

CONSERVATION FRAMEWORK MID-TERM REVIEW

GOVERNANCE & OPERATIONS

MAY 18, 2017

NAVIGANT

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SECTION 1: EXECUTIVE SUMMARY

- I. Policy Context
- II. Introduction and Methodology
- III. Governance & Operations
Scorecard & Snapshot
- IV. Current State Summary

TOPIC 4: GOVERNANCE AND OPERATIONS

Policy Context – 2013 Long-Term Energy Plan & Conservation First Framework/Industrial Accelerator Program Ministerial Directions**LTEP refers to the role of LDCs in the 2015-2020 Framework:**

- “In collaboration with its agencies and partners, the ministry will work on new conservation initiatives, significantly increase Demand Response capability, and give LDCs a greater role and more flexibility to address local conditions.”
- “Subject to further discussion with our partners, the government intends to build the new Framework on the following principles: There will be long-term, stable funding for conservation so that customers and LDCs have the certainty they need to implement and deliver programs. [...] LDCs will have accountability for meeting their assigned conservation goals, and will be provided the authority and means for meeting them cost-effectively.”

The March 2014 Direction to OPA for Conservation First Framework and Industrial Accelerator Program delve into more detail around governance (*paraphrased below due to volume of clauses devoted to this topic*):

- Summary of Conservation First Framework Governance:
 - New streamlined contract between OPA and LDCs (now ECA), support to LDCs in submitting CDM plans, LDCS will have flexibility to design, deliver and administer province-wide and local programs
- Summary of operational direction for Conservation First Framework:
 - Streamlined review and approval process for CDM plans and programs with established guidelines – to be reviewed within a 60 day review service standard
 - Approval criteria: approve unique programs that avoid marketplace confusion and duplication, programs that incent measures with longer lifespans and savings persistence and deliver system value at peak times, programs that are cost-effective (TRC and PAC)
 - LDCs can make changes to CDM plans on an annual basis or more frequently

TOPIC 4: GOVERNANCE AND OPERATIONS (CONT.)

Policy Context – 2013 Long-Term Energy Plan & Conservation First Framework/Industrial Accelerator Program Ministerial Directions**December 2016 Direction to IESO re: Delivery of Province-wide Programs:**

- “Where a Distributor with eligible program participants is not making an approved Province-Wide Distributor CDM Program(s) available to eligible program participants in its licensed service area, the IESO shall deliver the Province-Wide Distributor CDM Program(s) in that Distributor’s license service area if a Distributor has not submitted a revised CDM Plan indicating an intention to do so per the timelines in Section 3.6(i).” [May 1, 2017]

July 2014 Industrial Accelerator Program Direction on Governance:

- “The administration of the Industrial Accelerator Program will be streamlined and simplified, where appropriate, to encourage greater participation in the program”

Dec 2016 Direction to Industrial Accelerator Program re: distribution-connected facilities:

- “The IESO shall allow transmission-connected customers with distribution-connected sites to elect to have their transmission-connected and distribution-connected sites administered through the Industrial Accelerator Program. Any associated electricity savings that result from distribution-connected sites participating in the Industrial Accelerator Program shall count toward Distributor CDM Targets under the Conservation First Framework Direction.”

MID-TERM REVIEW

Navigant was engaged by the IESO to complete the mid-term review for the Conservation First Framework and Industrial Accelerator Program. Issues were identified by the IESO and grouped into eight major topics that will guide the Framework Review through four key activities outlined below. This report is the current state summary for the **Governance & Operations** topic.

Current State Summaries			Market Research	Opportunities	Final Study Report
Topics	Report Date	Current State Summaries:	Objectives:	Research, analysis, market research inform potential modifications Cost-benefit and gap analysis to scope opportunities Consolidated list of short-term (within 1 year), medium-term (before 2020), and long-term (post 2020) opportunities for prioritization by the IESO	Consolidation of findings, feedback, and identification of issues and opportunities Methodologies and approach clearly discussed Out of Scope: - New mass market research 2011-14 framework in-depth analysis - New program design - LDC Mid-term incentive - Evaluation Measurement & Verification protocols - Codes and Standards
Customer and market engagement and satisfaction	March 16	Summarize the current state of each theme (e.g., existing operations, policies, progress, decisions, etc.) and are used as a basis for market research	- To confirm and enhance content of the topic reports - To gather insights into future framework improvements, design, and delivery		
Definition of CDM	April 20				
Collaboration	April 20				
Governance & operations	May 18				
Planning integration	June 15				
Climate change	July 13				
Budgets, targets, cost effectiveness	August 17				
			May to August	September/October	November to February

FOCUS AREAS AND KEY QUESTIONS

This report will analyze available information and begin to explore the issues and opportunities of the key questions and focus areas listed below pertaining to the **Governance & Operations** topic.

Key Questions

- Are the structures, internal processes, and accountabilities in place clear, effective, and efficient?
- What can be done to improve these structures?
- Are there additional tools and/or changes that can better support framework objectives?
- Are the views of interested stakeholders adequately being reflected in decision-making?
- Do existing processes and Working Groups adequately facilitate the inclusion and consideration of the views of interested stakeholders?
- What are some key considerations thinking beyond 2020?

Focus Areas

- I. Conservation First Framework:
 - Framework governance structures (roles and responsibilities)
 - Review central services/IESO processes and opportunities for improvement
 - New tools to support program development
 - Review LDC services/processes and opportunities for improvement
- II. Industrial Accelerator Program:
 - Assess Account Manager model
 - Assess application and supporting processes

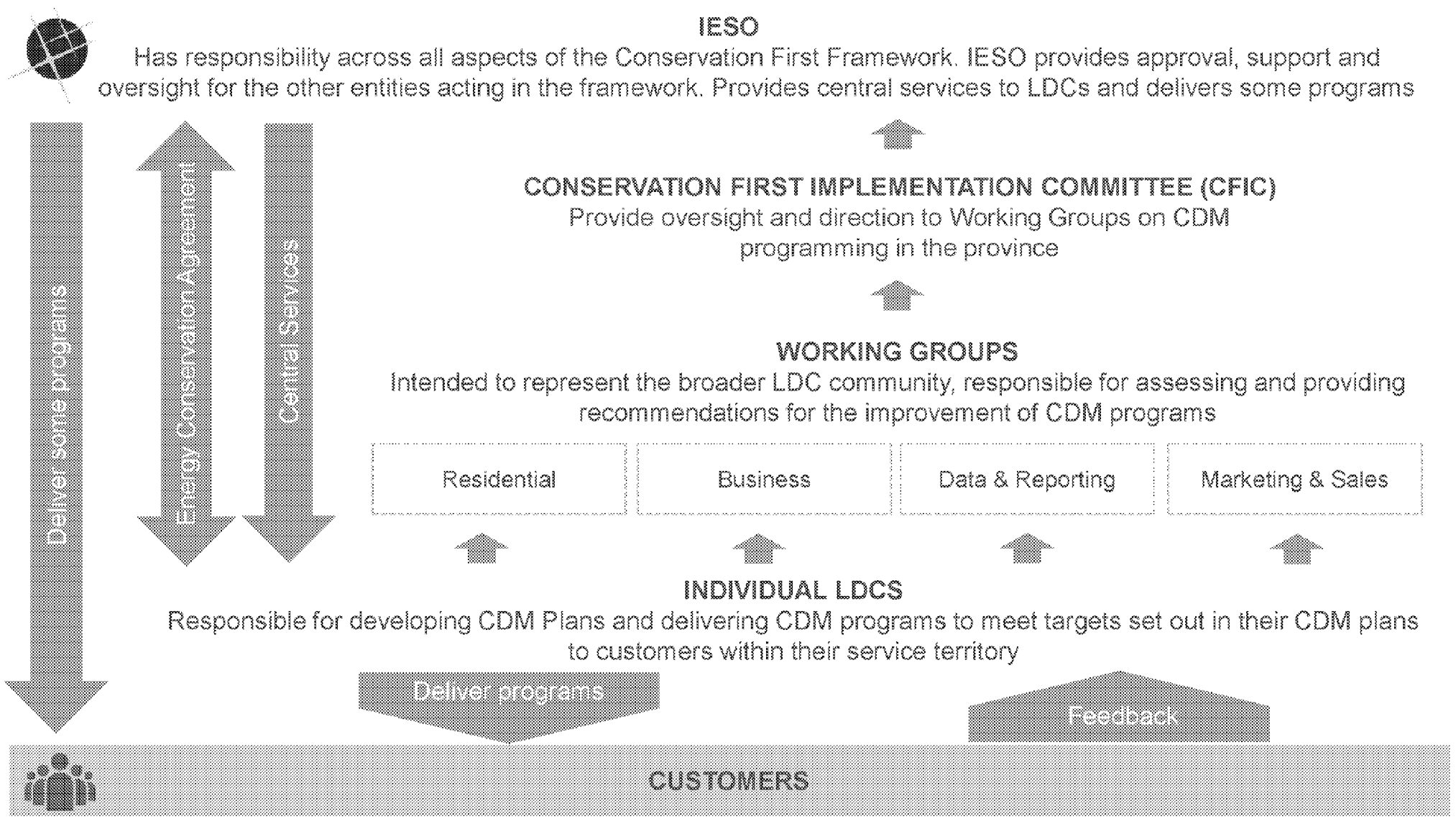
REPORT ORGANIZATION

- This report is organized by the sections outlined in the table below. The sections are designed to address one or more of the focus areas identified
- Analysis was conducted with data provided as of May 2017

Section	Description	Focus Area
People	Review the roles and responsibilities between the IESO and LDCs with respect to the Conservation First Framework. Roles and governance of the IESO with respect to the Industrial Accelerator Program will be reviewed.	Conservation First Framework: • Framework governance structures (roles and responsibilities)
Third Parties	Review of the roles and responsibilities of third parties needed to execute the Conservation First Framework and Industrial Accelerator Program. Includes allies, contractors, and non-CDM departments at IESO and LDCs.	Conservation First Framework • Tasks carried out by third parties, (i.e. in program design, delivery and evaluation) • Central Services Industrial Accelerator Program: • Tasks carried out by third parties
Tools	Review of tools used to support the Conservation First Framework and the Industrial Accelerator Program. These are tools used to facilitate the communication between entities in the CFF, the design and development of programs and CDM Plans, marketing and sales activities and others.	Conservation First Framework and Industrial Accelerator Program: • The frequency of use and the determined usefulness of existing tools
Processes	Inventory of the processes guiding the Conservation First Framework and Industrial Accelerator Program. Preliminary identification and limited data to support top processes to further investigate.	Conservation First Framework: • Review central services/IESO processes and opportunities for improvement Industrial Accelerator Program: • Assess Account Manager model • Assess application and supporting processes

II. INTRODUCTION AND METHODOLOGY

ROLES AND RESPONSIBILITIES ARE SPREAD ACROSS FOUR MAIN ENTITIES ULTIMATELY RESPONSIBLE FOR DELIVERING PROGRAMS TO CUSTOMERS



II. INTRODUCTION AND METHODOLOGY

ROLES AND RESPONSIBILITIES ARE MAPPED IN THE ENERGY CONSERVATION AGREEMENT AND CFIC CHARTER

Entity	CDM Plans		Funding	Programs			Other
	CDM Plan Development	CDM Plan Approval		Program Design	Program Operations	Program Termination	
IESO	✓ Provide tools and support for LDCs	✓ Approve CDM plans	✓ Approve CDM Plans, programs and pilots	✓ Approve new program designs	✓ Carry out activities where directed as per the ECA or program rules	✓ Determine non cost-effective programs & inform LDC of termination	✓ APS, reporting, communication promotions, training events, mid-term review
CFIC			✓ Approve Working Group budget and workplan	✓ Make recommendation to Working Groups	✓ Monitor province-wide program progress towards target		✓ Input into other IESO efforts (e.g. APS)
Working Groups (WG)			✓ Submit annual workplan and budget to CFIC	✓ Recommend changes to programs (existing and new)	✓ Monitor, identify and provide guidance to LDCs regarding programs		
LDCs	✓ Develop and submit CDM Plans		✓ Choose CDM Plan funding model, and apply for pilots or program funding	✓ Design local programs and pilots	✓ Offer programs to customers & provide data and reporting results to IESO		

III. GOVERNANCE & OPERATIONS SCORECARD AND SNAPSHOT

CONSERVATION FIRST FRAMEWORK GOVERNANCE AND OPERATIONS
SCORECARD

METRIC	DESCRIPTION	RESULT	TREND	GOAL	INSIGHT
CDM plan review metrics	Joint CDM Plan Review Metric: mean number of calendar days from LDC submission of CDM Plan to IESO approval of CDM Plan (excluding the LDC response time to IESO questions) Goal: requirements within the Energy Conservation Agreement			30 days	- Calculating these timelines is a more manual process than anticipated, results will be communicated at the June 2017 Advisory Group meeting - CDM Plan review metrics are currently under review to capture LDC response time to IESO edits
	Individual CDM Plan Review Metric: mean number of calendar days from LDC submission of CDM Plan to IESO approval of CDM Plan (excluding the LDC response time to IESO questions) Goal: requirements within the Energy Conservation Agreement			60 days	

LEGEND

TREND		Minimal (less than 5 percentage points year over year) change in the metric relative to prior years			
		Increase in the metric relative to prior years			Decrease in the metric relative to prior years
RESULT		Meeting/exceeding goal			
		Progress towards goal/monitor for concerns			Low progress relative to goal/potential action required

III. GOVERNANCE & OPERATIONS SCORECARD AND SNAPSHOT

CONSERVATION FIRST FRAMEWORK GOVERNANCE AND OPERATIONS
SCORECARD

METRIC	DESCRIPTION	RESULT	TREND	GOAL	INSIGHT
Program and pilot approval metrics	Local/Regional Program Review Metric: mean number of business days between LDC submission of business case and IESO response Goal: Service standard stated in IESO process documentation within the LDC Toolkits. *There is an expedited review process for programs that address peak demand, are collaborative or are pay-for-performance	17 days 	N/A	20 days	- The IESO implemented a new business case review process in June 2016, metrics reflect business cases for pilots and programs submitted under the new process 2 local/regional programs were assessed under the lower review time
	Innovation Fund Pilot Review Metric: mean number of business days between LDC submission of business case and IESO response Goal: Service standard stated in IESO process documentation within the LDC Toolkits. *There is an expedited review process for programs that address peak demand, are collaborative or are pay-for-performance	Expedited Review Process: 11.5 days 		Expedited Review Process: 10 days	
		20 days 	N/A	20 days	
		Expedited Review Process: N/A		Expedited Review Process: 10 days	

LEGEND

TREND		Minimal (less than 5 percentage points year over year) change in the metric relative to prior years		Increase in the metric relative to prior years		Decrease in the metric relative to prior years
		Meeting/exceeding goal		Progress towards goal/monitor for concerns		Low progress relative to goal/potential action required

III. GOVERNANCE & OPERATIONS SCORECARD AND SNAPSHOT

CONSERVATION FIRST FRAMEWORK GOVERNANCE AND OPERATIONS
SNAPSHOT

AREA	METRIC	DESCRIPTION	RESULT	INSIGHT
General Indicators	% non-incentive vs. incentives in program costs	non-incentive costs include both fixed and variable labour, marketing, other program costs The non-incentive cost is represented as a percent of total costs (non-incentive + incentive)	34%	- Budgeted non-incentive costs are 34% for the 2015-2020 period - This metric is generally aligned with other utilities in North America - Non-incentive costs are 28% at the IESO portfolio level (2015 & 2016, Conservation First Framework + Industrial Accelerator Program) - Non-incentive costs were 29% for the 2011-2014 portfolio
	Cost reimbursement processing metrics (by LDCs to customers)	Data unavailable	N/A	
	Key metrics from LDC survey on satisfaction with Conservation First Framework processes	LDCs surveyed that had a “good” or “very good” overall impression of the IESO Conservation Division	97%	This result encompasses a number of Conservation First Framework processes and illustrates a high level of overall satisfaction

