2019-2020 Interim Framework

Preliminary results indicate that 50 per cent (716 GWh) of the 1.4 TWh energy-savings target and 62 per cent (117 MW) of the 189 MW demand target has been committed or achieved as of July 2020. Some programs, most notably the Small Business Lighting (SBL) and Home Assistance Program (HAP), experienced a slow down as a result of the temporary suspension of activities due to COVID-19, while the Retrofit Program saw applications increase from 650 applications in March to 800+ in June despite the interruption to in-person service.

Most activities under the Save on Energy programs have resumed as the province moved into phase two and phase three of re-opening. The IESO and its Save on Energy vendors are working together to ensure the health and safety of our customers. Remote support remains the preferred option except where in-person interactions are necessary as part of the program application process.

Post 2020 Framework

On July 23, the Ministry of Energy, Northern Development and Mines released a proposal of a 2021 – 2024 Conservation and Demand Management (CDM) Framework on the Environmental Registry of Ontario (ERO) based on prior discussions with the IESO. Key characteristics of the proposed framework include:

- Term: Four-year term from January 1, 2021 to December 31, 2024, with a mid-term review at the end of 2022;

- Delivery: Centrally delivered by the IESO with opportunities for anyone, including customers, LDCs, and program delivery companies to propose cost-effective programs or projects that meet local or regional electricity system needs;
- Objectives: Address limited system needs in near term in the most cost-effective manner and increase CDM investments in the second two years of the Framework (2023-24) to meet system needs that emerge through the 2020s; and
- Program Targeting: Whole building savings and peak energy reduction, local/regional needs, customer driven solutions, direct install, on-reserve First Nations communities, including remote communities soon to be connected to the provincial electricity grid, and income-eligible households.

The opportunity for public comment is available until August 22, 2020. If the proposal is approved, the IESO will support Ministry staff in a cabinet submission later this summer.

Conservation First Framework

The IESO received a Ministerial directive on July 22, 2020 to extend certain timelines under the predecessor Conservation First Framework (CFF) to June 30, 2021 to provide contracted participants with additional time to complete CFF projects. The IESO will support local distribution companies and customers in implementing project extensions with required contract amendments and/or waivers that will be available by the end of August.

Energy Manager Program – Small and Medium Enterprises

A contribution agreement has been signed between the IESO and Natural Resources Canada (NRCAN) to fund the Energy Manager Small and Medium Enterprises program as part of NRCAN's Energy Manager Program. This offering builds on the successes of the existing Save on Energy, [Energy Manager Program](#) by investing NRCAN's funding contribution towards broadening the offer to businesses and facilities that don't typically qualify due to minimum size eligibility requirements. The offer is available for a limited time and applicants will be considered on a first come, first served basis.