

VERSION NOTES

- Changes to the version presented April 27, 2017 are marked with

CHANGES TO SLIDE

Slide #(s)	Description of change(s)
7	Timing updated and current status outlined
8, 10, 11	LDC workshop and LDC surveys added
13	Achievable Potential perspective added
16	Added note about constrained zones
14, 17	Captures specific Advisory Group comments

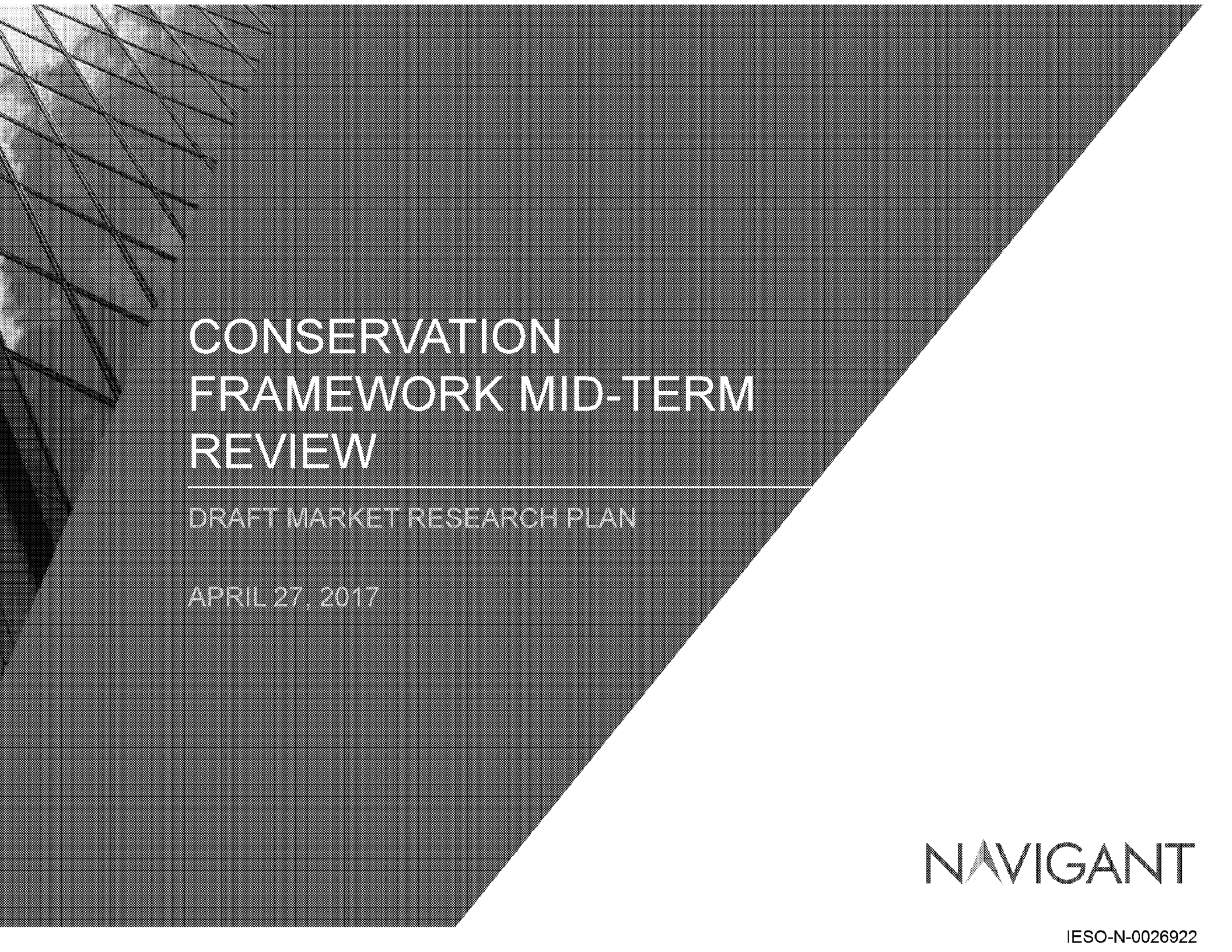
- New slides are marked with

NEW SLIDE

Slide #(s)	Description of change(s)
18, 19, 20	Achievable Potential perspective added

- Overarching changes:

- Slides removed – appendices outlining project plan and topics (provided within each current state summary)
- Structure of the deck updated