III. GOVERNANCE & OPERATIONS SCORECARD AND SNAPSHOT

CONSERVATION FIRST FRAMEWORK GOVERNANCE AND OPERATIONS
SNAPSHOT

AREA	METRIC	DESCRIPTION	RESULT	INSIGHT
CDM Plan Reviews	# of CDM plans reviewed	The total number of CDM Plans submitted by LDCs and reviewed by the IESO (excludes withdrawn)	111	- IESO is currently undergoing an internal audit of the business case review process, results are expected to be available early summer 2017 - IESO is currently reviewing collecting data that will be able to reflect the "mean time for LDC response to IESO questions" in the final report
	# of CDM plan revisions	The number of times CDM Plans required revisions, requiring an LDC to submit a new version (excludes withdrawn plans)	68	
	# of request responses resubmitted	The number of requests for information that were resubmitted	TBD	
	Mean time for LDC response to IESO questions	Data unavailable	N/A	

III. GOVERNANCE & OPERATIONS SCORECARD AND SNAPSHOT

CONSERVATION FIRST FRAMEWORK GOVERNANCE AND OPERATIONS
SNAPSHOT

AREA	METRIC	DESCRIPTION	RESULT	INSIGHT
Local/ Regional Programs	# unique	The number of in-market local/regional that have unique offerings	12	- The majority of in-market local/regional programs are not unique - A small number of local/regional programs have been rejected 42 local/regional programs have been submitted (includes resubmissions) 5 local/regional Business Refrigeration Incentive programs have transitioned to a province wide program - A small proportion of budget has been assigned to local/regional programs - The majority of regional/local programs focus on residential sector, however the majority of savings come from business sector and the only program transitioned to province-wide served the business sector - IESO is currently undergoing an internal audit of the business case review process, results are expected to be available early summer 2017
	# in market	The number of local/regional programs that have approved timeframes out to 2017 and on	25	
	# transitioned to full programs	The number of local/regional programs transitioned to full programs	5	
	# withdrawn	The number of local/regional programs that have been withdrawn.	TBD	
	# not approved	The number of local/regional programs that have been rejected or not approved	5	
	Proportion of budget assigned to local/regional programs	The proportion of budget assigned to approved local/regional programs out of total CDM Budget	7%	
	# of regional/local - by sector (residential)	The number of approved residential local/regional programs	16	
	# of regional/local - by sector (business)	The number of approved business local/regional programs	11	

III. GOVERNANCE & OPERATIONS SCORECARD AND SNAPSHOT

CONSERVATION FIRST FRAMEWORK GOVERNANCE AND OPERATIONS
SNAPSHOT

AREA	METRIC	DESCRIPTION	RESULT	INSIGHT
Innovation Fund Pilots	# complete	The number of innovation pilots that have been completed during the Conservation First Framework	8	- The majority of pilots are currently-in market (i.e., not complete) 26 pilots have been submitted (includes resubmissions) - A small amount of pilots have transitioned into local/regional programs, all of which have been carried out by the same LDC
	# in market	The number of innovation pilots that are currently in-market	12	
	# withdrawn	The number of innovation pilot applications that have been withdrawn	TBD	
	# not approved	The number of innovation pilot applications that have been rejected or not approved	4	
	# transitioned to full programs	The number of Innovation Fund Pilots that have been successfully transitioned into local/regional programs	3	
	Satisfaction with programs and pilots	Data unavailable, will review 2016 evaluations for additional data	N/A	

III. GOVERNANCE & OPERATIONS SCORECARD AND SNAPSHOT

CONSERVATION FIRST FRAMEWORK GOVERNANCE AND OPERATIONS
SNAPSHOT

AREA	METRIC	DESCRIPTION	RESULT	INSIGHT
Province-wide Programs	# of changes to province-wide (residential)	The number of Business Cases approved by the IESO requesting changes to province-wide residential programs	4	28 business cases have been submitted to IESO for changes to province-wide programs (includes resubmissions) - More changes have been successfully made to business programs than residential programs, however more business program changes have been rejected than residential program changes - IESO is currently undergoing an internal audit of the business case review process, results are expected to be available early summer 2017
	# of changes to province-wide (business)	The number of Business Cases approved by the IESO requesting changes to province-wide residential programs	15	
	# withdrawn	The number of province-wide programs that have been withdrawn.	1	
	# not approved	The number of province-wide programs that have been rejected or not approved	1	
	Program Business Case approval metrics (mean time for IESO review)	The average number of days between the submission of a business case by and LDC or Working Group and approval by the IESO	20	
	Mean time for LDC response to IESO questions	Data Unavailable		

III. GOVERNANCE & OPERATIONS SCORECARD AND SNAPSHOT

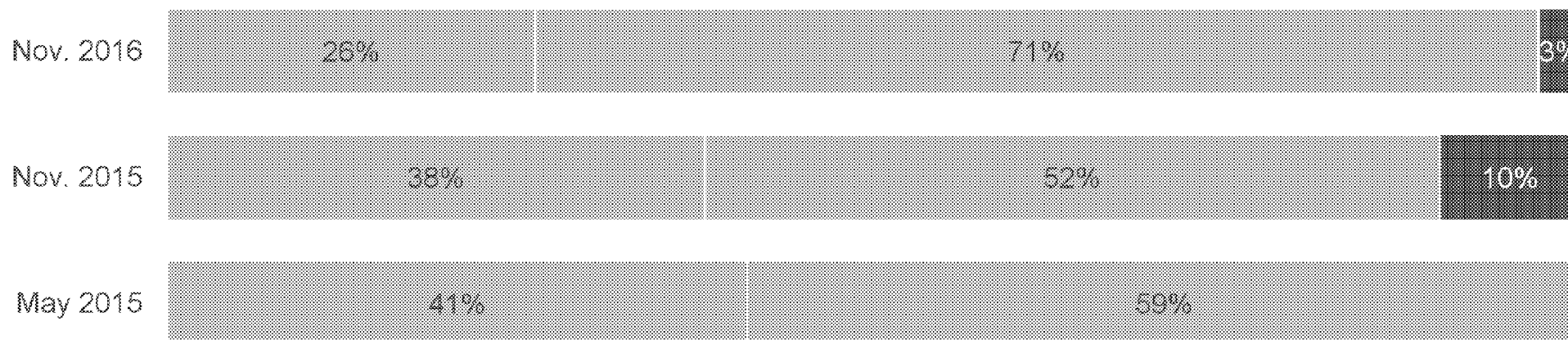
INDUSTRIAL ACCELERATOR PROGRAM GOVERNANCE AND OPERATIONS
SNAPSHOT

AREA	METRIC	DESCRIPTION	RESULT	INSIGHT
Indicators	IESO review time for projects	Turnaround time between application receipt by IESO and release of contract to customer – Process and Systems	80 days	- Review time could be representative of the intricacies of the applications and size of the incentive, market research and potentially evaluation reports will provide additional insights - Processes are supported by a third party
		Turnaround time between application receipt by IESO and release of contract to customer – Preliminary Engineering Studies / Detailed Engineering Studies	55 days	
		Turnaround time between application receipt by IESO and release of contract to customer – Retrofit	30 days	
		Turnaround time between application receipt by IESO and release of contract to customer – Energy Manager	18 days	
	% non-incentive vs. incentives in program costs	Actual spent non-incentive costs as a percentage of incentive + non-incentive costs	18%	- Non-incentive costs were budgeted to represent 9% of total delivery costs (administration + incentives) - Non-incentive costs are 28% at the IESO portfolio level (2015 & 2016, Conservation First Framework + Industrial Accelerator Program) - Non-incentive costs were 29% for the 2011-2014 portfolio

LDCS REPORTED A GOOD OVERALL IMPRESSION OF IESO

- 97% of LDCs have a good impression overall of the IESO Conservation Division

LDCs' Overall Impression of the IESO Conservation Division (Responses out of 10)



■ Very Good (10, 9, 8) ■ Good (7, 6, 5) ■ Poor (4, 3, 2, 1)

Q1. Taking into account all of the things which you think are important, on a scale of 1 to 10 where '1' means 'poor' and '10' means 'excellent,' what is your overall impression of the IESO's Conservation & Corporate Relations Division... Base: Sept. 2012 (n=39); Apr. 2013 (n=42); Nov./Dec. 2013 (n=38); Jul. 2014 (n=37); May 2015 (n=29**); Nov 2015 (n=21**); Nov 2016 (n=38*) *small sample size, **very small base size.

IV. CURRENT STATE SUMMARY

MOST SECTOR WORKING GROUP PRIORITIES FOCUS ON PROGRAM DESIGN

- A smaller proportion of priorities were focused on developing tools, templates and guides, as well as communication activities (i.e. workshops and events)

Working Group	Category	Proportion of 2015 priorities	Proportion of 2016 priorities
Business Working Group	Program Design	5/6	9/14
	Tools, Templates and Guides	1/6	3/14
	Communication	0/6	2/14
Residential Working Group	Program Design	2/2	5/5
	Tools, Templates and Guides	0/2	0/5
	Communication	0/2	0/5

Lessons Learned - Opportunities for Improvement Identified by Working Groups

IESO/LDCs Decision-making and Responsibility uncertainty	Clarity on program design requirements
Business Case approval process	Volume of work
Coordination and early engagement of other Working Groups and their systems	

IV. CURRENT STATE SUMMARY

OTHER WORKING GROUPS FOCUS ON PRIORITIES THAT SUPPORT PROVINCE-WIDE INITIATIVES

- A smaller proportion of priorities were focused on supporting LDCs and supporting other working groups

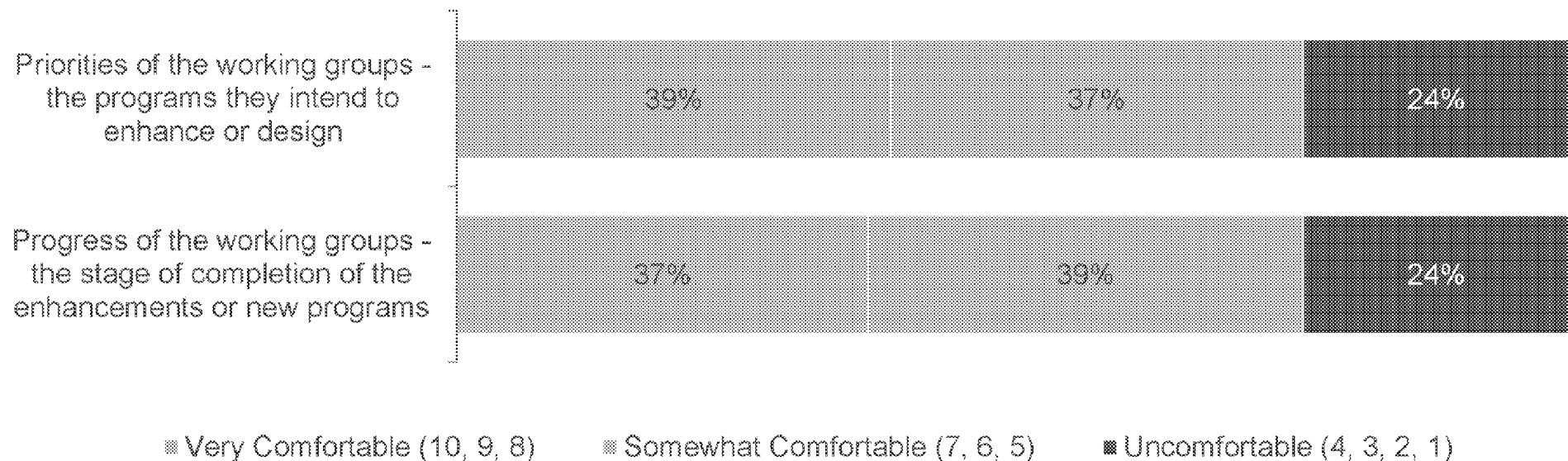
Working Group	Category	Proportion of 2015 priorities	Proportion of 2016 priorities
Marketing and Sales Working Group	Support for other Working Groups	4/14	4/18
	Support for LDCs	4/14	5/18
	Support for province-wide initiatives	6/14	9/18
Data and Reporting Working Group	Support for other Working Groups	2/6	0/5
	Support for LDCs	0/6	2/5
	Support for province-wide initiatives	4/6	3/5

IV. CURRENT STATE SUMMARY

A MINORITY OF LDCS ARE VERY COMFORTABLE WITH THEIR KNOWLEDGE OF CFIC AND WORKING GROUP PRIORITIES AND PROGRESS

- Just over one third of LDCs are “very comfortable” with their knowledge of the priorities and progress of the Working Groups

Knowledge of Working Groups Activities Among LDCs (Responses are out of 10)



Q7. How comfortable are you with your level of knowledge and understanding of each of the following aspects of the LDC working groups?

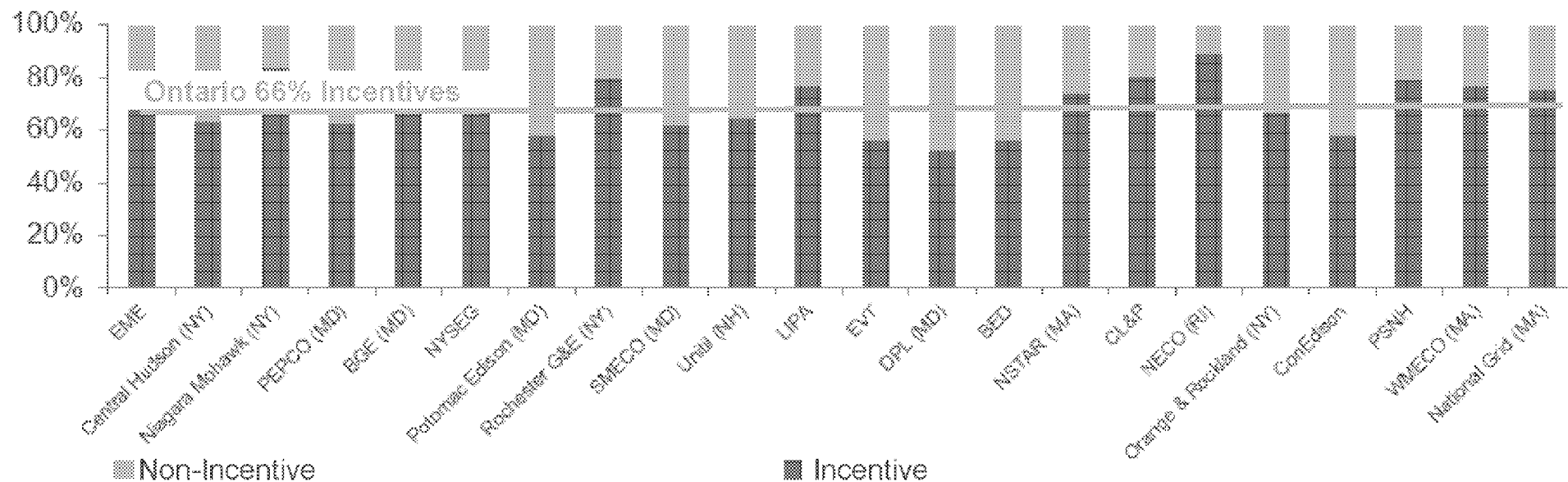
Base: May 2015 (n=29**); Nov 2015 (n=21**); Nov 2016 (n=38*) *small sample size, **very small base size.

