

Feedback Form

2021-2024 Conservation and Demand Management Mid-Term Review – July 19, 2022

Feedback Provided by:

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Following the July 19, 2022, engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the items discussed during the webinar. The webinar presentation and recording can be accessed from the [engagement web page](#).

Please submit feedback to engagement@ieso.ca by August 9, 2022. If you wish to provide confidential feedback, please submit as a separate document, marked "Confidential". Otherwise, to promote transparency, feedback that is not marked "Confidential" will be posted on the engagement webpage.

Competitive Mechanisms Review

Topic	Feedback
What conditions are needed to further enable innovation and market-based solutions? Are there success stories that can be shared from experiences in other jurisdictions?	<ul style="list-style-type: none">- More flexible program design parameters that allow for a more diverse suite of CDM programming to address emerging system needs, as noted in the feedback from market outreach identified in presentation slides 24 and 25 and the technology and market insights that are impacting CDM success currently as outlined on slides 32. - The Local Initiatives Program (LIP) is restrictive both in terms of: The role of LDCs and requirements to be non-duplicative with province wide programs.<ul style="list-style-type: none">- LDCs need to be invited (selected) by the IESO to be involved with the Local Initiatives Program based on IESO's bulk transmission needs. For those that are not selected, there is no role for LDCs within the LIP.

Customer Needs and Program Review

Topic	Feedback
Are there additional program gaps that should be addressed?	Click or tap here to enter text.
Are there additional enhancements for the income-qualified or First Nations programs that could be considered?	Click or tap here to enter text.

Topic	Feedback
<p>Are there any implementation considerations you see with any of the program opportunities?</p> <p>In particular,</p> <ul style="list-style-type: none"> ● What enhancements would be desired for the Custom Retrofit initiative if it were to be re-instated? ● For the greenhouse sector, are there any additional measures that should be considered? ● Are there additional opportunities for the residential sector that should be considered? 	
<p>How can the IESO further support the energy transition for consumers in all sectors</p>	<ul style="list-style-type: none"> - Solutions to augment LDC collaboration/involvement in program delivery, to address the challenge mentioned above - Additional programs to address electrification that is occurring across different sectors - Consistency in program availability and longer-term funding commitments - Changes to program design parameters to enable more innovation and tailored local programs led by the LDC

General Comments/Feedback

The OEA welcomes the opportunity to offer feedback to the IESO regarding the Mid-Term Review (MTR) of the 2021-2024 Conservation and Demand Management (CDM) Framework. The importance of the MTR has grown significantly since energy and capacity forecasts have increased since the 2021- 2024 CDM Framework was developed.

The OEA believes that these growing needs behooves the IESO to take a more ambitious, but still cost-effective, approach to the MTR through taking greater advantage of existing CDM infrastructure and expertise in Ontario. Such an approach would be consistent with the IESO’s statement in the July 19, 2022 presentation that “Speed to market will be key given the 2025 system needs – As a result, the IESO will focus on those programs where there is significant achievable potential and a ready market, and will look to leverage existing delivery mechanisms where available.”

Greater Collaboration and Decentralization: Ontario should pursue a more decentralized delivery model for energy efficiency and energy conservation programs, taking advantage of the strong relationships that utilities and energy services companies have with consumers. The IESO noted in its response to stakeholder feedback on the April 22, 2022 webinar that “The IESO is actively exploring gas collaboration opportunities and is reviewing potential options for leveraging LDC knowledge and expertise to strengthen the effectiveness of provincial and local programs under the current framework.”

However, the July 19 presentation made few specific references to upcoming options to increase collaboration efforts between the IESO and utilities beyond “Exploring program collaboration with Enbridge in future” regarding the Small Business Program and the Energy Performance Program. There were no references made to “potential options for leveraging LDC knowledge and expertise to strengthen the effectiveness of provincial and local programs under the current framework.”

Energy companies have the insights required to best deliver energy efficiency programs to customers; both residential (houses, apartments, and condominiums) and businesses (commercial and industrial), which require specifically tailored programs depending size, location on the energy system, region of the province (North v. South) and/or their particular line of business/industry. A decentralized delivery model would take the greatest advantage of the creativity and nimbleness of utilities and energy companies compared to the current centralized structure and enable cost-effective CDM to help meet system needs for 2025 and beyond, mitigating the need for more costly resource procurements.

The OEA and its members are ready, willing, and eager to discuss collaboration opportunities with the IESO across number of CDM areas (e.g., residential programs, demand response, and decarbonization opportunities) as well as assist the IESO in more proactively identifying emerging needs and target areas (e.g., specific locations and/or industry sectors).

To further assist with collaboration and feedback, the OEA believes that its members (and stakeholders more generally), would benefit from (1) greater detail on what the IESO is specifically exploring and/or considering offering through additional portfolio opportunities (e.g., decarbonization opportunities and load management); and (2) additional and more granular data on the impact and cost-effectiveness of the current portfolio of programs under the 2021-2024 CDM Framework.

With respect to data provision and analysis regarding performance, the OEA notes that the mid-term review the IESO carried out regarding the [2015-2020 Conservation First Framework](#), which focused on energy savings targets, budgets, cost-effectiveness progress, non-energy impacts, etc., took a very deliberate and comprehensive data-driven examination of the CDM framework at that time, including commissioning a 3rd-party report on the framework. A similar approach to the current MTR would greatly benefit all participants and improve the outcome of the review.