

Festival Hydro Briefing Note

March 10, 2017

Company Overview

Festival Hydro serves approximately 20,362 customers in the municipalities of Stratford, Brussels, Dashwood, Hensall, St. Marys, Seaforth and Zurich.

Below are key Festival Hydro contacts:

- Mary Steel, Energy Conservation Specialist
- Patty Mann, Manager of Projects and Procurement

Festival Hydro is a participant of the Southwest Ontario Utilities Group (SWOUG) that meets on a monthly basis to discuss a wide range of issues related to the Conservation First Framework (CFF). Festival Hydro recently entered into a Joint CDM Plan with Hydro One, which was conditionally approved February 3, 2017.

Festival Hydro is a highly engaged LDC, and is in regular contact with their IESO Business Manager, Rouselle Gratela on both day-to-day and broader CDM matters. Further, Festival Hydro has a high level of participation in IESO webinars and training both in the 2011-14 legacy framework and CFF. Both Patty Mann and Mary Steel have engaged and worked with the IESO to arrange training and engagement events with their customers, and also regularly participate in offerings.

Festival Hydro's CDM Background

The table below provides an overview of Festival Hydro's performance in the 2011-2014 framework, their CFF CDM Plan targets and progress to date.

2011-2014 Framework						CFF: April 1, 2015												
Allocated Energy Target (GWh)	Actual Energy Savings		Allocated Demand Target (MW)	Actual Demand Savings		Allocated CFF Target (GWh)	Forecasted Savings		Target Progress to Date *		Allocated CFF Budget (\$)	Forecasted Budget		Budget Use to Date		LUEC (\$/kWh)	TRC	PAC
	(GWh)	% achieved		(MW)	% achieved		(GWh)	% of target	(GWh)	% achieved		(\$)	% of allocated budget	(\$)	% spent			
29.24	45.6	155.9%	6.17	5.3	85.8%	34.65	34.71	100%	10.23	25.7%	\$ 8,768,149	\$8,768,149	100%	\$1,041,908.12	11.9%	0.03	1.5	2.2

* This value is based on 2015 Final Verified Results and 2016 unverified results

The following table provides a breakdown of Festival Hydro's CDM Plan, which is forecasted to achieve 91.4% of its CFF target through province-wide programs, with an 8.6% residential target currently unassigned. Festival Hydro has not included any proposed pilot or local programs to address this residential target gap. Further, in entering into a Joint CDM Plan with Hydro One, a target exchange has also not been contemplated as of yet.

CFF Program Composition - Festival Hydro % of CFF Target				
	Offering	% of CFF Target	% of savings to date	% of allocated budget spent
Residential Programs				
Coupons	Yes	3.0%	1.7%	1.4%
HVAC	Yes	0.3%	0.4%	1.4%
HAP	Yes	0.2%	0.0%	0.1%
New Construction	Yes	0.0%	0.0%	0.0%
Business Programs				
Retrofit	Yes	43.9%	7.9%	5.6%
HPNC	Yes	1.1%	0.1%	0.2%
Audit Funding	Yes	1.5%	0.0%	0.1%
Existing Building Commissioning	No	n/a	0.0%	0.0%
PSUP	Yes	22.6%	0.0%	1.0%
Small Business Lighting	Yes	18.7%	1.7%	2.1%
Energy Manager	No	0.0%	0.0%	0.0%
Business Refrigeration Incentive	No	0.0%	0.0%	0.0%
Monitoring and Targeting	No	0.0%	0.0%	0.0%
Unassigned Target				
Commercial	No	0.0%	0.0%	0.0%
Residential	Yes	8.6%	0.0%	0.0%
2011-2014 Framework Programs			13.9%	
Total		100%	25.7%	11.9%

As of February 28, 2017, Festival Hydro ranked as follows out of 73 LDCs:

6-year CDM Total Cost Effectiveness (PAC)	Total % of 6- year Allocated Budget Spent	Total % of 6- year Allocated Target
47	38	36