IV. CURRENT STATE SUMMARY

BENCHMARKING INDICATES THAT ONTARIO NON-INCENTIVE COSTS ARE GENERALLY ALIGNED WITH OTHER UTILITIES

- Among the utilities surveyed, Ontario's incentive costs as a percentage of total delivery costs are aligned with others
- Caveats: Benchmarking is not a horse race
 - Given the variation in program offerings, geographies, and years running DSM/CDM programs across EE portfolios, no benchmarking can achieve a strict apples-to-apples comparison
 - The usual caveats apply to any accounting information: different organizations aggregate and allocate costs differently (e.g., Key Account manager time), so these results can only be taken as indicative
 - Benchmarking is not a substitution for a process evaluation – it shows what utilities are achieving in terms of energy and demand savings and what they're spending on programs to achieve these savings but to derive meanings/conclusions from this data is challenging to do

Portfolio Cost Breakdown Between Incentive and Non-Incentive Costs



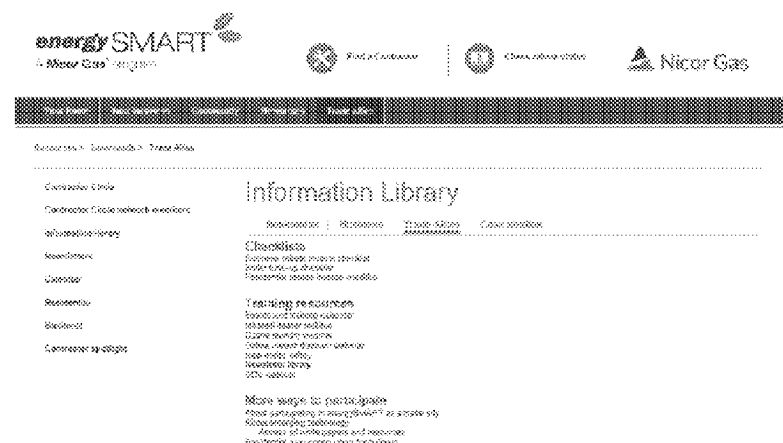
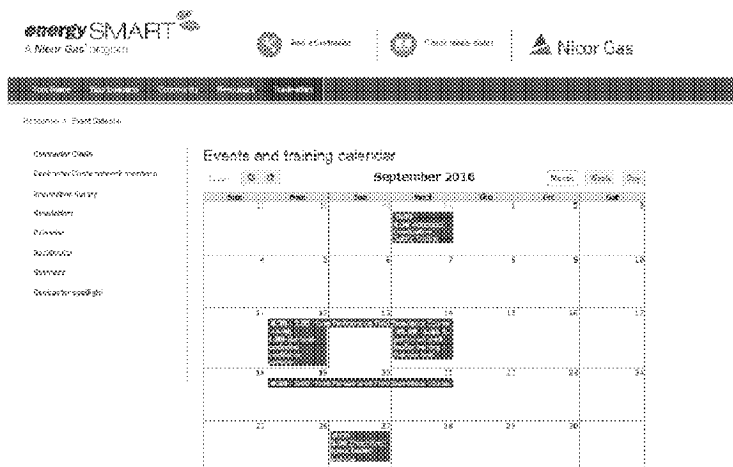
ONTARIO MAINTAINS A DEDICATED PART OF THE SAVE ON ENERGY WEBSITE FOR CHANNEL ALLIES

- Trade ally networks are highly prevalent in other jurisdictions, which are very important for successful conservation frameworks

Ontario	Description	Partnership Activities
Channel Allies Strategy	Updates on CDM programs are communicated to contractors, businesses and other channel allies through Save on Energy website	- Conservation First Framework news, information on events and training, program documents and other resources are communicated through Save on Energy website - Resources are categorized to be contractor-specific (HVAC, Lighting etc.)

SOME EXAMPLES OF OTHER JURISDICTIONS' TRADE ALLY WEBSITES

- Best practices in other jurisdictions have proved highly successful for improving the participation and savings in energy conservation programs



Use our map to find the Trade Pro Manager for your territory

Download **PG&E Trade Professional Manager Area Coverage Map (PDF, 1.38 MB)**



Find easy sign-up guides

Learn how to enroll in TPA. Download **Quick Start Guide: How to enroll in the Trade Professional Alliance (PDF, 1.66 MB)**



Get help securing EE financing

Find out about our **EE On-Bill Financing Program** to help your customers' EE projects move forward. Visit **Energy Efficiency Financing**.



Access our online rebates

Download **Quick Start Guide: How to submit an online rebate application (PDF, 1.66 MB)**

Alliance FAQ & Contact Info



Before you call us...

There's a good chance your question about the BC Hydro Alliance Energy Professionals, its many Trade Pro Manager is answered. If it isn't, please contact us. Our contact information is in the right to the page.

- 1 What is the BC Hydro Alliance of Energy Professionals?
- 2 How do I become an Alliance member?
- 3 How do I become an affiliate?
- 4 How do I find out if my company is already a member?
- 5 Can I check the status of my membership application?
- 6 What program is my customer eligible for?
- 7 How do I calculate an incentive for my customer?
- 8 What if I forgot my Alliance ID and/or password?

NORTHWEST LIGHTING NETWORK

TRAINING & EVENTS

Attend lighting training throughout the region and work with other lighting professionals in a friendly, supportive, learning environment. Check back to see the next list.

[VIEW ALL >](#)

UTILITY PROGRAMS

Access a variety of programs, incentives and rebates designed to help you and your business save money on your energy costs.

[GO >](#)

When lighting upgrades make the most impact on your energy?

- Improving lighting
- Improving controls
- Reducing maintenance

[SUBMIT >](#)

FIELD STORIES

Smart ideas you can put to use.

Read about the success stories of other lighting professionals and how they've solved their lighting problems.

NETWORK FINDER

Find the Trade Pro Network in your area that can help your business succeed.

[GO >](#)

TOP TOOLS

- 1 BPA Lighting Calculators
- 2 Energy Tool Lighting Fact Sheet

IV. CURRENT STATE SUMMARY

THIRD PARTY SUPPORT IS THROUGHOUT MOST ASPECTS OF THE CONSERVATION FIRST FRAMEWORK

- All entities (IESO, LDCs, Working Groups and CFIC) use third parties to help with multiple aspects of Conservation First Framework

CDM Activity	Internal Role (IESO, LDCs, WGs and CFIC)	Third Party Role (Contractors & Channel Allies)
Program Design	• Programs are designed by LDCs and Working Groups (with oversight from CFIC) and approved by the IESO • IESO will be providing additional program design support to working groups	• Strategic advisors are contracted by Working Groups to help in the design of new programs
Program Promotion	• IESO is responsible for Save on Energy promotion • LDCs primarily carry out program-level promotion using non-incentive budget	• Third party advertisers, marketers and market researchers may be contracted by the IESO and/or LDCs to promote CDM programs • Allies (e.g. contractors) are vital in the promotion and delivery of various programs (e.g. Heating & Cooling program)
Program Delivery	• LDCs are responsible for offering programs set out in their CDM Plan	• LDCs often contract third party technical reviewers to perform technical reviews on conservation programs, a requirement of program delivery
Program Evaluation	• LDCs are responsible for providing EM&V and Reporting results to the IESO	• EM&V Reports are completed annually by third party organizations, contracted by the IESO, in which each program is assessed
Other	• The IESO is responsible for overseeing an Achievable Potential Study	• Achievable Potential Studies are completed by third party organizations, contracted by the IESO with working group involvement • These studies help inform the design of new programs

IV. CURRENT STATE SUMMARY

NUMEROUS TOOLS SUPPORT THE CONSERVATION FIRST FRAMEWORK

- An inventory of IESO tools was completed, each was categorized and an initial assessment was made in terms of its use and usefulness/effectiveness
- Required tools are flagged within the table below

Category	Sub-Category	Tools
Calculators and Templates	Conservation First Framework Tools	• Cost Effectiveness Tool <i>(required)</i> • Financial Modelling Tool
	Sales and Program Design Tools	• Business Energy Efficiency Sales Tool • Regional Achievable Potential Calculator • E Source Access and MPAC data
	Conservation First Framework Templates	• Reporting Template <i>(required)</i> • CDM Plan Template <i>(required)</i> • Business Case Template <i>(required)</i>
Systems and Communication Tools	Active Program Support Systems	• iCON <i>(required)</i> • CDM-IS (coupon and Heating & Cooling programs) • IESO reports issued to LDCs
	Communication Tools	• Email • E-BLASTs • Extranet • Webinars • LDC Business Managers • LDC Support System • LDC Events
Guidelines and Standards		• Conservation First Framework Guidelines and Marketing Standards <i>(required)</i> • Marketing Toolbox

SUMMARY: CALCULATORS AND TEMPLATES

- The Cost Effectiveness tool and Reporting Template are widely used because they are required and designed to meet the requirements within the ECA and other guidelines
- The Business Energy Efficiency Sales tool is widely used because it provides LDCs with information to improve CDM sales
- Preliminary research has deemed each tool as useful, which will be expanded upon in market research

Tool		Is the Tool Used?	Is the Tool Useful/Effective?
Cost Effectiveness Tool		Used as an input to every CDM Plan and Business Case to determine custom program cost-effectiveness	 The tool provides a standardized approach for LDCs to prove cost-effectiveness to the IESO
Business Energy Efficiency Sales Tool (BEEST)		The tool is provided for use by all LDCs in the province, uncertain on the extent to which LDCs use the tool	 The tool provides information in to facilitate CDM sales, segmentation, etc.
Reporting Template		The tool is used to help all LDCs with their CDM reporting requirements	 The tool is standardized and provides LDCs information on how to report results to the IESO. Market research may identify further insight into the usefulness of this tool.
E Source Access and MPAC data		Uncertain on the extent to which LDCs leverage these data sources and for what purposes, metrics to be available in June	 The tool provides a method to obtain data collaboratively rather than each LDC procuring it on their own

Legend – Degree of Use and Usefulness

Required/Highly Used or Useful



Medium



Low



TBD Market Research



SUMMARY: CALCULATORS AND TEMPLATES

- The CDM Plan and Business Case templates are used regularly, the Achievable Potential (AP) calculator and Financial Modelling tool are not
- The AP tool is outdated, the Cost Effectiveness Tool and templates are not integrated, the Financial Modelling has only resulted in one changed funding model

Tool		Is the Tool Used?		Is the Tool Useful/Effective?
CDM Plan Template		All LDCs are required to use this template when creating or amending their CDM Plan		The template is standardized, but also requires the LDC to fill in the cost-effectiveness tool
Business Case Template		Used by LDCs in applications for new programs or changes to existing programs		The template is standardized, but also requires the LDC to fill in the cost-effectiveness tool
Financial Modelling Tool		Used for LDCs to help choose a program funding model		One LDC has changed its funding model (i.e. used P4P)
Regional Achievable Potential Calculator		Used to show local energy efficiency potential.		The current version is based on outdated achievable potential study data (2014)

Legend – Degree of Use and Usefulness

Required/Highly Used or Useful



Medium



Low



TBD Market Research



SUMMARY: SYSTEMS AND COMMUNICATION TOOLS

- All tools in this subsection are highly used. Email is an easily accessible tool that can be to communicate individualized communications, or more broad communications like E-BLASTs
- Webinars have high attendance, which has increased year over year. Market research will add insight to the usefulness of these tools and help isolate any areas for improvement.

Tool		Is the Tool Used?		Is the Tool Useful/Effective?
Email		Emails are a method for the IESO to communicate Conservation First Framework-related information to LDCs and stakeholders		Emails are especially effective for communication to specific individuals about specific topics
E-BLASTs		E-BLASTs are the primary communication method for the IESO. These are released regularly to communicate Conservation First Framework-related information to all LDCs		E-BLASTs are effective at reaching a broad-base of LDCs and have been enhanced to allow search and narrowed results by year
Webinars		Webinars have high attendance (89 attendees on average in 2017)		Webinars provide information on Conservation First Framework related topics Their usefulness is confirmed by their attendance, which increases every year

Legend – Degree of Use and Usefulness

Required/Highly Used or Useful



Medium



Low



TBD Market Research



IV. CURRENT STATE SUMMARY

SUMMARY: SYSTEMS AND COMMUNICATION TOOLS

- Both Business Managers and the LDC Support System are have been deemed highly used and useful for LDCs
- As part of the Energy Conservation Agreement, the IESO issues various reports to the LDCs which can be used to monitor cost effectiveness, progress towards targets and budget spent.

Tool		Is the Tool Used?		Is the Tool Useful/Effective?
Business Managers Support		The business managers act as a single point of contact at the IESO for LDCs. Feedback from LDCs indicate they are highly used		Virtually all feedback from LDCs on their interaction with business managers was positive
LDC Support System		The IESO offers an email ticketing system to support to LDCs. Since 2015, 8,289 tickets have been received by the IESO from LDCs		In 2016, 74% of LDCs had a much better impression of the IESO conservation division due to their support of LDCs (in part due to the LDC Support System)
Reports Issued by IESO to LDC		The IESO's Monthly Participation & Cost Report, Value-Added Services Report and Preliminary/Final Verified Results reports are obligations under the energy conservation agreement.		IESO's Monthly Participation & Cost Report, Value-Added Services Report and Preliminary/Final Verified Results reports can be used by LDCs to monitor progress towards their targets, budget spent and cost-effectiveness.

Legend – Degree of Use and Usefulness

Required/Highly Used or Useful



Medium



Low



TBD Market Research



SUMMARY: SYSTEMS AND COMMUNICATION TOOLS

- CDM-IS and the Extranet are not highly used, whereas iCON is used by many stakeholders
- Specific gaps amongst the tools below are: several issues with the iCON system leading for it to be replaced by CDM-IS, development of CDM-IS has been stalled, preliminary research indicates that only specific sections of the Extranet are regularly used

Tool		Is the Tool Used?		Is the Tool Useful/Effective?
iCON		The system is required to be used by all LDCs for the management and administration of CDM programs		The system was intended to be replaced by CDM-IS, indicating issues with the system
Extranet		LDCs can access documents, research, and other communications from the IESO		Preliminary research indicates that only specific sections of the Extranet are regularly used
CDM-IS		An upgrade to iCon and options for enhancement are currently under review by the data and reporting working group		CDM-IS was intended to improve upon the issues identified with the current iCON system, but it is unavailable at this time
LDC Events		Events (meetings) are held by the IESO for LDCs and other stakeholders 3 to 5 times a year		Events (meetings) are a place for LDCs to get useful information on timely messaging, timelines, future plans and specific topics

Legend – Degree of Use and Usefulness

Required/Highly Used or Useful



Medium



Low



TBD Market Research



SUMMARY: GUIDELINES AND STANDARDS

- Numerous Conservation First Framework Guidelines are offered in the LDC toolkit, including Marketing and Brand Use Standards
- These are widely used by LDCs to remain compliant with Conservation First Framework rules and regulations
- Market research will seek to provide more insight into the usefulness of these guidelines

Tool		Is the Tool Used?	Is the Tool Useful/Effective?
Conservation First Framework Guidelines		Conservation First Framework Guidelines are posted on the IESO website and Extranet and are used by LDCs for numerous activities	 These guidelines are easily accessible, but market research will indicate if there are any gaps in their usefulness
Marketing Standards and Toolbox		Marketing and Brand standards are required to be used by all LDCs	 These guidelines are easily accessible, but market research will indicate if there are any gaps in their usefulness

