

# Memorandum

**To:** Stakeholder Advisory Committee

**From:** Chuck Farmer, Vice President, Planning, Conservation and Resource Adequacy

**Date:** November 3, 2021

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

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

## 1. 2021 – 2024 Conservation and Demand Management (CDM) Framework

### **New programs to launch:**

Following a recent procurement for new delivery agents across the province, the Small Business Program will be launching in November featuring a selection of non-lighting measures in addition to the lighting upgrades that were available in the previous framework.

In addition, the IESO has been engaging industrial customers and other interested stakeholders on a call for proposals for significant energy efficiency projects from large industrial customers, with a proposed total budget of \$80 million over two rounds. The IESO sought input during the October Stakeholder Engagement meetings on the proposed customer and project eligibility, the participation process and the project evaluation framework. Draft program documents are planned to be released in Q1 2022 with applications accepted beginning in Q2 2022.

### **Local Initiatives Program:**

On October 20, 2021, the IESO released the first of four anticipated procurements under the first phase of the Local Initiatives Program. The first procurement is for the design and delivery of two programs (residential and commercial) targeting 8 MW of peak demand savings in the Richview area of Toronto. IESO will work collaboratively with Toronto Hydro to evaluate proposals and oversee delivery of the program.

As part of the 2021-2024 CDM Framework, local initiatives will be developed to deliver CDM savings in target areas of the province with identified system needs as determined by the

IESO's regional planning process. The Local Initiatives Program has an overall target of 57 MW and 230 GWh of energy savings over four years with a budget of \$58M.

**Results:**

As of June 30, 2021, early results of the four-year framework are on-track with expectations. The IESO has paid or committed about 7% of the allocated \$692 million budget to achieve 8% of the 2.7 TWh energy savings target and 7% of the 440 MW peak demand saving target. Q3 results are anticipated shortly.

**2. 2019 – 2020 Interim Framework**

**COVID-19 impacts:**

In response to on-going challenges presented by the COVID-19 pandemic, the IESO is extending the original December 31, 2021, timeline for the completion of Interim Framework Save on Energy Retrofit Program projects to July 31, 2022. This applies to Retrofit projects that were pre-approved by the IESO between April 1, 2019, and December 31, 2020, as well as projects that were submitted for pre-approval by December 4, 2020, and that were subsequently pre-approved in 2021.

**Results:**

The IESO published the results of the Interim Framework to its website on October 14, 2021. Overall, the Interim Framework exceeded targets set, with participants contributing to 1.5 TWh of electricity savings for the province within the allocated budget of \$353M. The Save on Energy programs under the Interim Framework were focused on ensuring value for customers and the electricity system as a whole. The overall costs to deliver energy-efficiency programs in Ontario were reduced by streamlining the delivery of the programs and focusing their designs to achieve the most impact.