

Memorandum

To: Stakeholder Advisory Committee

From: Nik Schruder, Director Conservation Performance, Energy Efficiency

Date: November 3, 2020

Re: IESO Business Update – Energy Efficiency

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

2019 – 2020 Interim Framework

A total of 62 per cent of the 1,429 GWh energy savings target and 67 per cent of the 189 MW demand savings target has been achieved based on paid and committed projects as of September 30, 2020. It is expected that the energy and demand targets will be met within the allocated budget.

The Retrofit Program had its most active month in July, with 14MW and \$10M in pre-approved projects, in large part due to four large projects receiving pre-approval as part of the new regional horticulture lighting incentives available for greenhouses in the Windsor-Essex and Chatham-Kent area. The direct installations programs (notably Home Assistance Program and Small Business Lighting Program) have resumed with participants that were previously put on the wait list due to COVID-19 now being re-engaged. Communication and outreach efforts throughout the fall will focus on reminding consumers about the year-end framework deadlines for approval of their applications.

The IESO and its Save on Energy vendors continue to work together to ensure the health and safety of our customers. The IESO is continuing to monitor the COVID-19 situation and following guidance of the Province. Remote support remains the preferred option except where in-person interactions are necessary as part of the program application process.

New 2021 – 2024 Conservation and Demand Management (CDM) Framework

The IESO received a Ministerial directive dated September 30, 2020, to implement and centrally deliver a 2021 – 2024 Conservation and Demand Management (CDM) Framework launching in January, 2021. New programs continue to target those who need them most including

opportunities for commercial and industrial customers, and ongoing support for income-eligible customers and on-reserve First Nation communities. Planning is underway to ensure effective implementation of the new program offerings and a smooth transition for customers.

With the government posting of the proposed framework for public comment in early August, 65 responses were received from associations, customers and vendors. The marketplace indicated overall support of the new framework which is focused on addressing provincial bulk system and local needs, as well streamlined processes to reduce administrative burden. The IESO will continue to engage with key stakeholders throughout October and November on the new programming as the IESO works towards implementing the new framework. Information on available programs, types of measures and program objectives will be shared in early November, followed by the public posting of the CDM plan containing detailed budget, target and program measure information in December, as stipulated in the Directive.

A mid-term review of the framework will take place by December 2022, to reassess and ensure alignment of the energy and demand savings targets and budget with the overall electricity system and consumer needs. This includes review of local programming to address identified local/regional needs as well as lessons learned and recommendations on competitive mechanisms for procuring energy efficiency.

Conservation First Framework

The IESO received a Ministerial directive on July 22, 2020, to extend certain timelines under the predecessor Conservation First Framework (CFF) from December 31, 2020 to June 30, 2021. Since then, the IESO has been working closely with local distribution companies (LDCs) to enable the extensions to in-service deadlines for CFF customers for applicable programs. Overall feedback indicates that the extension is being well received by customers and LDCs expressed appreciation for being consulted and supported through the process.

Energy Efficiency Auction Pilot

Outreach activities are underway to engage key electricity consumers on the details and requirements of the upcoming Energy Efficiency Auction Pilot. The pilot, funded through the Grid Innovation Fund, will procure up to 13MW of peak demand reductions from energy efficiency and non-dispatchable load-shifting resources and the learnings will inform long-term options to enable energy efficiency to meet system needs. A series of webinars have taken place at recent industry events to support participation and respond to questions. The auction will be held in March 2021 for delivery of peak demand reduction for winter 2022 – 2023 and summer 2023. The enrollment period is from December 1, 2020 to February 10, 2021.