Legend – Degree of Use and Usefulness

Required/Highly Used or Useful



Medium



Low



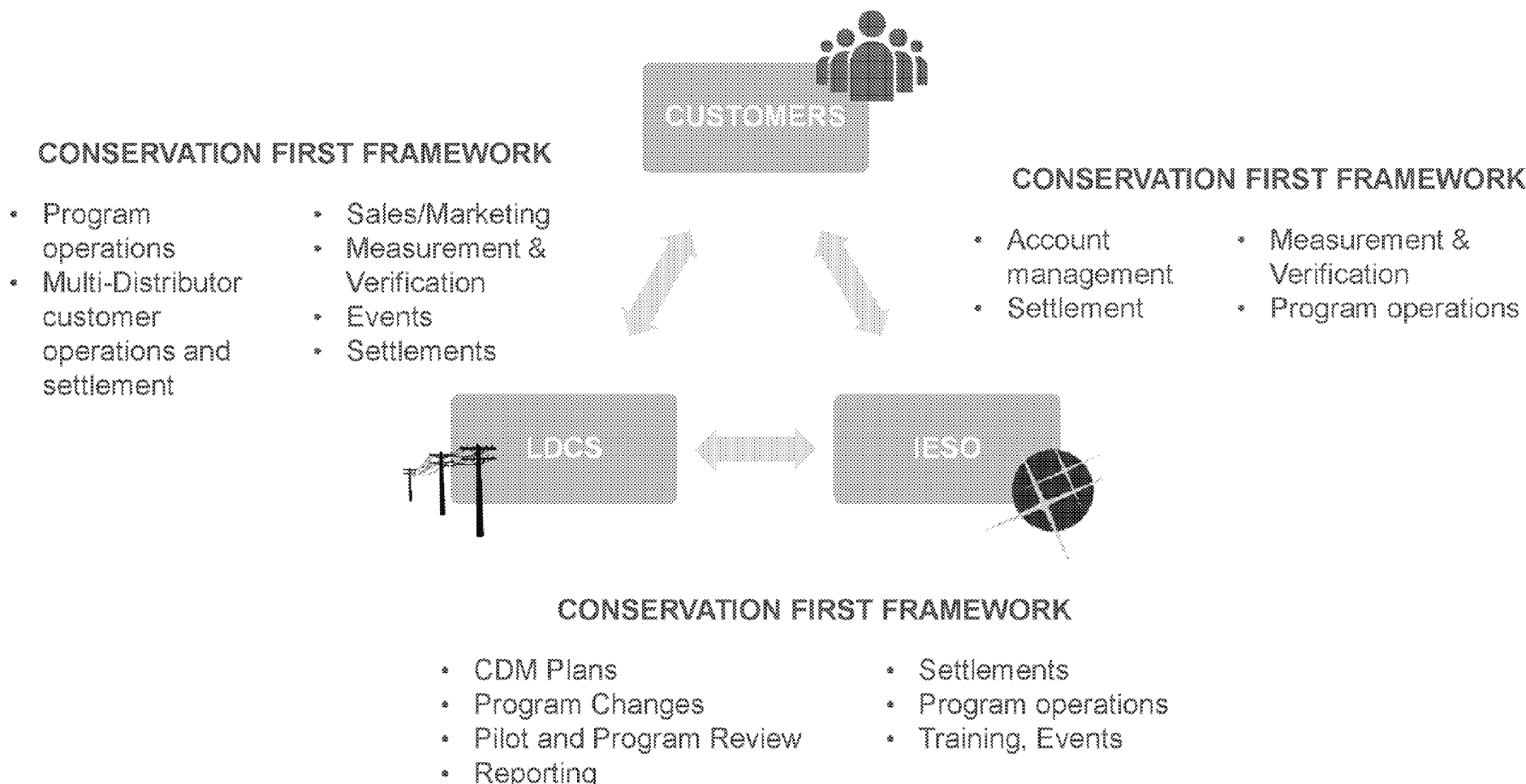
TBD Market Research



IV. CURRENT STATE SUMMARY

MAJOR PROCESSES WERE IDENTIFIED AND MAPPED TO MAJOR STAKEHOLDER GROUPS

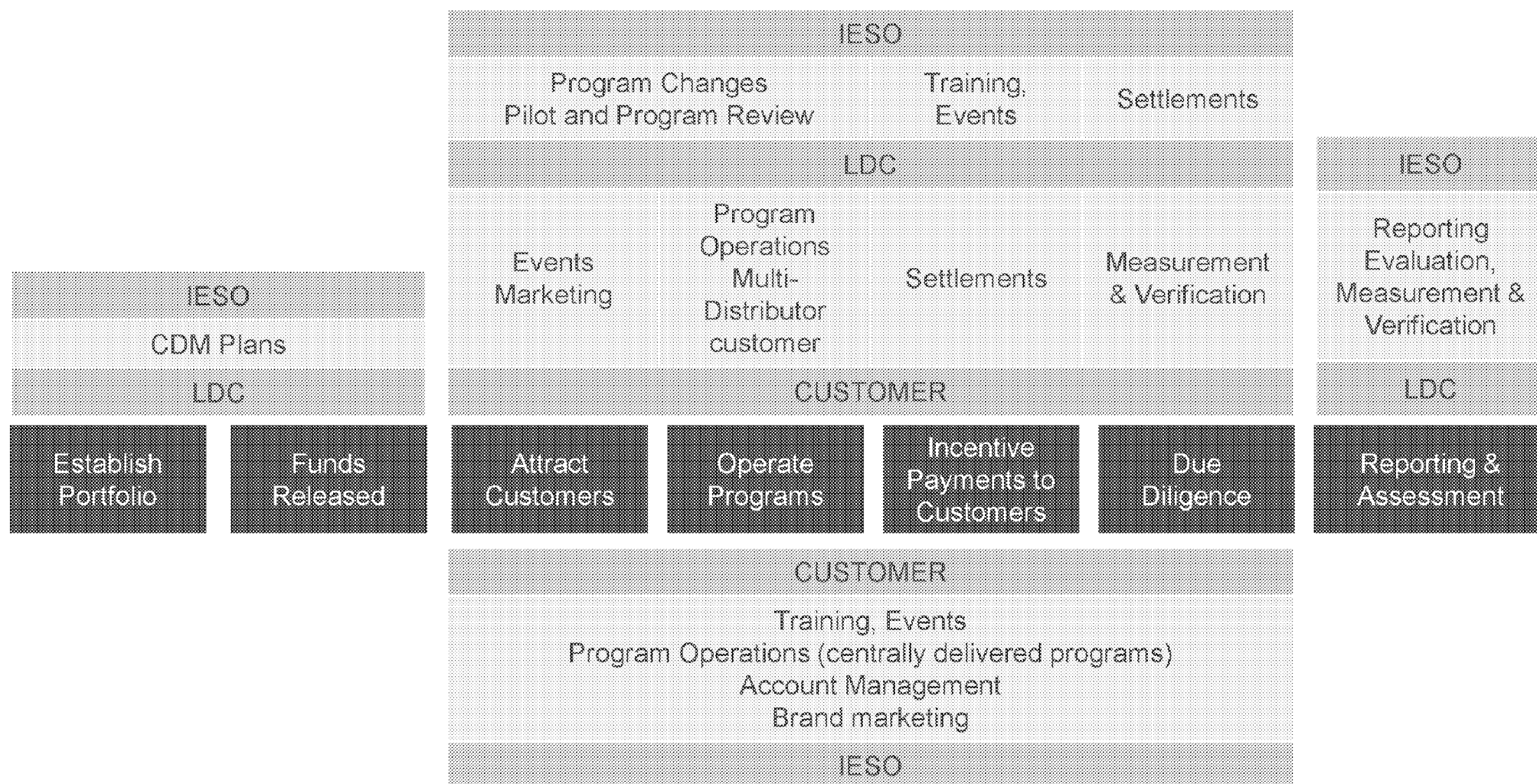
- A review of IESO documentation and survey data was used to identify the major processes between the three major stakeholder groups within the Conservation First Framework



IV. CURRENT STATE SUMMARY

AN INVENTORY OF MAJOR PROCESSES THAT IMPACT THE CONSERVATION FIRST FRAMEWORK WAS UNDERTAKEN

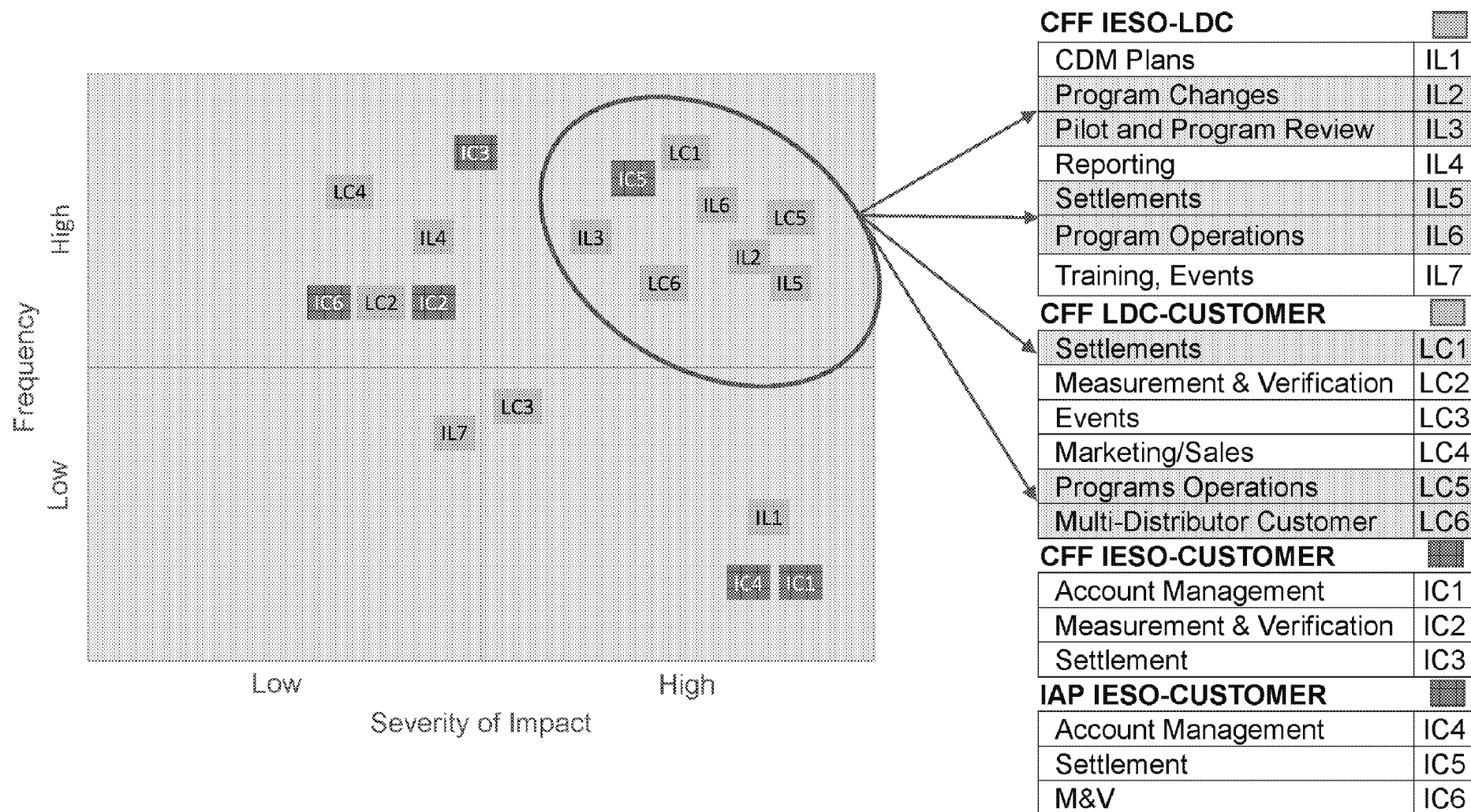
- A review of IESO documentation and survey data was used to identify processes between the major stakeholder groups.



IV. CURRENT STATE SUMMARY

PROCESSES WERE RANKED BASED ON ESTIMATED IMPACT OF PROCESS FAILURE AND FREQUENCY OF THE PROCESS

- Processes with the highest impact of process failure and severity of impact were selected as shown below



IV. CURRENT STATE SUMMARY

FIVE PROCESSES ARE CONSIDERED FOR FURTHER ANALYSIS

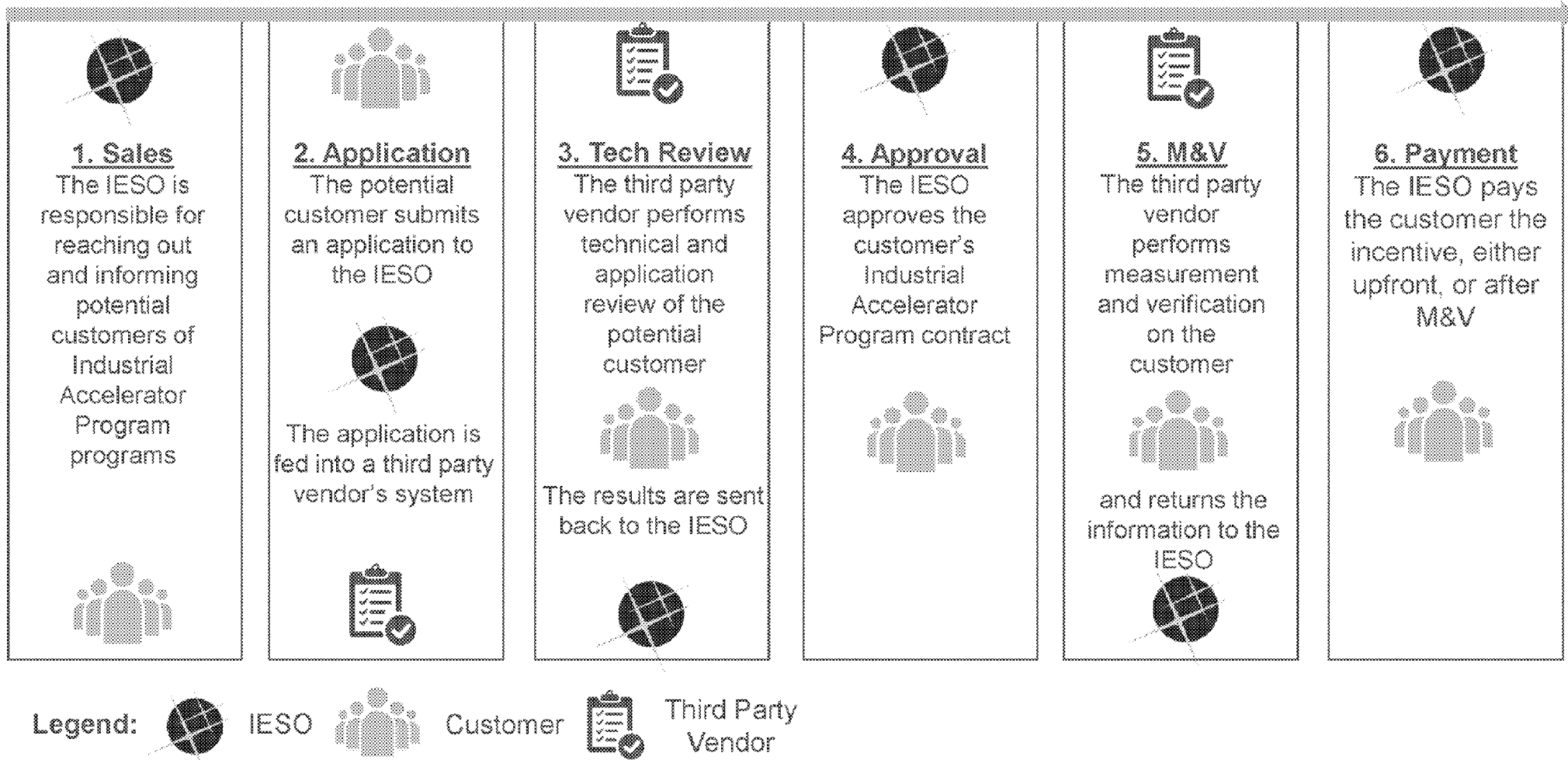
- The inventory of processes were ranked by “severity of impact” and “frequency of occurrence”
- Processes for further considered were selected based on:
 - Highest combination of “severity of impact” and “frequency of occurrence” ranking
 - Whether data was available to conduct further analysis (e.g., audit or evaluation)
- IESO is currently undergoing internal audits on the processes associated with business case and CDM plan reviews

Process	Description	Stakeholder Group	Impact	Frequency
Program Changes	The length of time from identification of opportunity by LDCs and/or working group to implementation of program change	IESO - LDC	High	Medium
Pilot/program review	The length of time from program business case submission to IESO by the LDC to business case approval	IESO-LDC	High	Medium
CDM Plans*	The length of time and amount of effort involved in the CDM plan development and submission process	IESO - LDC	High	Low
Program Operations	The process from project initiation to post project submission by the customer for the Retrofit program	LDC – Customer, IESO - Customer	High	High
Settlements	The length of time from submitting post project completion documentation for the Retrofit program to receiving the incentive	IESO-Customer, LDC - Customer	High	Medium