CONSERVATION FRAMEWORK MID-TERM REVIEW

DRAFT MARKET RESEARCH PLAN

APRIL 27, 2017

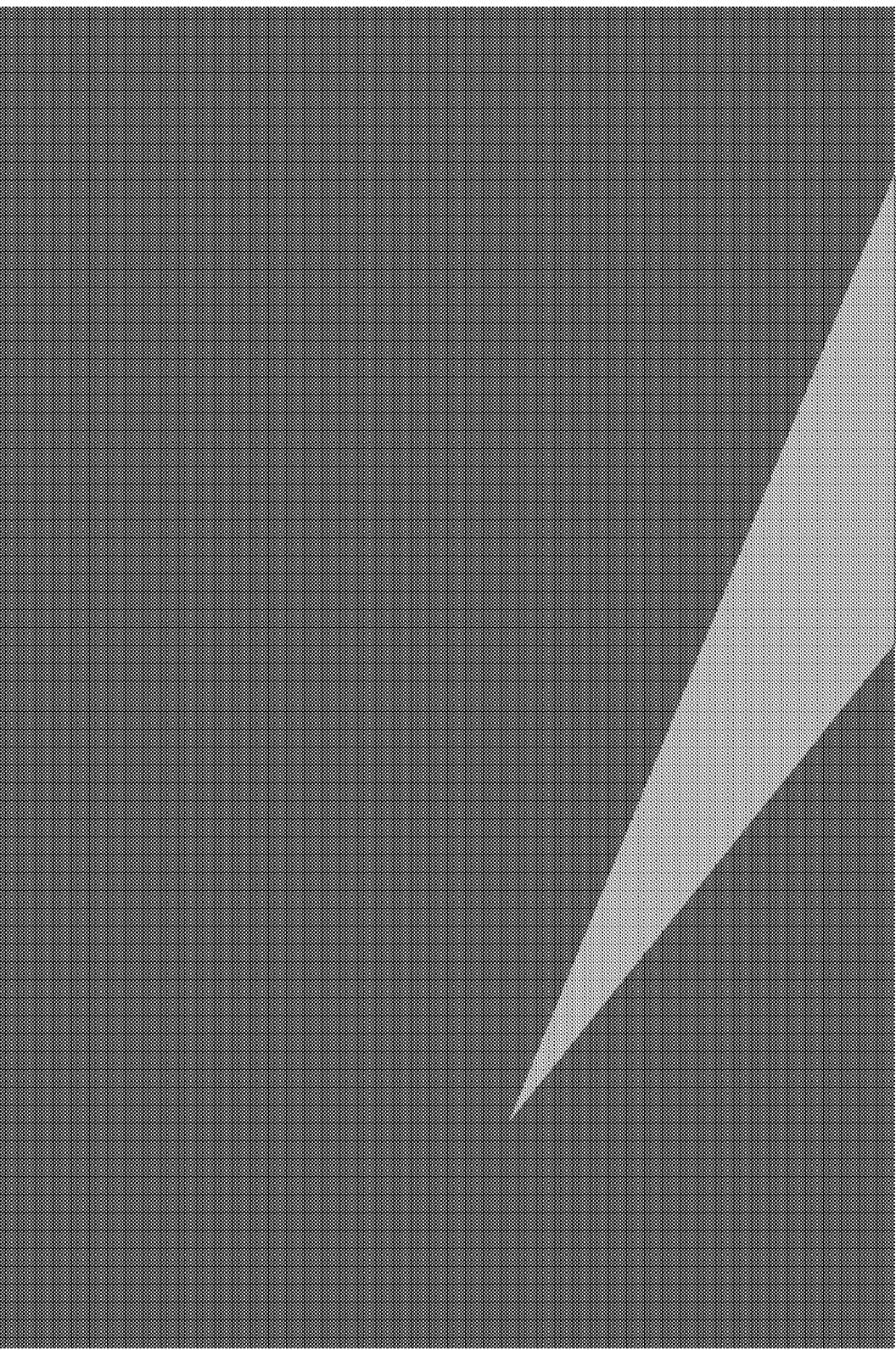
NAVIGANT

DISCLAIMER

This report was prepared by Navigant Consulting Ltd. (Navigant) for the Independent Electricity System Operator. The work presented in this report represents Navigant's professional judgment based on the information available at the time this report was prepared. Navigant is not responsible for the reader's use of, or reliance upon, the report, nor any decisions based on the report. **NAVIGANT MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED.** Readers of the report are advised that they assume all liabilities incurred by them, or third parties, as a result of their reliance on the report, or the data, information, findings and opinions contained in the report.

