

BILATERAL MEETING NOTE

NAME OF ORGANIZATION: Canadian Energy Efficiency Alliance

DATE/TIME OF MEETING: Sunday, August 13, 2017 / 10:00 – 10:45 AM

LOCATION OF MEETING: Algonquin Resort – Right Whale Pub

PURPOSE: To discuss matters of ongoing cooperation between Ontario and the Canadian Energy Efficiency Alliance. The Minister's primary objective is to highlight Ontario's position on conservation and climate change.

ATTENDEES: **Ministry of Energy (ENERGY)**
The Honourable Glenn Thibeault, Minister
Andrew Teliszewsky, Chief of Staff
Serge Imbrogno, Deputy Minister
Steen Hume, Assistant Deputy Minister

Canadian Energy Efficiency Alliance (CEEA)
Ms. Elizabeth McDonald, President and CEO

ANTICIPATED AGENDA ITEMS:

1. Putting Conservation First
2. Energy Efficiency Standards
3. Green Ontario Fund
4. Ontario's Fair Hydro Plan
5. Energy Efficiency Financing
6. Home Energy Rating & Disclosure

NOTES ON AGENDA ITEMS:

1. Putting Conservation First

- CEEA supports Ontario's commitment to putting conservation first and may provide their thoughts on program design under the Conservation First Framework (CFF) and Demand Side Management (DSM) Framework.

Suggested Response

- **Conservation will continue to be a key tenet of the government's Long-Term Energy Plan (LTEP). Much potential exists in the market to achieve energy savings through conservation, energy efficiency programs and improved codes and standards.**
- **The Independent Electricity System Operator (IESO) is undertaking the formal Conservation First Framework (CFF) and Industrial Accelerator Program (IAP) Mid-Term Review process. The review will focus on targets, budgets, progress, lessons learned (i.e., on cost recovery, performance incentive mechanisms and CDM contribution to regional planning). The review will also focus on alignment with the Climate Change Action Plan (CCAP). The Ontario Energy Board (OEB) has also commenced its review of the Demand Side Management (DSM) Framework in 2017.**
- **We understand that interested parties will have opportunities to provide feedback on framework successes and challenges as part of the Mid-Term Review processes. We encourage the CEEA to provide its feedback.**

Background

- In its 2017 Long-Term Energy Plan (2017 LTEP) submission, CEEA recommends that ENERGY continue to ensure Conservation First remains a fundamental goal of the LTEP and to educate Ontarians on the meaning and importance of conservation and energy efficiency, including economic, environmental, comfort and health benefits.
- CEEA also recommends that customer benefits need to carry as much "weight" as system benefits when determining the conservation programs that will be made available.

2. Energy Efficiency Standards

- CEEA encourages Ontario's continued leadership in setting and further enhancing building code and product efficiency standards and requirements and supports work with provincial and federal governments to further advance and harmonize efficiency standards across Canada.

Suggested Response

- **Ontario continues to demonstrate leadership in regularly updating Ontario's efficiency regulation with enhanced efficiency standards to further reduce energy consumption and greenhouse gas (GHG) emissions in the province.**
- **Ontario is continuing working with other provinces and the federal government on harmonization and advancement of efficiency standards across Canada and supporting built environment initiatives and goals under the Pan-Canadian Framework on Clean Growth and Climate Change.**

Background

- CEEA and its members fully support Ontario's focus on codes and standards that put "conservation first".
- CEEA provides feedback and supports setting enhanced efficiency standards for products and appliances in Ontario's efficiency regulation.
- CEEA is also a member of the Building Code Advisory Council through which it actively contributes and recommends efficiency improvements to the Ontario Building Code.
- Since 2013, Ontario's energy efficiency regulation has been updated with new and enhanced efficiency standards for over 60 products. In addition to energy efficiency, water efficiency standards were also set for products that consume both energy and water. The most recent amendment to Ontario's energy efficiency regulation became effective on January 1, 2017 and included new and updated standards for 14 products.
- On June 18, 2017, Ontario posted on the Environmental Registry proposals for the next amendment to efficiency regulation for a 45-day public review period.

3. Green Ontario Fund

- CEEA may express concern about potential customer confusion with navigating between the Ontario Climate Change Solutions Deployment Corporation (OCCSDC) and existing conservation program frameworks in Ontario.
- Elizabeth McDonald is on the Board of Directors for the Green Ontario Fund.

Suggested Response

- ENERGY and IESO are working with MOECC and the Green Ontario Fund to ensure that new Green Ontario Fund programs complement and build on Ontario's suite of existing conservation and energy efficiency programs.
- Our goal is to achieve deeper levels of energy efficiency and a streamlined customer experience.
- One way we are working to achieve this is by leveraging the significant expertise, resources and delivery infrastructure of IESO.
- As you may know, on August 4, 2017, I issued an amending direction to IESO to enable IESO to enter into agreements with MOECC or the Green Ontario Fund to support the design and delivery of certain Green Ontario Fund programs.
- The amending direction requires IESO to make reasonable efforts to avoid marketplace confusion and duplication with existing conservation programs and, to ensure value for money, to establish required cost-effectiveness thresholds or other criteria and perform Evaluation, Measurement and Verification of the energy savings associated with Green Ontario Fund programs.
- It is expected that Green Ontario Fund will enhance exposure of consumers to electricity CDM programs and improve consumer access to CDM measures.
- The Green Ontario Fund website will provide a coordinated one-window approach where Ontarians can get help, information and access to its programs, as well as to other conservation and renewable energy programs in Ontario.