IV. CURRENT STATE SUMMARY

THE INDUSTRIAL ACCELERATOR PROGRAM HAS DEFINED ROLES AND RESPONSIBILITIES

- The Industrial Accelerator Program includes interactions between customers, the IESO and a third party reviewer
- Market research will seek to determine the effectiveness of this process for all stakeholders



IV. CURRENT STATE SUMMARY

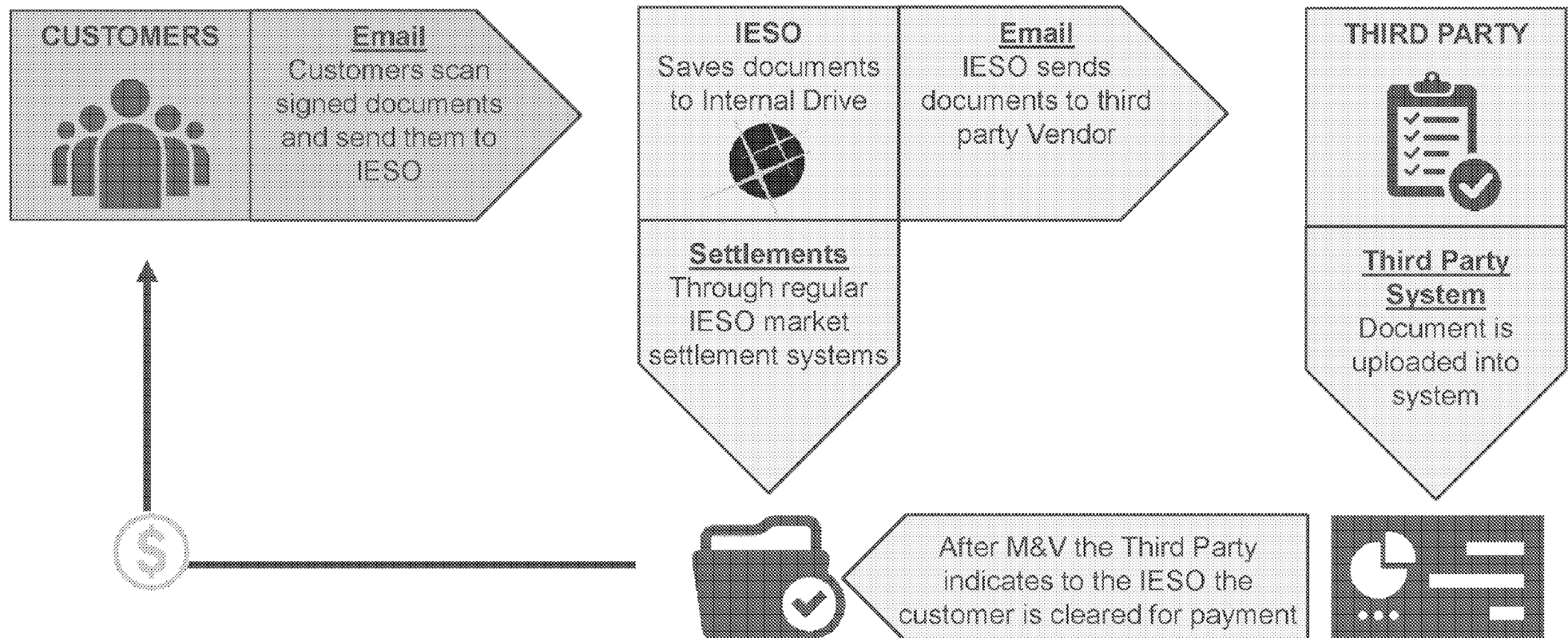
THIRD PARTY SUPPORT IS USED THROUGHOUT THE INDUSTRIAL ACCELERATOR PROGRAM PROCESS

- IESO has partnered with other entities for most aspects of the Industrial Accelerator Program process (i.e. sales through delivery and evaluation)

Industrial Accelerator Program Process	Third Party	Activity
	Third Party Sales Support	• These partners will be used to support the first sales step of the Industrial Accelerator Program process
Sales and Communication	Suppliers and Manufacturers	• These organizations help communicate Industrial Accelerator Program programs to their clients, which are potential Industrial Accelerator Program participants
	Engineering Consultants	• Perform engineering studies on potential Industrial Accelerator Program participants, and often help influence program sales
Program Delivery	LDCs	• LDCs and the IESO partner in program delivery, particularly for lighting applications
Program Evaluation	Third Party Reviewers	• Perform non-incentive and technical reviews for participants of Industrial Accelerator Program

INDUSTRIAL ACCELERATOR PROGRAM REQUIRES MINIMAL TOOLS

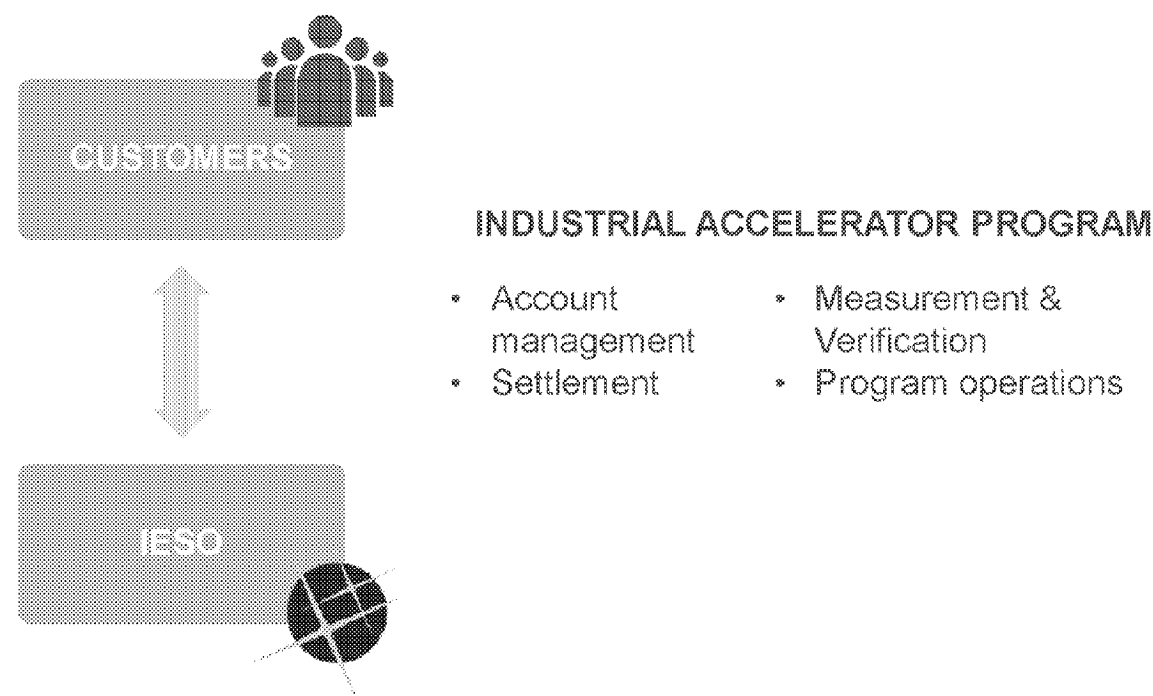
- The IESO relies on email to receive applications and send these on to Third Party reviewers
- The third party Reviewers have an internal system used for application administration and technical reviews
- The IESO leverages market settlements for incentive payments



IV. CURRENT STATE SUMMARY

MAJOR PROCESSES WERE IDENTIFIED AND MAPPED TO MAJOR STAKEHOLDER GROUPS

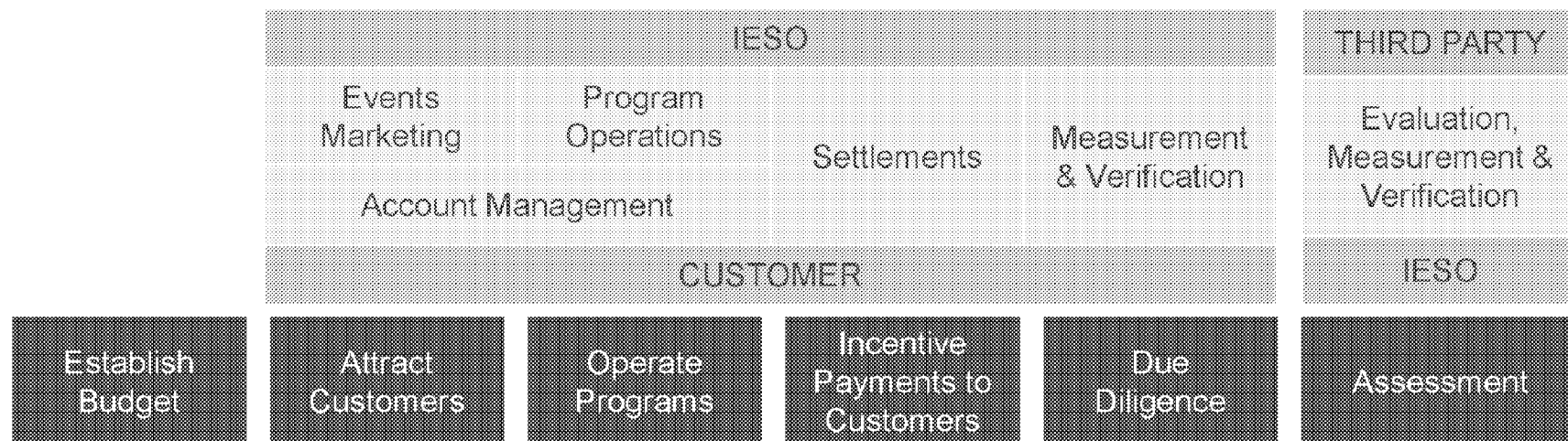
- A review of IESO documentation and survey data was used to identify the major processes between the two major stakeholder groups within the Industrial Accelerator Program



IV. CURRENT STATE SUMMARY

AN INVENTORY OF MAJOR PROCESSES THAT IMPACT THE INDUSTRIAL ACCELERATOR PROGRAM WAS UNDERTAKEN

- A review of IESO documentation and survey data was used to identify processes between the major stakeholder groups.



PRELIMINARY OBSERVATIONS

Are the structures, internal processes, and accountabilities in place clear, effective, and efficient?

Observations:

- Accountability appears to be clear between the IESO, Conservation First Implementation Committee, Working Groups, and LDCs as indicated within the Energy Conservation Agreement and LDC Toolkit and Guidelines
- The process to make program changes appears to be time consuming with multiple handoffs between stakeholders
- Working groups appear to be meeting the priorities they set, however, there is a lack of understanding about working group activities among the broader LDC community

Next Steps:

- Preliminary research begins to identify the baseline performance of existing processes and assessment with an objective view of public documents – efforts will be made to expand upon this analysis with experiences in market research
- Data to support whether or not a process is efficient and effective would be helpful, market research will attempt to uncover additional evidence
- Market research could confirm the process assessment (high impact and high frequency) and indicate which processes could move forward to a more robust process assessment which could include:
 - Mapping the “as is” processes with stakeholders to understand frictions
 - Interviews with stakeholders that use these mapped processes to identify ideal state and opportunities for improvement
 - Mapping of the “to-be” processes
 - Identification of gaps between the “as-is” and “to-be” processes

PRELIMINARY OBSERVATIONS

What can be done to improve these structures?

Observations:

- Further, there is opportunity to more formally link recommendations made through the Evaluation, Measurement, and Verification process to Working Group priorities
- LDCs reported dissatisfaction with CDM Plan review processes

Next Steps:

- There is an opportunity to make the IESO review process less time consuming
 - IESO is considering investing resources to investigate the program design phase (province wide programs), specifically the areas that relate to program changes or the development of new programs
 - IESO is conducting an audit to provide risk and control analysis on the CDM plan review and the program and pilot review process
- There is an opportunity for Working groups to prioritize their efforts on tasks/projects with the highest impact
 - IESO is considering making changes to ensure that the next Working Group annual plans will more closely follow EM&V recommendations
- There is an opportunity to streamline the program change process.
 - The process to make program changes involves multiple parties, reviews and handoffs which makes it cumbersome and time consuming

PRELIMINARY OBSERVATIONS

Are there additional tools and/or changes that can better support framework objectives?

Observations:

- There are opportunities apparent with multiple Conservation First Framework tools including the ability to integrate tools (CDM Plan and Business Case Template with Cost Effectiveness tool) and update data (Achievable potential calculator)

Next Steps:

- Confirming the assessment of current tools as “used and useful” will help identify where changes to tools could occur
- Gaps that have been identified with multiple tools will be discussed in market research, and potential solutions will be sought

PRELIMINARY OBSERVATIONS

Are the views of interested stakeholders adequately being reflected in decision-making?

Observations:

- The views of LDCs, gas utilities, IESO, Ministry of Energy, Electric Distributor Association and the Ontario Energy Association are captured through the involvement of these parties in the Working Group and CFIC

Next Steps:

- Market research will help identify whether the views of other stakeholders are being captured and reflected

Do existing processes and Working Groups adequately facilitate the inclusion and consideration of the views of interested stakeholders?

Observations:

- None

Next Steps:

- Market research will help identify whether the Working Groups adequately include and consider the needs of stakeholders

What are some key considerations thinking beyond 2020?

Observations:

- Current percentage of non-incentive as a percentage of total program delivery costs (incentives + program costs) is higher than other jurisdictions

Next Steps:

- Market research and 2016 Evaluation, Measurement & Verification reports will help identify what is working well and where there are opportunities

NEXT STEPS

Based on the preliminary assessment of the current state of collaboration, the following areas will be considered in the market research phase:

- Assessment of the tools that support the Conservation First Framework and identify where opportunities are for improvement in addition to what is working well
- Confirmation of the assessment of the processes that support the Conservation First Framework and identify where opportunities are for improvement in addition to what is working well
- Review process evaluation results and 2016 realization rates from evaluation reports when available
- Additional insights from customers to assess the processes that support the Conservation First Framework and Industrial Accelerator programs
- Perceptions and experience with the governance structures that support the Conservation First Framework to assess their effectiveness.
 - This is currently being explored by an IESO internal audit process, the results of which will inform the final version of this topic report.
- Perceptions and customer feedback on the account management model for Industrial Accelerator Program
- Explore how and where the Conservation First Framework and Industrial Accelerator Program can better leverage partners