TABLE OF CONTENTS

1. Market Research Plan.....	4
I. Overview.....	5
II. Key Activities.....	9
III. Segmentation	12



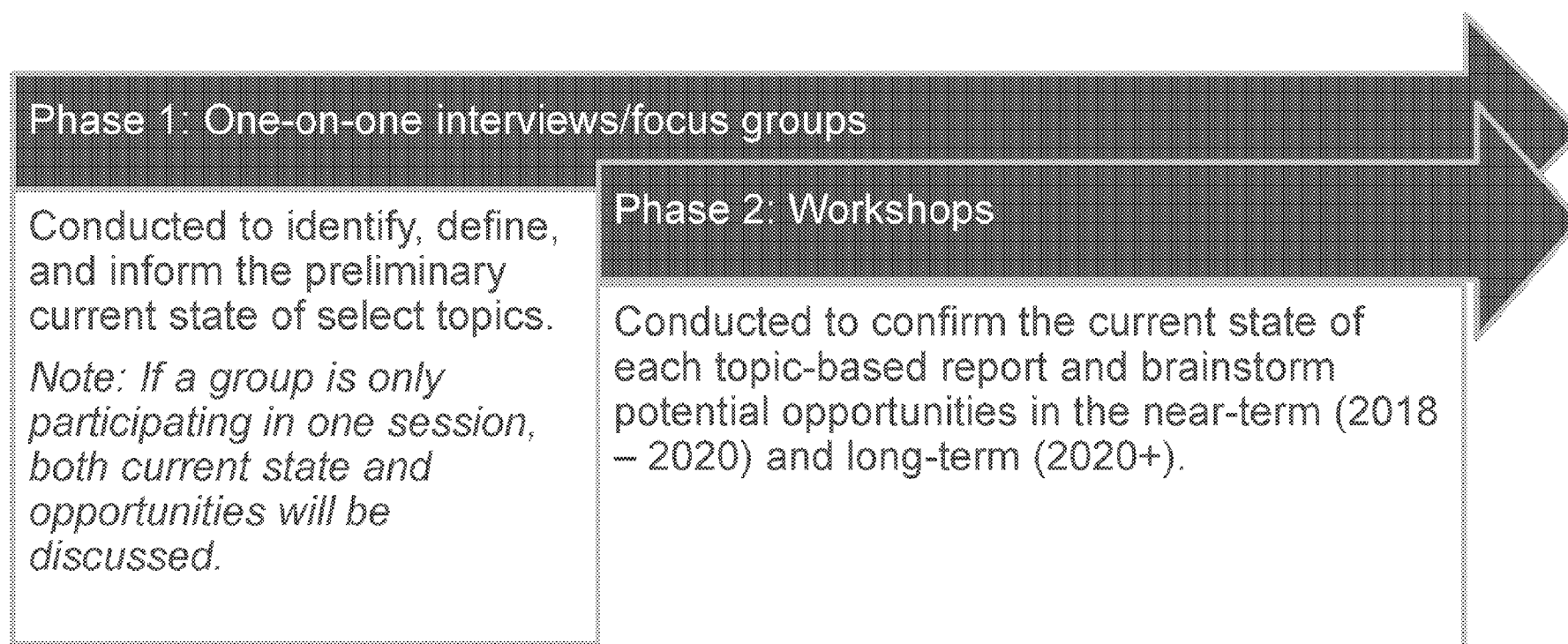
OVERVIEW

NAVIGANT

IESO-N-0026922

RESEARCH METHODS

The graphic below illustrates research methods that will be used in concert with secondary data and analysis to inform the conservation framework mid-term review:



PLAN TIMING

The graphic below illustrates the market research activities and phases that are planned to obtain information to support the achievement of the Conservation Framework Mid-term Review objectives. The topic based reports are shown for reference.