Festival Hydro is also extremely engaged within the communities they serve, and regularly hold outreach and engagement events. The following community events are planned in 2017 to engage and educate residents on energy efficiency:

- April 8-9, 2017: The Stratford Home Show
- April 15, 2017: Seaforth Easter Egg Hunt
- May 27, 2017, 9am-12pm: Communities in Bloom

- July 8, 2017: Stonetown Heritage Festival
- August 26, 2017: Zurich Bean Fest
- June 23-25, 2017: Bluesfest/Ribfest

Overview of Key Issues

Achievable Potential Study

- On September 9, 2016, Festival Hydro's Mary Steel sent a letter to IESO's Evelyn Lundhild regarding their Achievable Potential Study Results. The letter stated the following concerns:
 - I. Festival Hydro's position is that the methodology used to develop the Behind the Meter Generation (BMG) potential is incorrect. They do not think it is reasonable to include both actual projects and modeled results to determine the total APS BMG potential. They are requesting that the BMG potential results only include modeled opportunity.
 - II. Festival Hydro was seeking clarity on the inputs and methodology used to develop the modeled savings and associated incentive amounts.
- Sumeet Tandon and Evelyn sent a response to Festival Hydro on September 30, 2016, which provided the following position:
 - I. The IESO will not make any changes to Festival's BMG results. In the BMG study the technical consultant was unable to re-create the potential seen in the field through their modelling approach suggesting that the modelled results underestimate the achievable potential of BMG projects. The IESO has therefore taken the position that actual (in service in 2015) and planned BMG projects (represented by mature applications) reveal actual potential which should be accounted for within the APS. LDCs will have the opportunity to bring up perceived deficiencies in their APS results in the mid-term review process.
 - II. MPAC data was used primarily to determine the presence of commercial facilities, while Dun & Bradstreet data was used to determine the presence of industrial facilities. The nature of the BMG study differed from the Energy Efficiency study so the LDC profile was not an input.
- Festival Hydro has not followed up on this issue further following receipt of the IESO's response.

Dehumidifier recall

As a result of an E-Blast communication issued to LDCs on February 1, 2017, Mary Steel advised that 19 Festival Hydro customers that participated in the Home Assistance Program were affected by the dehumidifier recall issued by the Government of Canada. Festival Hydro, as well as other LDCs with customers affected by this recall, are still awaiting direction from the IESO on how to handle these recalled units. Katie Fotheringham is assessing the impact to the province, and is working on determining a direction for LDCs.

CDM-IS

Mary Steel has expressed strong disappointment and approval with the CDM-IS LDC Report Submission module, and submitted a formal letter on January 18, 2017 to the IESO on her experiences and frustration. Jessei Kanagarajan and Rouselle Gratela attended the SWOUG meeting on February 15 to address the concerns of the group as a whole. Potential solutions were discussed with the group, and overall the reaction was positive. The solution was implemented on March 2, 2017, which LDCs will be utilizing for the purposes of February LDC Report submissions. Feedback from Festival Hydro and other LDCs on the revised CDM-IS LDC Report Submission module will be closely monitored.

High Performance New Construction Program redesign

Festival Hydro has been anticipating the availability of the re-designed High Performance New Construction (HPNC) Program and has expressed disappointment that the Business Working Group only recently submitted the business case on March 3, 2017. Festival Hydro has indicated several of their customers have been waiting for the re-designed HPNC to participate. Rouselle Gratela has advised Mary Steel to raise her concerns and feedback with the SWOUG members of the Business Working Group (i.e. Kitchener-Wilmot Hydro and Guelph Hydro).

Regional Planning

Festival Hydro is part of the Greater Bruce/ Huron regional planning area which is in Group 3 of the IESO Integrated Regional Resource Planning (IRRP). Regions in Group 3 have been scheduled for future planning activity.

The Greater Bruce/ Huron regional planning area is located in southwestern Ontario. The region includes the municipalities of Arran–Elderslie, Brockton, Kincardine, Northern Bruce Peninsula and South Bruce, as well as the township of Huron-Kinloss.