SECTION 2: CURRENT STATE OF AFFAIRS

- I. People
- II. Partners
- III. Tools
- IV. Processes

I. PEOPLE

I. PEOPLE

OVERVIEW

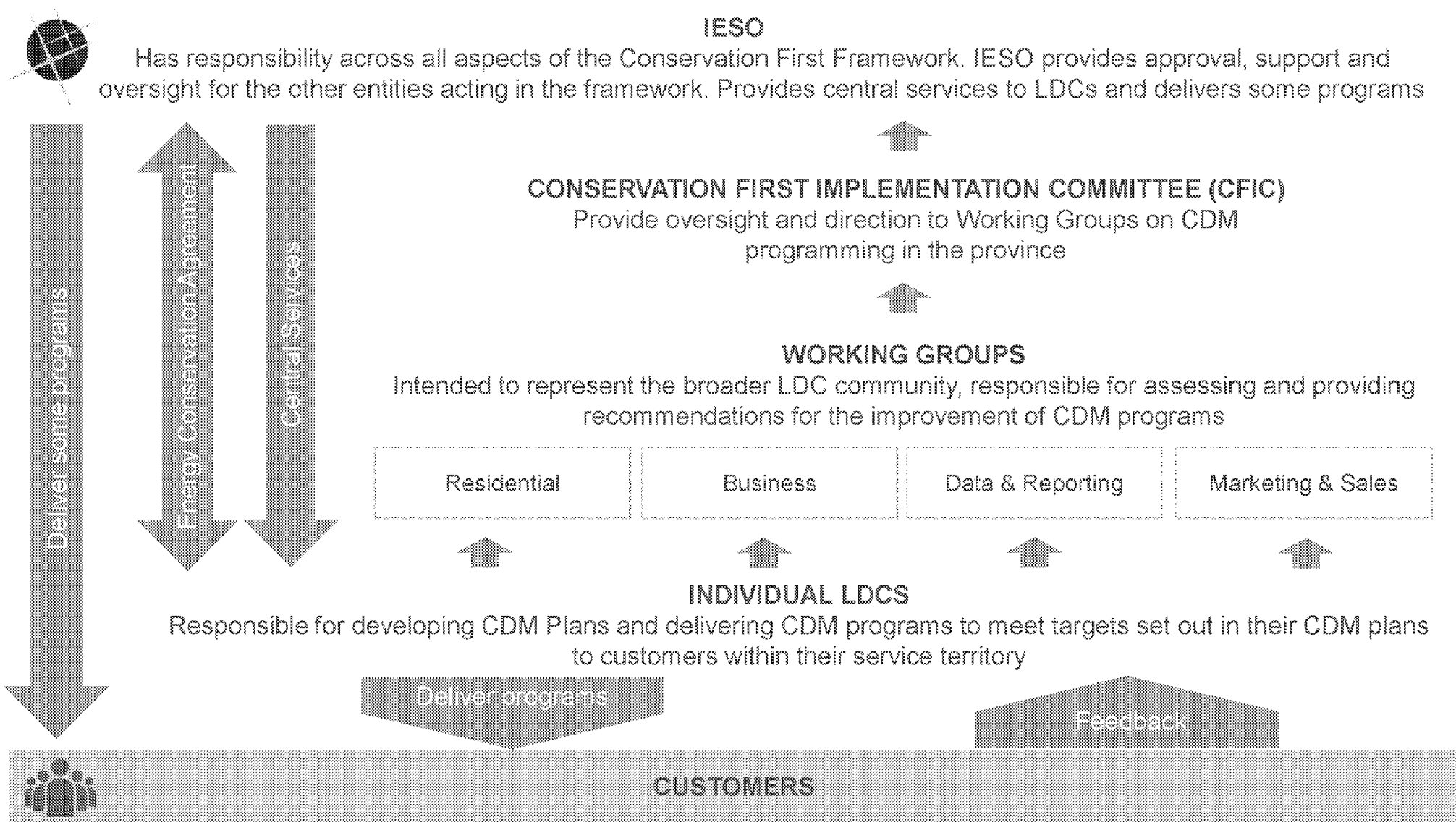
Section	People
Description	Description of the roles and responsibilities of the major actors within the Conservation First Framework and Industrial Accelerator Program. Areas of unclear or overlapping accountabilities are investigated, and gaps in fulfillment of roles and responsibilities are highlighted
Focus area	• Roles and responsibilities for IESO, LDCs, CFIC and Working Groups • Performance by each group in fulfillment of roles and responsibilities • Gaps in roles and responsibilities
Source(s)	• IESO Data, LDC Satisfaction Survey, Energy Conservation Agreement, Charter for the Conservation First Implementation Committee and Associated Working Groups, Residential, Business, Marketing and Sales and Data and Reporting Working Group Annual Plans

Summary:

- The roles and responsibilities in Conservation First Framework are clearly defined by the Energy Conservation Agreement and the Charter for the Conservation First Implementation Committee and associated Working Groups
- 97% of LDCs have a good impression overall of the IESO Conservation Division in 2016, indicating that the IESO was successful in fulfilling its roles and responsibilities at a high level
- On average, the IESO met its service standard review time for Individual CDM Plans (60 days), but did not for Individual CDM Plans
 - IESO met the Joint CDM Plan review target for 29 out of 47 Joint Plans (63%)*
 - IESO met the Individual CDM Plan review target for 58 out of 63 Individual Plans (92%)
- Just over one third of LDCs are "Very Comfortable with" Knowledge of Priorities and Progress of Working Groups

I. PEOPLE

ROLES AND RESPONSIBILITIES ARE SPREAD ACROSS FOUR MAIN ENTITIES ULTIMATELY RESPONSIBLE FOR DELIVERING PROGRAMS TO CUSTOMERS



I. PEOPLE

ROLES AND RESPONSIBILITIES ARE MAPPED IN THE ENERGY CONSERVATION AGREEMENT AND CFIC CHARTER

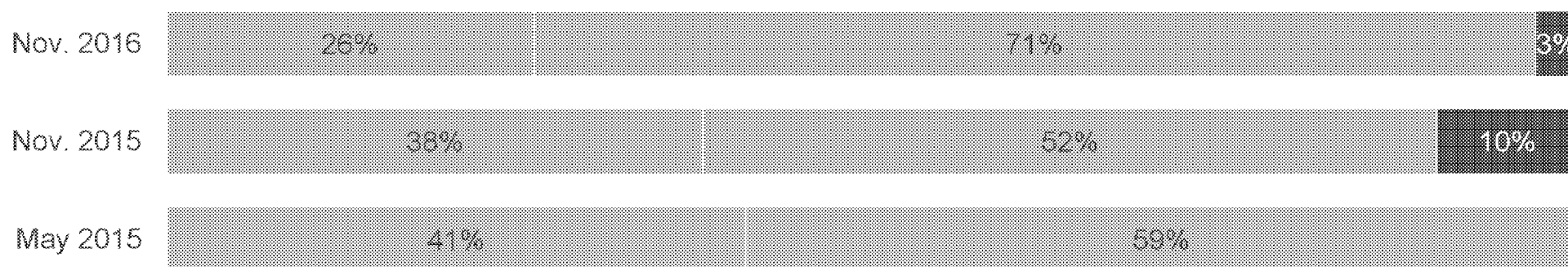
Entity	CDM Plans		Funding	Programs			Other
	CDM Plan Development	CDM Plan Approval		Program Design	Program Operations	Program Termination	
IESO	✓ Provide tools and support for LDCs	✓ Approve CDM plans	✓ Approve CDM Plans, programs and pilots	✓ Approve new program designs	✓ Carry out activities where directed as per the ECA or program rules	✓ Determine non cost-effective programs & inform LDC of termination	✓ APS, reporting, communication promotions, training events, mid-term review
CFIC			✓ Approve Working Group budget and workplan	✓ Make recommendation to Working Groups	✓ Monitor province-wide program progress towards target		✓ Input into other IESO efforts (e.g. APS)
Working Groups (WG)			✓ Submit annual workplan and budget to CFIC	✓ Recommend changes to programs (existing and new)	✓ Monitor, identify and provide guidance to LDCs regarding programs		
LDCs	✓ Develop and submit CDM Plans		✓ Choose CDM Plan funding model, and apply for pilots or program funding	✓ Design local programs and pilots	✓ Offer programs to customers & provide data and reporting results to IESO		

I. PEOPLE

LDCS REPORTED A GOOD IMPRESSION OVERALL OF THE IESO CONSERVATION DIVISION

- 97% of LDC's had a "good" or "very good" impression of IESO Conservation Division in 2016
- "Good" or "very good" responses to the same question were 90% in November of 2015, and 100% in May of 2015

LDCs' Overall Impression of the IESO Conservation Division (Responses out of 10)



■ Very Good (10, 9, 8) ■ Good (7, 6, 5) ■ Poor (4, 3, 2, 1)

Q1. Taking into account all of the things which you think are important, on a scale of 1 to 10 where '1' means 'poor' and '10' means 'excellent,' what is your overall impression of the IESO's Conservation & Corporate Relations Division...

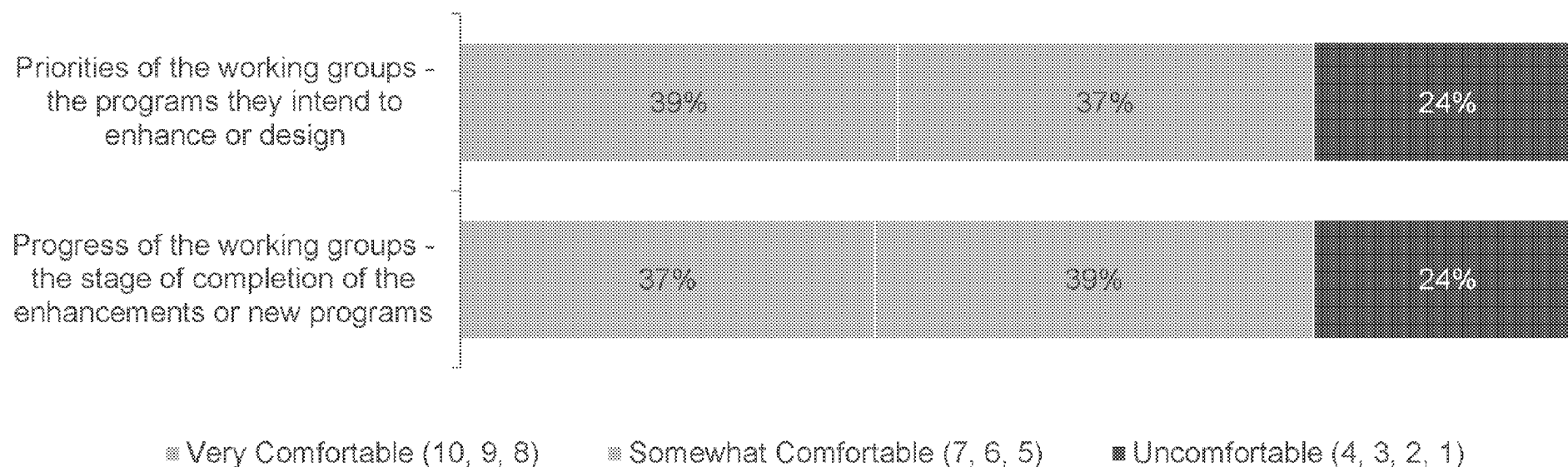
Base: Sept. 2012 (n=39); Apr. 2013 (n=42); Nov./Dec. 2013 (n=38); Jul. 2014 (n=37); May 2015 (n=29**); Nov 2015 (n=21**); Nov 2016 (n=38*) *small sample size, **very small base size.

I. PEOPLE

A MINORITY OF LDCS ARE VERY COMFORTABLE WITH THEIR KNOWLEDGE OF CFIC AND WORKING GROUP PRIORITIES AND PROGRESS

- Just over one third of LDCs are “very comfortable” with their knowledge of the priorities and progress of the Working Groups

Knowledge of Working Groups Activities Among LDCs (Responses are out of 10)



Q7. How comfortable are you with your level of knowledge and understanding of each of the following aspects of the LDC working groups?

Base: May 2015 (n=29**); Nov 2015 (n=21**); Nov 2016 (n=38*) *small sample size, **very small base size.

I. PEOPLE

THE IESO HAS RESPONSIBILITY THAT TOUCHES MOST ASPECTS OF THE CONSERVATION FIRST FRAMEWORK

- The IESO is responsible for the approval and oversight of conservation activities, specifically CDM Plans and programs

Responsibility	Description
CDM Plans	DEVELOP APPROVE - IESO is responsible for providing tools & support to LDCs in the development of their CDM plans - IESO will review and approve CDM Plans in accordance with defined rules (including Joint CDM Plans and amendments to CDM Plans)
Funding	- Approval - The IESO is responsible for approval and oversight of CDM Plan Funding Models, Conservation Fund projects (including WGs), Local/Regional Programs and Innovation Pilot Programs
Programs	DESIGN DELIVER RECOMMEND - IESO is responsible for approving new and/or amendments to existing programs - IESO will undertake program activities where directed by the program rules - IESO will evaluate LDC program results on an annual basis to determine cost effectiveness, and will notify LDCs if a program will be terminated within a defined timeline
Compliance	- The IESO is responsible for conducting compliance audits of LDCs, third party vendor and pilots to verify adherence to program rules, ECA requirements and participant agreements - A melange of technical and contractual audits will be conducted - Auditor to the end of 2020: EY - Audits have started: Q1 2017 sampling and data collection, Q2-Q4 2017 first round of audits

I. PEOPLE

THE IESO HAS RESPONSIBILITY THAT TOUCHES MOST ASPECTS OF THE CONSERVATION FIRST FRAMEWORK

- IESO is also responsible with offering support for the entities operating in the Conservation First Framework (CFIC, Working Groups and LDCs)

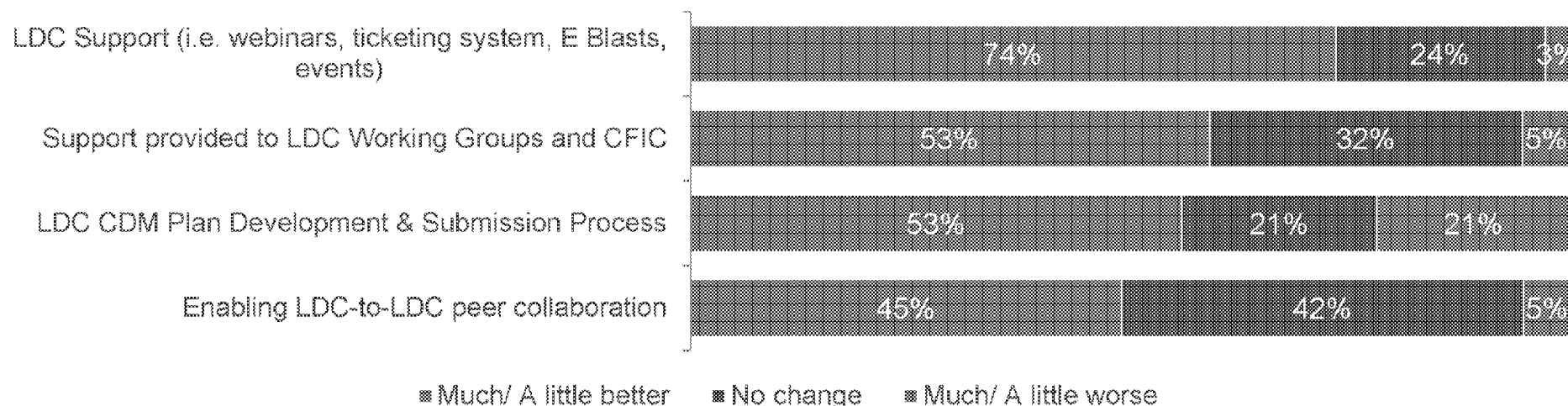
Responsibility	Description
Other	• The IESO is responsible for conducting an achievable potential study • The IESO will provide reports to LDCs corresponding to Data and Reporting Requirement Rules • The IESO is responsible for attending CFIC meetings, drafting meeting minutes and other tasks • The IESO is responsible for communicating Conservation First Framework information and providing training to stakeholders • The IESO provides tools and guidelines for LDCs to remain compliant with Conservation First Framework rules and regulations

I. PEOPLE

IESO'S ACTIVITIES HAVE MOSTLY IMPROVED THE IMPRESSION LDCS HAVE OF THEM

- LDCs were surveyed to determine how their impression of the IESO Conservation Division changed as a result of the Division's activities
- IESO's performance in supporting LDCs by offering webinars, E-BLASTs and other activities improved the impression of the IESO amongst the most LDCs (74%)
- IESO's performance in enabling LDC-to-LDC peer collaboration improved the impression of the IESO amongst the least LDCs (45%)

Impact of the following on LDCs' Impression of IESO Conservation Division



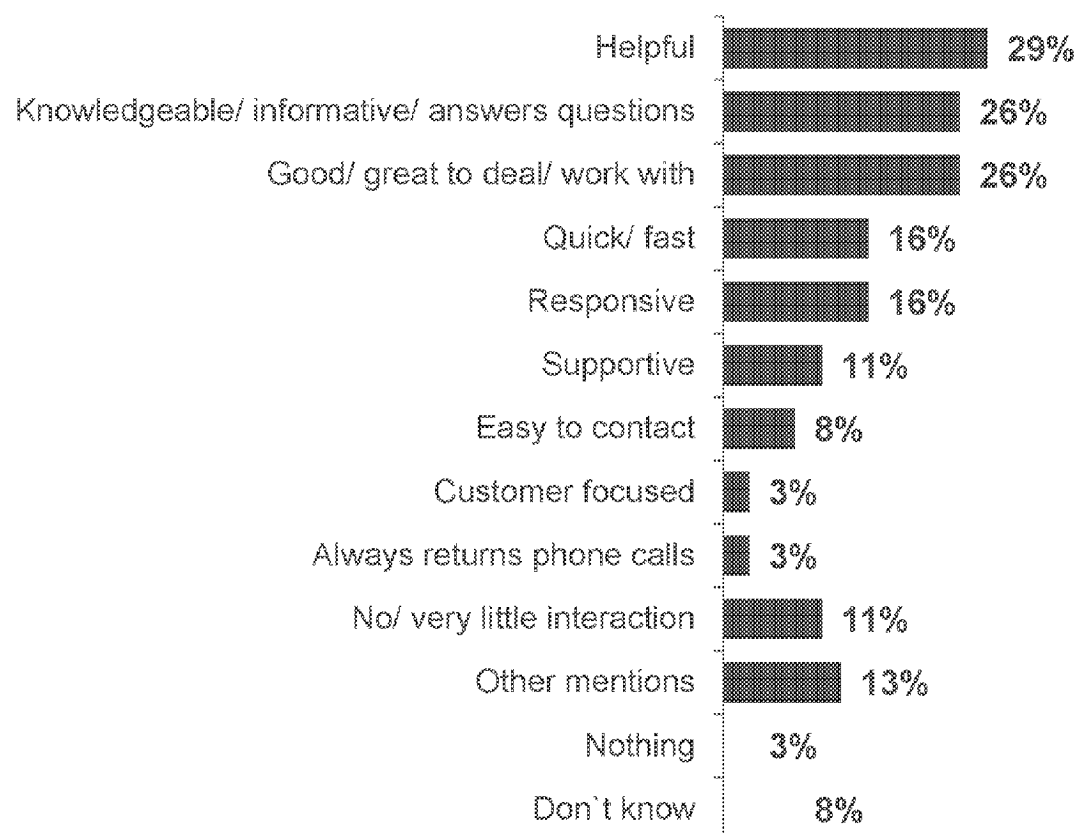
Q5. Have the following made your overall impression of the Conservation division...? (NOTE: Question prior to Nov. 2016 "Have the efforts of the IESO's Conservation & Corporate Relations Division to support and enable the following made your overall impression of them...?")