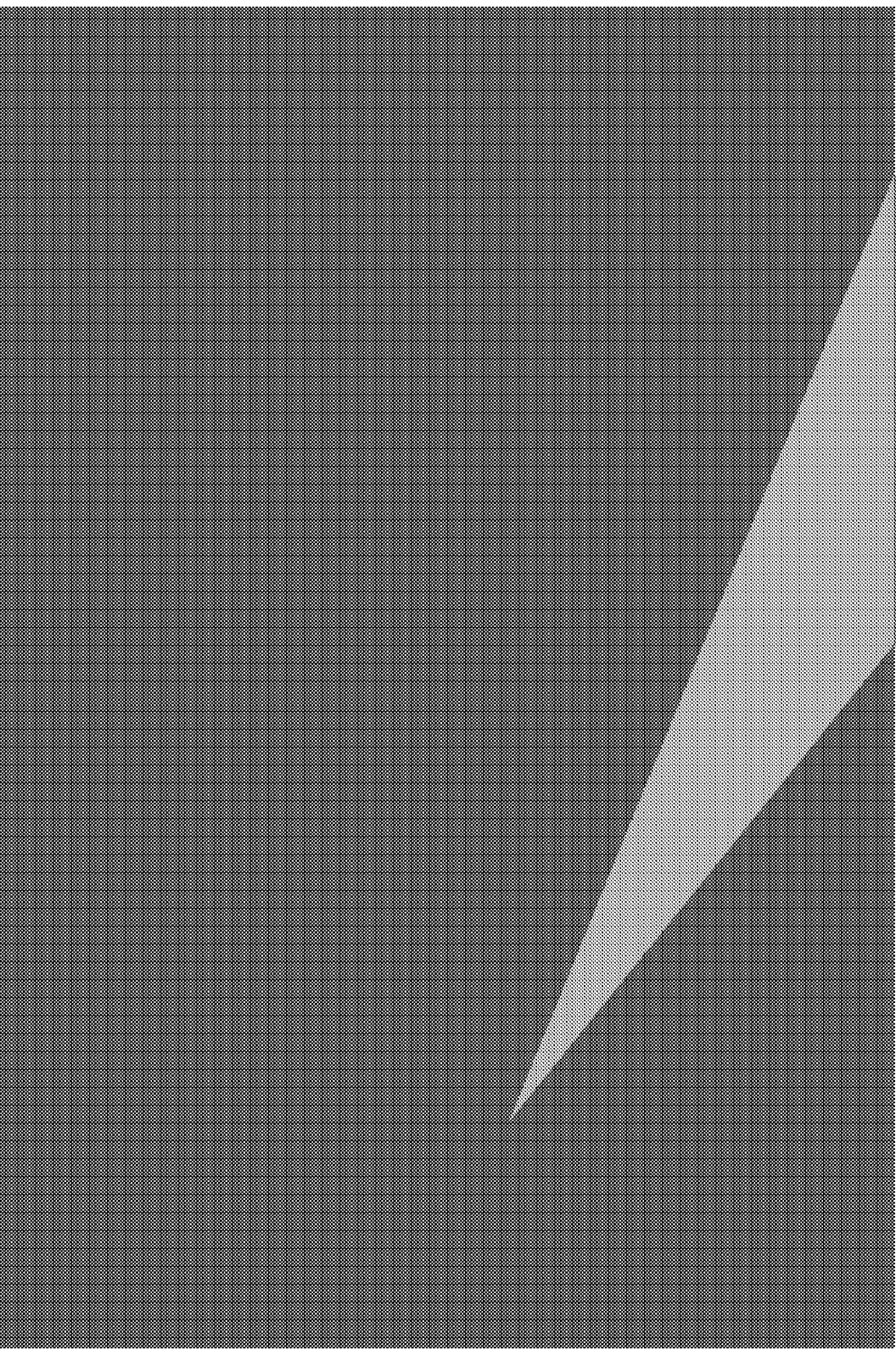


* If confirmation of public information is required, if additional information is permissible to use, contact information for phase 1 or 2 market research, etc.

RESEARCH BY GROUP AND TOPIC

The graphic below maps the market research phases by topic and group. Additional detail will be provided on subsequent slides. It is important to highlight that the Advisory Group will also be providing input through the stakeholder engagement process.

Group		Customer & Market Engagement	Definition of CDM	Collaboration	Governance + Operations	Planning Integration	NEBs	Climate Change	Budgets, targets, CE
Industrial Accelerator Program customers									
Large customers									
Small business customers and associations									
Other associations									
Channel Participants	Applicant reps	PHASE 1: ONE-ON-ONE INTERVIEWS/ FOCUS GROUPS/SURVEYS							
	Consultants								
	Contractors (non-res)								
	Distribution								
	Manufacturers								
	Retail								
	Contractors (res)								
HRAI									
Individual LDCs									
Gas utilities									
Ontario Energy Board									
Customers		PHASE 2: WORKSHOPS							
Conservation First Implementation Committee and other LDCs									
IESO-Planning and Conservation staff									



KEY ACTIVITIES

NAVIGANT

IESO-N-0026922

II. KEY ACTIVITIES

PHASE 1: ONE-ON-ONE INTERVIEWS AND FOCUS GROUPS

Group		Method
Industrial Accelerator Program customers*		
Large customers*		• One-on-one interviews
Small business customers		• focus groups
Small business associations		• One-on-one interviews
Other Associations		• One-on-one interviews
	Applicant reps	
	Contractors (non-res)	• focus group, non-residential focus
	Consultants	• One-on-one interviews to gain in-depth market insights
Channel Participants	Distribution	
	Manufacturers	• focus group, upstream focus
	Retail	
	Contractors (res)	• focus group, residential focus
	HRAI	
Individual LDCs		• One-on-one interviews focusing on LDCs with unique experience (e.g., P4P, regional planning) • Surveys covering specific topics

Target:

Groups with direct contact with the Conservation First Framework or Industrial Accelerator Program programs and groups with unique perspectives and experience.

Objectives:

One-on-one interviews and focus groups will be conducted to identify, define, and inform the preliminary current state of select topics.

Note: If a group is only participating in one session, both current state and opportunities will be discussed.

Guided by:

Issues for each of the topics mapped to the groups which are identified in the project plan (and reiterated in the appendix).

II. KEY ACTIVITIES

PHASE 2: WORKSHOPS

Group	Method
Gas utilities	Workshops will be focused on collaboration and climate change.
Ontario Energy Board	Focus on understanding the opportunities and limitations to modify structural elements of the natural gas framework to enable collaboration (e.g., attribution, changes to DSM plans, Cost Effectiveness).
Customers	Workshop to brainstorm review current opportunities identified throughout the market research phases.
Conservation First Implementation Committee and other LDCs	Workshops(s) to map current processes, discuss research findings and brainstorm and scope opportunities.
IESO – Conservation and Planning staff	- Workshop(s) with IESO-Conservation Staff on topics that influence the methodologies and objectives of both teams. - Workshops(s) to map current processes, discuss research findings and brainstorm and scope opportunities.