Background

CEEA Feedback

- CEEA participated in consultations on the proposed 'Green Bank,' now OCCSDC. They note in their LTEP submission that they are concerned this undertaking could add a burden to consumers leading to underutilization. CEEA may be concerned specifically about the need for customers to navigate between different program delivery agents.
- CEEA believes there is considerable confusion in the marketplace among individual Ontarians and businesses regarding Ontario's Climate Change Strategy and Action Plan.
- CEEA recommends that conservation and climate programs should have a single access point for Ontarians reducing confusion and increasing the likelihood of action. They note that "ease of access" is paramount for successful adoption.
- They also recommend that another agency not be created and that the roles of existing agencies like IESO be re-focused and re-examined.

Green Ontario Fund

- On August 4, 2017, ENERGY issued an amending direction to IESO to facilitate Green Ontario Fund program delivery by IESO.
- MOECC is working to execute a collaborative agreement with IESO to support the design and delivery of Green Ontario Fund programs.
- August 2017 (TBD): MOECC Minister and/or Premier's media event **announcing the establishment of the Green Ontario Fund and launching the Green Ontario Fund website (GreenON.ca), including sign-up for the Smart Thermostat Direct Install and Energy Review program and** featuring information on existing electricity and natural gas conservation and programs and renewable energy programs.

4. Ontario's Fair Hydro Plan

- In its 2017 LTEP submission, CEEA notes that the Global Adjustment (GA) undermines conservation efforts because the costs of conservation are recovered all in one year.

Suggested Response

- **The OEB's Regulated Price Plan (RPP) time-of-use (TOU) prices and the Industrial Conservation Initiative (ICI) provide a strong incentive for residential and larger consumers respectively to reduce peak demand.**
- **An Affordability Fund is being established to help Ontarians who are not eligible for low-income conservation programs and who need financial assistance to make energy efficiency improvements to their homes.**
- **The Affordability Fund will be administered by an independent trust that will distribute funds to electricity distributors on an application basis. Distributors are in the best position to provide consumers in need of assistance with energy efficiency improvements, and it is expected that they will be able to begin applying to the Affordability Fund by the end of summer 2017.**

Background

- On March 2, 2017, Ontario announced it is lowering electricity bills by 25 per cent on average for residential customers as part of a significant system restructuring that will address long-standing policy challenges and ensure greater fairness.
- The recommend that the costs of conservation match the period of benefits savings.

5. Energy Efficiency Financing

- CEEA notes in its 2017 LTEP submission that third-party financing solutions are being restricted in Ontario's conservation market.

Suggested Response

- **Thank you for your comments relating to third-party financing solutions for conservation in your 2017 LTEP submission to the Ministry of Energy. What are the current barriers to third-party financing solutions? How can these be addressed through the CFF and the DSM Framework?**
- **The IESO and the OEB are undertaking formal mid-term reviews of the electricity and natural gas conservation frameworks and programs this year. The reviews will focus on a variety of elements including targets, budgets, progress, lessons learned and alignment with CCAP.**
- **I encourage you to participate in the mid-term reviews and provide your feedback directly to the IESO and the OEB.**

Background

- Energy efficiency financing solutions help homeowners and business with the upfront cost of making energy efficiency retrofits to conserve electricity and natural gas. Examples of third party solutions include loans/financing arrangements with banks, energy service companies (ESCOs) and other entities.
- CEEA recommends there should be assignability of rebates and incentives as well as a distinction that the owner of the conservation assets and those who are benefitting from the energy savings should be allowed to enter into private financing arrangements.
- Electricity and natural gas utilities may offer financing programs under the CFF and DSM Frameworks.
- ENERGY has entered into an agreement with MaRS to examine barriers to energy efficiency financing through the Investor Confidence Project.
- CEEA provided a submission to ENERGY's 2017 LTEP Environmental Registry posting.
- The CEEA supports the province's focus on climate change mitigation and

its conservation and energy efficiency policies, programs and codes and standards.

6. Home Energy Rating & Disclosure (HER&D)

- Ontario's Climate Change Action Plan includes a commitment to develop a HER&D program to be launched in 2019.

Suggested Response

- **The Ministry of Energy continues to consider program design elements for a HER&D program.**

Background

- The Ministry held HER&D Stakeholder Working Group meetings through late 2016 and early 2017. The HER&D Stakeholder Working Group was instrumental in gathering information and feedback on various aspects of the design elements for a HER&D program in Ontario.

Date Prepared: August 9, 2017