Base: May 2015 (n=29**); Nov 2015 (n=21**) Nov 2016 (n=38*) *small sample size, **very small base size.

I. PEOPLE

MOST COMMENTS ABOUT INTERACTION WITH BUSINESS MANAGERS WERE POSITIVE

- Respondents are most likely to say that they find the business managers helpful, knowledgeable or good/ great to work with
- Other common responses include - business managers are quick, responsible or supportive



Q7a. What comments, if any, do you have about your LDC's interaction with your Business Manager? [Open End]

Base: Nov 2016 (n=38*) *small sample size, **very small base size.

I. PEOPLE

LDCS HAVE RESPONSIBILITY FOR CDM PLANS AND PROGRAM DELIVERY

- LDCs are primarily responsible for developing CDM Plans, and delivering CDM programs to meet targets set out in their CDM plans

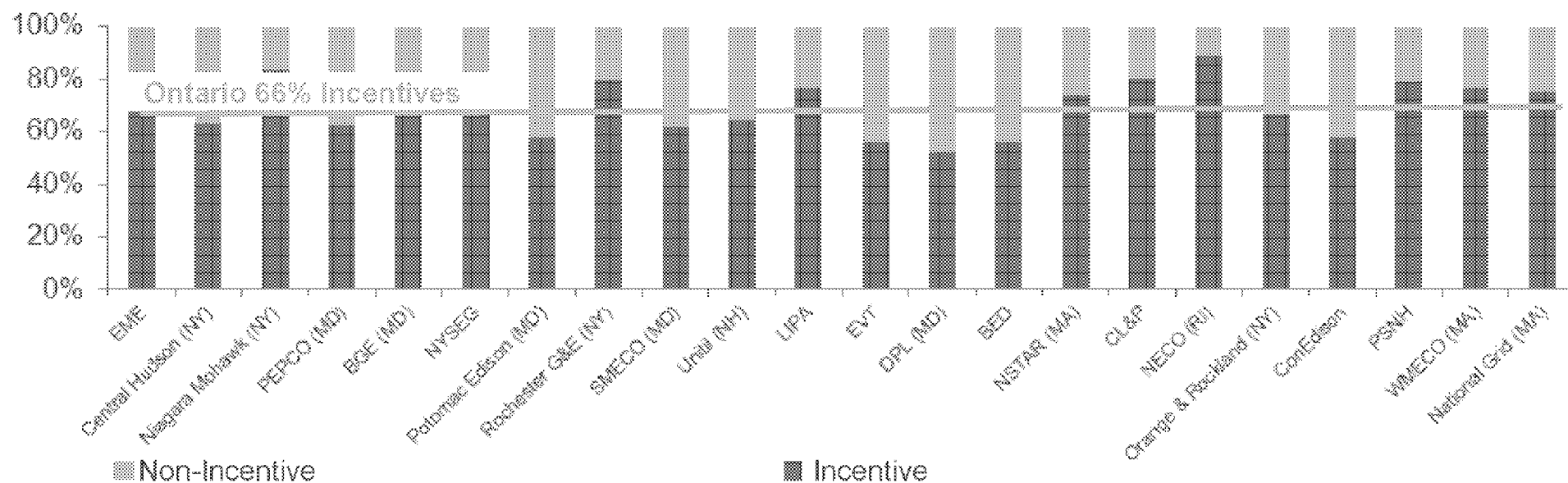
Responsibility	Description
CDM Plans	DEVELOPMENT - LDCs are responsible for preparing and submitting a CDM plan to the IESO DELIVERY - LDCs will offer programs set out in the CDM plan to customers in its service area, and use reasonable efforts to achieve the CDM Plan target and implement the CDM plan in accordance with the CDM Plan Budget
Funding	- Choice of funding model (full cost recovery or pay-for-performance) - The LDC will select the type of funding that it wishes to receive for each Program in the CDM Plan and may change that selection for each Program once - LDCs have the ability to apply to the IESO for funding for innovation pilots, local/regional programs and Collaboration Fund projects
Programs	- Program Delivery - LDCs are responsible for offering programs set out in their CDM Plan - LDCs are responsible for providing EM&V and Reporting results on each program to the IESO
Other	Some LDCs are involved in CFIC and/or Working Groups, which are discussed in subsequent slides

I. PEOPLE

BENCHMARKING INDICATES THAT ONTARIO NON-INCENTIVE COSTS ARE GENERALLY ALIGNED WITH OTHER UTILITIES

- Among the utilities surveyed, Ontario's incentive costs as a percentage of total delivery costs are aligned with others
- Caveats: Benchmarking is not a horse race
 - Given the variation in program offerings, geographies, and years running DSM/CDM programs across EE portfolios, no benchmarking can achieve a strict apples-to-apples comparison
 - The usual caveats apply to any accounting information: different organizations aggregate and allocate costs differently (e.g., Key Account manager time), so these results can only be taken as indicative
 - Benchmarking is not a substitution for a process evaluation – it shows what utilities are achieving in terms of energy and demand savings and what they're spending on programs to achieve these savings but to derive meanings/conclusions from this data is challenging to do

Portfolio Cost Breakdown Between Incentive and Non-Incentive Costs



I. PEOPLE

CFIC IS PRIMARILY RESPONSIBLE FOR WORKING GROUP OVERSIGHT AND DIRECTION

The Conservation First Implementation Committee (CFIC) is primarily responsible for providing oversight and direction to Working Groups and member LDCs on CDM programming in the province.

Responsibility	Description
CDM Plans	N/A
Funding	N/A
Programs	DESIGN MONITOR RECOMMEND ENDORSE - provides oversight to Working Groups for province-wide programs - monitors province-wide program results - provides recommendations to Working Groups in regard to proposed new province-wide programs, program enhancements and program management - endorses business cases for program changes developed by the Working Groups
Other	- Establishes Working Groups - Provides recommendations with regards to the development of new tools, services and partnerships to support the success of the Framework - Provides guidance to the IESO in the development of any Mid-Term Rules using Achievable Potential Study results - Attends and participates in each full CFIC meeting (or delegate as needed)

I. PEOPLE

WORKING GROUPS ARE RESPONSIBLE FOR PROGRAM STRATEGY AND PROGRAM DESIGN

Working Groups are primarily responsible for assessing and providing recommendations for the improvement of CDM programs within the province.

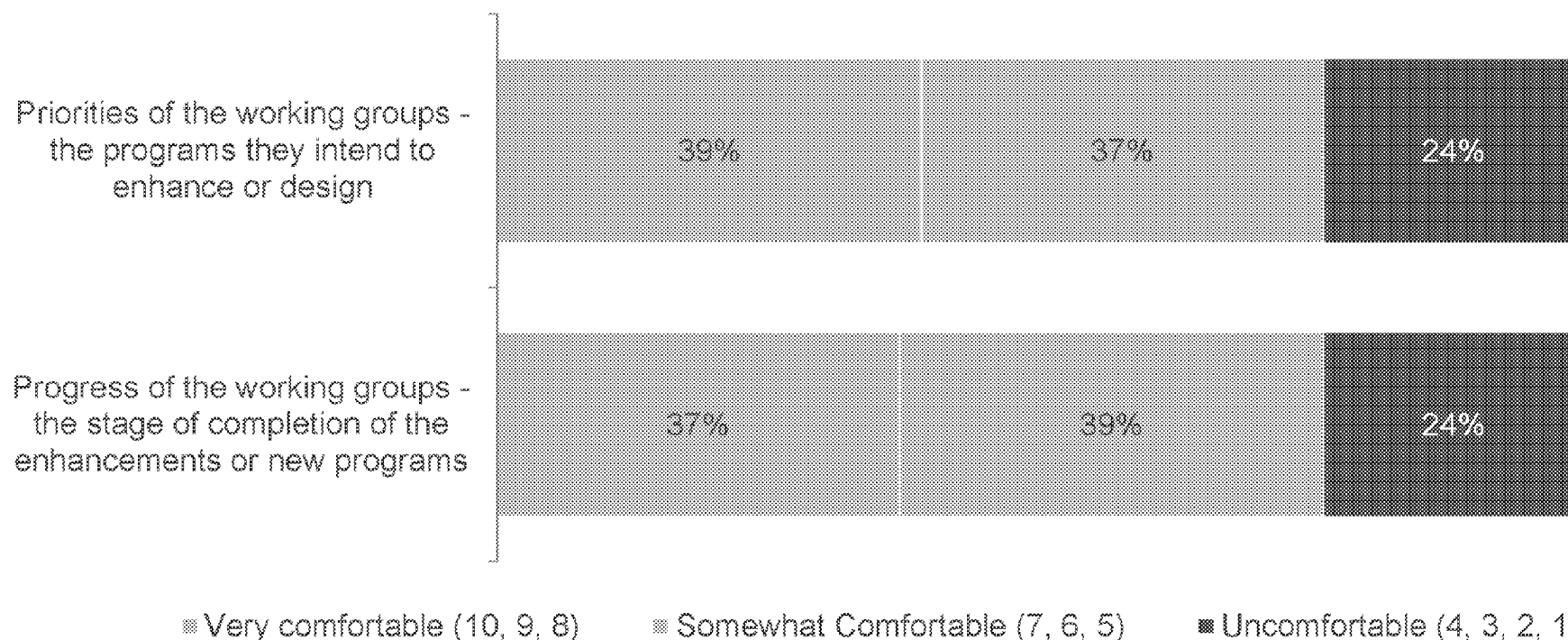
Responsibility	Description
CDM Plans	N/A
Funding	- Funding for WG activities is provided through the Collaboration Fund for two types of activities - Project Management/Program Design Assistance – funding is provided to the WG chair LDC, which is then responsible for managing vendors in accordance with LDC's procurement policies - Travel expenses incurred for WGs will be covered where expenses are reasonable
Programs	DESIGN MONITOR RECOMMEND - Working Groups will design cost-effective, customer-friendly, results-oriented province-wide programs - These province-wide programs will leverage innovation, will appeal to the general public - These programs will also integrate interests and needs of customers and other market participants with the goals and accountabilities of LDCs and IESO - Working Groups will monitor and identify improvements to province-wide programs - Working Groups will provide recommendations to IESO, LDCs and gas utilities to support proposed new province-wide programs, program enhancements and program management
Other	N/A

I. PEOPLE

JUST OVER ONE THIRD OF LDCS ARE VERY COMFORTABLE WITH THEIR KNOWLEDGE OF PRIORITIES AND PROGRESS OF WORKING GROUPS

- 39% of LDCs are very comfortable with their knowledge of Working Group priorities in terms of program design
- 37% of LDCs are very comfortable with their knowledge of the progress of the Working Groups

Knowledge of Working Groups Among LDCs (Responses are out of 10)



Q7. How comfortable are you with your level of knowledge and understanding of each of the following aspects of the LDC working groups?

Base: May 2015 (n=29**); Nov 2015 (n=21**); Nov 2016 (n=38*) *small sample size, **very small base size

I. PEOPLE

MOST BUSINESS AND RESIDENTIAL WORKING GROUP PRIORITIES IN 2015 AND 2016 WERE FOCUSED ON PROGRAM DESIGN

- A smaller proportion of priorities were focused on developing tools, templates and guides, as well as communication activities (i.e. workshops and events)

Working Group	Category	Proportion of 2015 priorities	Proportion of 2016 priorities
Business Working Group	Program Design	5/6	9/14
	Tools, Templates and Guides	1/6	3/14
	Communication	0/6	2/14
Residential Working Group	Program Design	2/2	5/5
	Tools, Templates and Guides	0/2	0/5
	Communication	0/2	0/5

Lessons Learned - Opportunities for Improvement Identified by Working Groups

IESO/LDCs Decision-making and Responsibility uncertainty	Clarity on program design requirements
Business Case approval process	Volume of work
Coordination and early engagement of other Working Groups and their systems	

I. PEOPLE

MOST MARKETING & SALES AND DATA & REPORTING WORKING GROUP PRIORITIES WERE FOCUSED ON PROVINCE-WIDE INITIATIVES IN 2015 & 2016

- A smaller proportion of priorities were focused on supporting LDCs and supporting other working groups

Working Group	Category	Proportion of 2015 priorities	Proportion of 2016 priorities
Marketing and Sales Working Group	Support for other Working Groups	4/14	4/18
	Support for LDCs	4/14	5/18
	Support for province-wide initiatives	6/14	9/18
Data and Reporting Working Group	Support for other Working Groups	2/6	0/5
	Support for LDCs	0/6	2/5
	Support for province-wide initiatives	4/6	3/5

I. PEOPLE

THE BUSINESS WORKING GROUP WAS ON-TRACK OR COMPLETED 5 OUT OF 6 OF THEIR PRIORITIES IN 2015

- The majority of Working Group priorities in 2015 were centered on the design or update of programs
- The Business Working Group stated that it could improve its performance on change management, setting clear responsibilities, and improving the amount of non-incentive support available

Category	Priority
Program Design	1. Small Business Lighting Business Case
	2. Retrofit Business Case (1 st Stage Enhancements)
	3. Energy Manager Business Case
	4. Upstream Business Case
	5. Process and Systems Upgrade Incentive/Combined Heat and Power Rule Change
Tools, Templates and Guides	6. First Generation Forms

Lessons Learned - Opportunities for Improvement	
Process uncertainty (i.e. change management)	IESO representation at sub-group level need to be further empowered
Lack of non-incentive support	Volume of work
Decision-making uncertainty (i.e. who is responsible for what)	

I. PEOPLE

THE BUSINESS WORKING GROUP SUCCESSFULLY COMPLETED 14 PRIORITIES IN 2016

- In 2016, most priorities completed by the Business Working Group were focused on program design
- The Working Group stated that it could improve on: setting clear responsibilities, clarifying requirements to program design, carrying out the business case approval process and coordination for smoother program change implementation