Target:

Groups that are involved with the mechanics of the framework and can provide diverse perspectives.

Objectives:

Workshops, webinars, and surveys (if necessary) will be conducted to confirm the current state of each topic-based report. Workshops will be conducted to brainstorm potential opportunities in the near-term (2018 – 2020), and long-term (2020+).

Guided by:

Issues for each of the topics mapped to the groups which are identified in the project plan and current state summaries.

An abstract graphic on the left side of the page. It features a dark gray square with a fine grid pattern. A light gray triangle is positioned with its base on the right edge of the square and its apex pointing towards the bottom-left corner. Another darker gray triangle is positioned to the right of the first one, also with its base on the right edge and its apex pointing towards the bottom-right corner. The word 'SEGMENTATION' is written in a light gray, sans-serif font to the right of these shapes.

SEGMENTATION

NAVIGANT

IESO-N-0026922

APPROACH

- Contacts for interviews and focus groups will be selected to target the following:
 - **Region:** Using IESO zones mapped to individual LDCs
 - **LDC Size:** Using the number of customers
 - **Industry:** Using program penetration by industry (North American Industry Classification System code)
 - **Highest Achievable Potential:** Using end use and sector data from the Achievable Potential Study (APS) to prioritize
- A summary of segmentation by group is listed below and subsequent slides will provide a more detailed explanation of each

Group		Region	LDC Size	Industry	APS
Industrial Accelerator Program customers				✓*	
Medium/Large customers (GS > 50 kW)		✓	✓	✓	
Small business customers (GS < 50 kW)		✓	✓	✓	
Small business association		N/A	N/A	N/A	✓
Other Associations		N/A	N/A	N/A	
Channel	Applicant reps & Non-residential contractors	✓			✓
	Consultants	N/A	N/A	N/A	✓
	Manufacturers & distributors	N/A	N/A	N/A	✓
	Retail, residential contractors, and HRAI	✓			✓
Individual LDCs		✓	✓		

DETAILED SEGMENTATION

Group	Method	#	Criteria	
Industrial Accelerator Program customers	Interviews	7	Participants (segmented by sector)	
		4	non-participants (segmented by sector)	
Medium/Large customers	Interviews	10	participants: industry, regional, and LDC size representation	
		4	non-participants: industry, regional, and LDC size representation	
		5	multi-site participants: industry representation	
		2	multi-site non-participants: industry representation	
Small/medium business customers	Focus group	1	participants: industry, regional, and LDC size representation	
		1	non-participants: industry, regional, and LDC size representation	
Associations	Interviews	8 - 10	Targeting sectors/customer groups such as: Ontario Federation of Small Businesses, MUSH (Municipal, Universities, Schools, Hospitals), low income, indigenous, agriculture, consumers, etc.	
Channel	Applicant reps Contractors (non-res)	Focus group	1	Business focus: region and channel participant (4 regions * 2 channels * 2 contacts), participants and non-participants
	Consultants	Interviews	5	For example: ClearResult, Burman, engineering consulting contacts (participating and non-participating)
	Distributors Manufacturers	Focus group	1	Upstream focus, participants and non-participants
	Retail	Focus group	1	Residential focus: regional representation, participants and non-participants
	Contractors (res) HRAI	Focus group	1	Residential focus: region and channel participant (4 regions * 3 channels) , participants and non-participants
	Individual LDCs	Interviews	15	region, experience with aspects of the Framework

II. SEGMENTATION

BY REGION

- Region: LDCs are split by IESO Zonal Map and grouped
 - Group 1 (North): Northwest/Northeast
 - Group 2 (East): Essa/East/Ottawa
 - Group 3 (South): West/Bruce/Southwest/Niagara
 - Group 4 (GTHA): Toronto



Source: IESO.ca

BY LDC SIZE

- Size: LDCs are split between Small, Medium, and Large based on number of customers, LDCs will also be mapped to constrained zones as part of the planning integration current state summary

Sizes	
Small Utilities	Under 12,500 customers
Medium Utilities	12,500 to 100,000 customers
Large Utilities	More than 100,000 customers

Source: *Renewing Ontario's Electricity Distribution Sector: Putting the Consumer First*

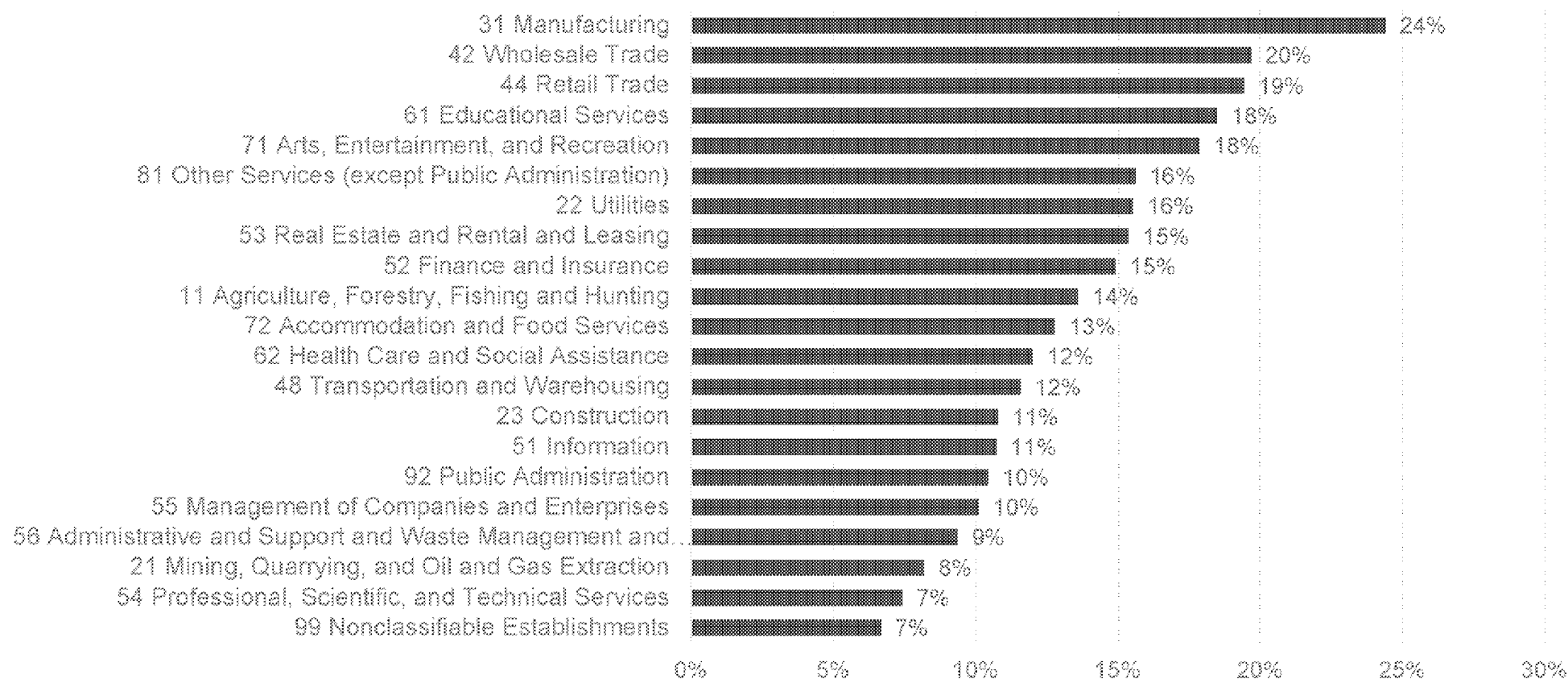
Size Segmentation	
Size	#
Small	26
Medium	36
Large	6

Source: 2015 OEB Yearbook adjusted for Alectra

BY INDUSTRY

- Industry: non-participant interviews will focus on industries with lower participation rates, exact industries and businesses will be selected to obtain representation for size and region,
- Specific industries to target include: Multi-unit Residential buildings (MURB), Municipalities/Universities/Schools/Hospitals (MUSH), agricultural

% of Total Number of Businesses Participating in Small Business Lighting, Retrofit, or Process & Systems

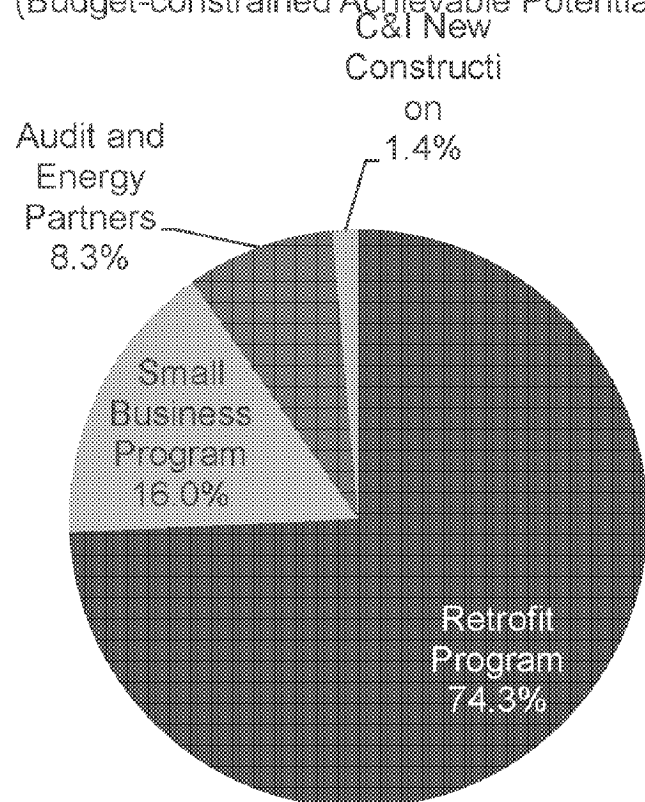


Source: IESO Segmentation Analysis

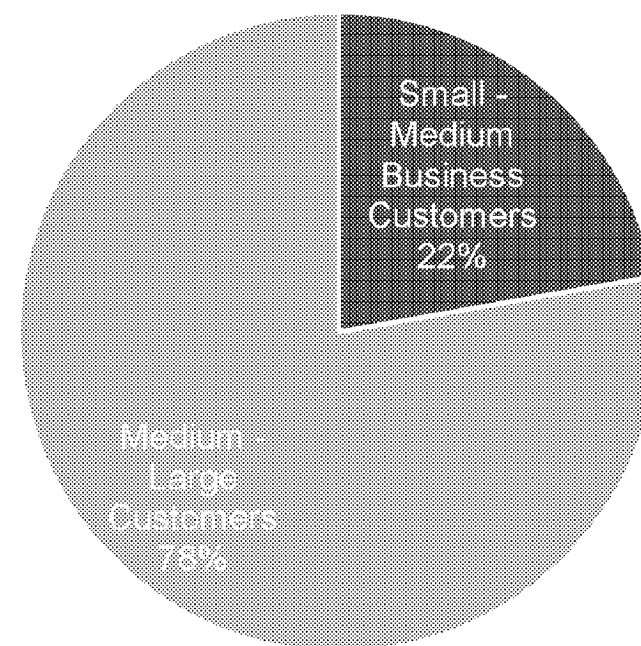
BY HIGHEST ACHIEVABLE POTENTIAL

- Over consideration of small business customers based on achievable potential

2015-2020 Persisting Savings by Commercial Program
(Budget-constrained Achievable Potential)



Breakdown of Targeted # of Interviews

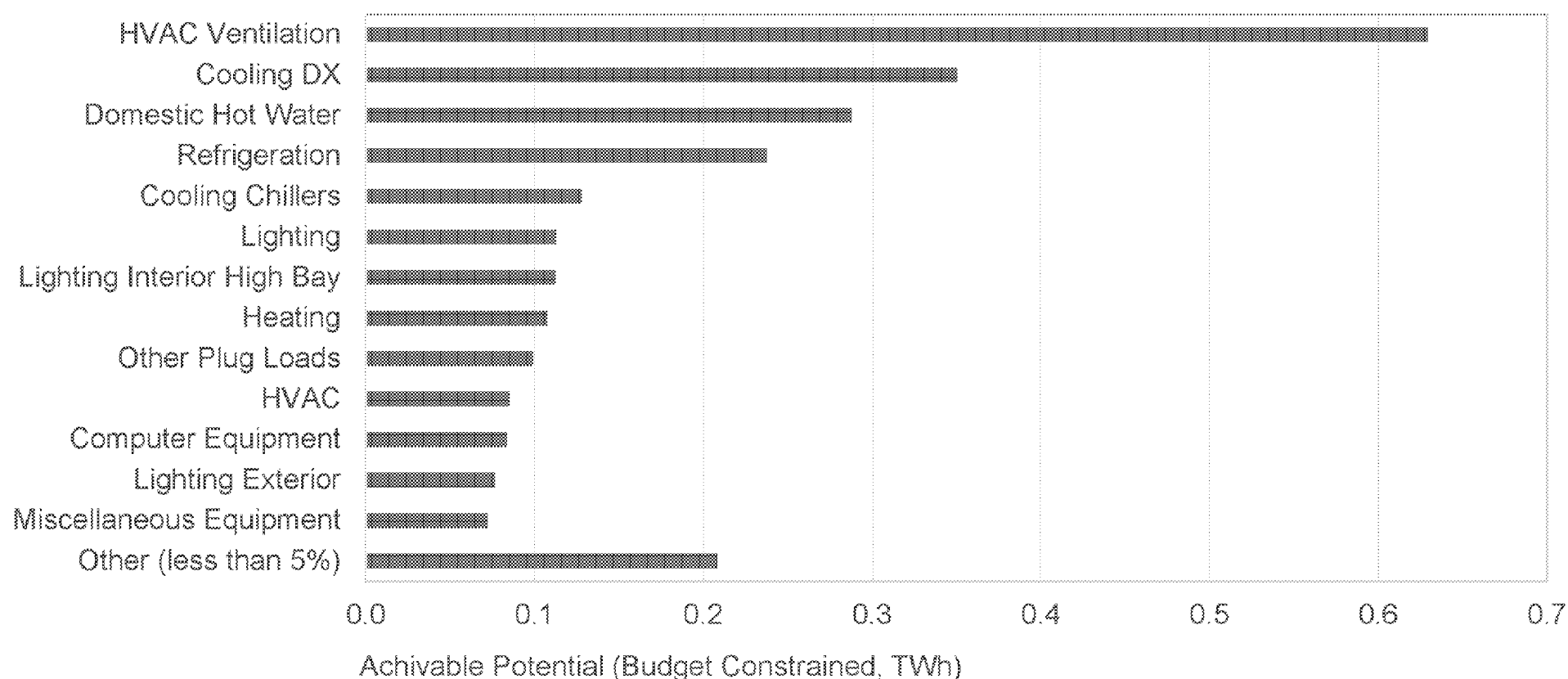


Source: Achievable Potential Study, Nexant

BY HIGHEST ACHIEVABLE POTENTIAL

- Interviews and focus groups will work to focus on businesses and sectors that align with the end uses achievable potential study

Commercial and Industrial Potential by End-Use

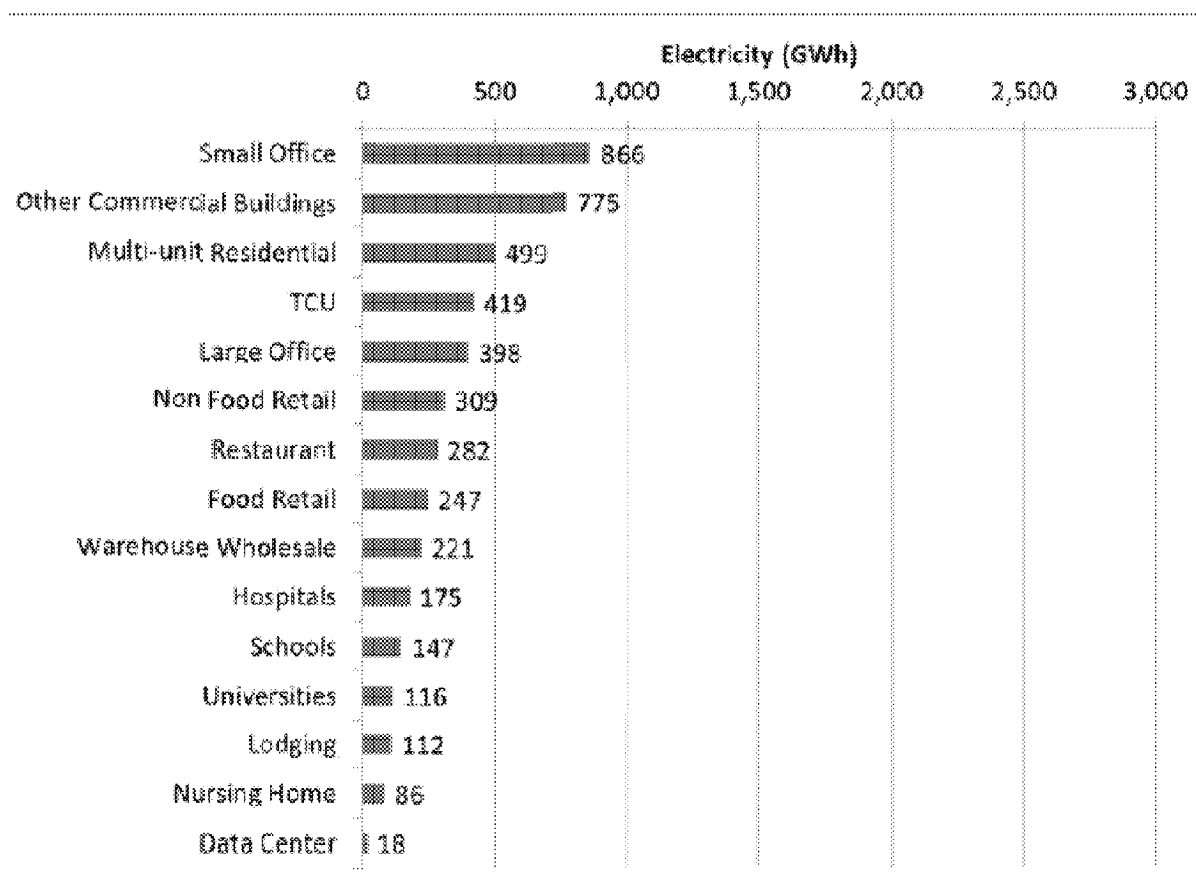


Source: Achievable Potential Study, Nexant

BY HIGHEST ACHIEVABLE POTENTIAL

- Interviews and focus groups will work to focus on businesses and sectors that align with the achievable potential study

10-9: Budget Constrained Achievable Potential Persistent Savings by Commercial Subsector in 2020



Source: Achievable Potential Study, Nexant