Category	Priority	
Program Design	1. High Performance New Construction "Quick Fix"	5. Upstream Business Case
	2. Process and Systems Upgrade Program (3rd party CHP)	6. Audit business case
	3. Retrofit (Incentive Harmonization) business case	7. EBCx (expanded tech)
	4. High Performance New Construction business case	8. Retrofit V 2.1
	9. Retrofit (Non-lighting + Agri Prescriptive update) business case	
Tools, Templates and Guides	10. Small Business Lighting Launch, Assessment Tool & Guide	
	11. Energy Manager Enhancement, Template & Guide	
	12. LED Lighting Guide	
Communication	13. LDC Stakeholder Workshop	
	14. Informational Eblasts through LDC Support	

Lessons Learned - Opportunities for Improvement

IESO/LDCs Decision-making and Responsibility uncertainty	Clarity on program design requirements
Business Case approval process	Volume of work
Coordination and early engagement of other Working Groups and their systems	

I. PEOPLE

THE RESIDENTIAL WORKING GROUP COMPLETED 2 PRIORITIES IN 2015 AND 5 IN 2016

- In both 2015 and 2016, all priorities of the working group were focused on program design
- The Residential Working Group did not highlight lessons learned

Category	2015 Priorities
Program Design	1. Home Assistance Program - Business Case submitted
	2. Coupon Program - Business Case submitted

Category	2016 Priorities
Program Design	1. Redesign Coupon program and submit a business case to IESO in December 2016
	2. Redesign HVAC program and submit business case to IESO in December 2016
	3. Develop a Roadmap for project/program priorities for 2017 and beyond
	4. Engage vendors to assist program design and develop roadmap
	5. Apply for collaboration fund for all three priorities

I. PEOPLE

THE MARKETING AND SALES WORKING GROUP COMPLETED 14 PRIORITIES IN 2015

- In 2015, the highest proportion of Marketing and Sales Working Group priorities were province-wide initiatives
- The Working Group stated they could work more quickly and efficiently, and make better use of market research

Category	2015 Priorities
Support for Other Working Groups	1. Delivered Marketing & Sales strategy requirements for Program development.
	2. Conducted jurisdictional scans of program marketing & sales best practices for SBL and HAP
	3. Reviewed Marketing & Sales strategies for 5 programs
	4. Produced Customer & Channel FAQs for transition/program extension
Support for LDCs	5. Implemented fast track approval process
	6. Interim draft marketing standards posted
	7. Library for LDC-created marketing materials created on IESO portal
	8. HAP marketing best practices guide developed
Support for province-wide initiatives	9. Sales training session held for LDC staff
	10. List of Ontario businesses & program participation issued to LDCs
	11. Access for gas distributors enabled
	12. Recommended priorities for external intelligence resources (E Source)
	13. Provided input to updated brand positioning & strategy
	14. Provided input on marketing plans for 5 initiatives

I. PEOPLE

THE MARKETING AND SALES WORKING GROUP COMPLETED 18 PRIORITIES IN 2016

- Like 2015, the highest proportion of priorities were allocated to province-wide marketing initiatives

Category	2015 Priorities		Status
Support for Other Working Groups	1. Breaking down the silos		Complete
	2. Provided input to the Residential Working Group		Complete
	3. Provided input to the Business Working Group		Complete
	4. Provided input to the Data and Reporting Working Group		Complete
Support for LDCs	5. Identified Customer friendly term for LDCs	7. LDC marketing Recognition Initiative	Complete
	6. Business Market Segmentation	8. Delivered presentations (BWG, sales leads, marketing best practices, retrofit)	Complete
	9. Updated LDC sales & account management tool		Complete
Support for province-wide initiatives	10. Save on energy brand guidelines	14. Retrofit marketing materials	Complete
	11. Small business Lighting marketing material	15. Whole home marketing strategy	Complete
	12. Digital Asset Management System	16. 2017 Save on energy marketing plan	Complete
	13. Power What's Next Campaign	17. Save on energy website personas	Complete
	18. Province-wide marketing effectiveness strategy		Complete

I. PEOPLE

THE DATA AND REPORTING WORKING GROUP COMPLETED 6 PRIORITIES IN 2015

- In 2015, the Data and Reporting working group's priorities were primarily focused on province-wide initiatives
- The Working Group stated that they could improve upon the extranet, transparency and communication, a CDM-IS reporting solution, tracking of customer experience and development of the annual plan

Category	Priority
Support for other Working Groups	1. DR Working Group Plan & Achievement – Met 2015 Objectives
	2. ISSG Plan and Achievement – Met 2015 Objectives
	3. Templates were developed for CFF Reporting
Support for province-wide initiatives	4. Enabled timely settlements
	5. Enabled good collaboration
	6. Enabled communication for sharing of information

Lessons Learned - Opportunities for Improvement

Improve transparency, teamwork and communication

Establish guidelines, protocols and measures for collaboration

Work to improve extranet

Deliver a better reporting solution from CDM-IS

Track and review customer experience to improve settlement process

Include detailed review of critical projects and reports in annual plan

I. PEOPLE

THE DATA AND REPORTING WORKING GROUP COMPLETED 5 PRIORITIES IN 2016

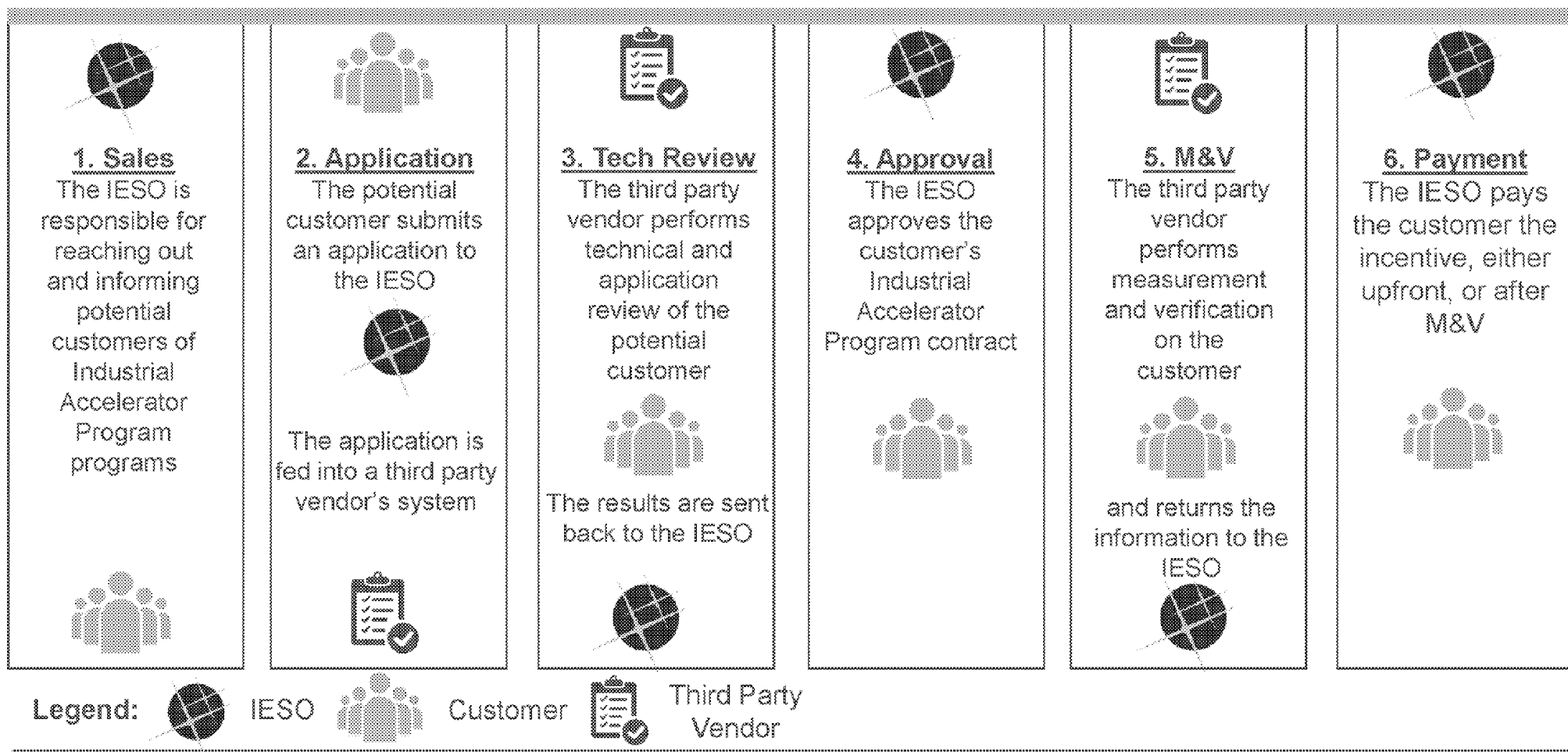
- Like 2015, the Data and Reporting Working Group's priorities in 2016 were primarily centered on supporting province-wide initiatives

Category	Priority
Support for LDCs	1. Information Access (simplified information access for LDCs)
	2. CDM-IS (settlement and reporting module and implementation of retrofit modules)
Support for province-wide initiatives	3. CFF reporting (improved templates, updated with templates with new programs)
	4. Sharing of EM&V reports, and IESO's EM&V schedule
	5. Information sharing (increased sharing between gas and electric utilities)

I. PEOPLE

INDUSTRIAL ACCELERATOR PROGRAM HAS CLEAR ROLES AND RESPONSIBILITIES

- The Industrial Accelerator Program includes interactions between customers, the IESO and a third party reviewer
- These interactions are clearly defined, and preliminary research indicate that it is an effective process
- Market research will seek to determine the effectiveness of this process for all stakeholders



III. THIRD PARTIES

III. THIRD PARTIES

OVERVIEW

Section	Third Parties
Description	Third party activities in Ontario conservation are discussed in comparison with other jurisdictions with "mature" conservation portfolios. Central Services, their link to partnerships, and budgeted and committed funding are discussed
Focus area	• Third party activities in Ontario Conservation • Third party activities in other jurisdictions • Central Services partnership activities, budget and committed funding
Source(s)	IESO Data; Central Services Strategy and Rate Guideline; Central Services Budget; LDC Program Innovation and Collaboration Fund Guidelines; Navigant Analysis

Summary:

- Ontario carries out many activities with third parties that have been identified in mature conservation portfolios
- Third parties are used extensively throughout Conservation First Framework and Industrial Accelerator Program processes
- The proposed budget for Central Services is \$400 million, and a significant amount of this budget is allocated to channel partner related activities
 - 13% of budget has been committed, and only Program Delivery has received more than its budgeted amount

III. THIRD PARTIES

ONTARIO MAINTAINS A DEDICATED PART OF THE SAVE ON ENERGY WEBSITE FOR CHANNEL ALLIES

- Trade ally networks are highly prevalent in other jurisdictions, which are very important for successful conservation frameworks

Ontario	Description	Partnership Activities
Channel Allies Strategy	Updates on CDM programs are communicated to contractors, businesses and other channel allies through Save on Energy website	- Conservation First Framework news, information on events and training, program documents and other resources are communicated through Save on Energy website - Resources are categorized to be contractor-specific (HVAC, Lighting etc.)

Find programs in your area

Enter your postal code: Find

ABOUT US | RESOURCES | CONTACT US

Channel Allies

Channel Allies

HVAC

Lighting

Compressed Air

Motors/VFD/Belts/Pumps

News and Updates

February 2017

Strategic partnership with Infrastructure Ontario through Conservation Fund

January 2017

Mid-term Review update

Find programs in your area

Enter your postal code: Find

ABOUT US | RESOURCES | CONTACT US

Channel Allies - HVAC - Brochures and Case Studies

Channel Allies

Brochures and Case Studies

HVAC

Lighting

Compressed Air

Utility AC Incentive Brochure

Download a standardized overview of the program, the website and application process for loan references.

Save on Energy Case Studies and Success Stories

Company: Canadian Tire

Industry: Retail

Project Description: Canadian Tire installed Duxford Control Ventilation Systems in 120 stores by using custom climate sensors and high efficiency rooftop units equipped with VFDs and economizers.

View the Case Study

III. THIRD PARTIES

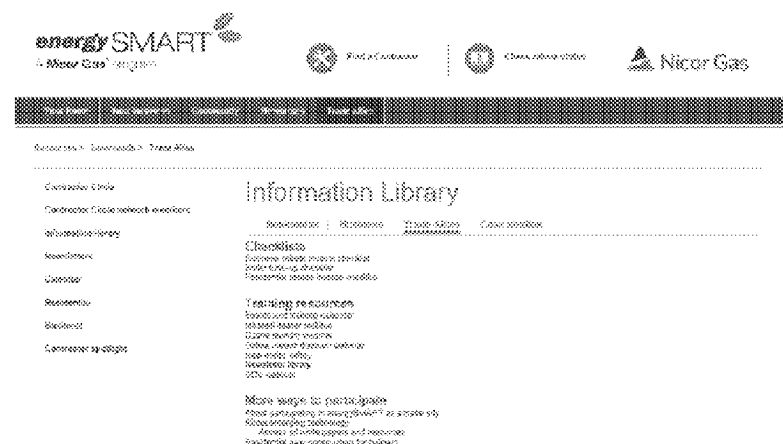
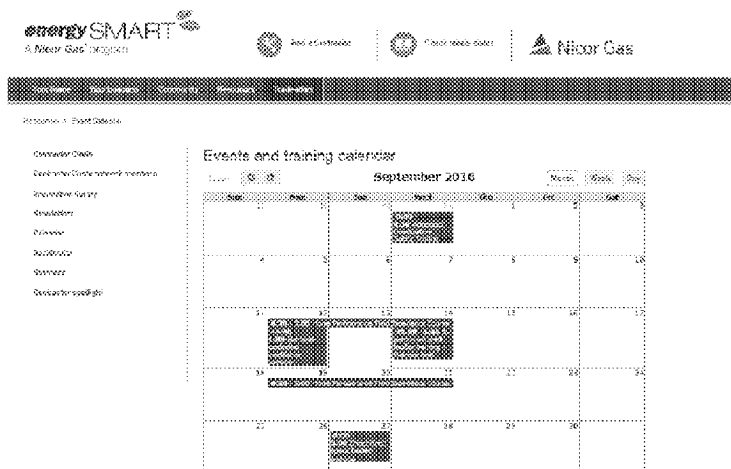
MATURE PORTFOLIOS USE TRADE/CHANNEL ALLY STRATEGIES TO ACHIEVE DEEPER SAVINGS

- Many mature portfolios leverage trade/channel allies to deepen savings and deliver programs

Other Jurisdictions	Description	Partnership Activities
Strategies for Mature Conservation Portfolios	To achieve broader and deeper savings it is vital to work collaboratively with: • third-party implementers • energy service companies • regional efficiency agencies • contractors, builders and manufacturers • Community stakeholders • Water utilities	• Use existing trade ally networks to deliver programs • Working with a variety of stakeholders can help to: • Find new ideas for programs • Get credit for energy savings from codes and standards, or market transformation • Increase “buy-in” among regulators, to reduce contested or litigated filings
Best Practices	• Account Management: Full-time account manager to develop and sustain relationships with 100-300 trade allies; Customer Relationship Management (CRM) tools are often used by account managers • Training: Supply chain provides technical training to trade allies, and the program administrators fund a portion, if not all of the costs; Date and type of training, attendees’ contact information, the size of the business and the supply chain interactions are captured so that the program administrators and LDCs can determine additional opportunities for where training efforts can be focused • Provision of Leads and Referrals: In some trade ally network deployments in other jurisdictions, trade allies are simply listed publicly allowing end-users direct contact options, serving as a form of advertising. In some jurisdictions, performance reviews are also provided publicly, and in some cases, trade allies are ranked on performance, serving as crude form of endorsement of quality	

SOME EXAMPLES OF OTHER JURISDICTIONS' TRADE ALLY WEBSITES

- Best practices in other jurisdictions have proved highly successful for improving the participation and savings in energy conservation programs



Use our map to find the Trade Pro Manager for your territory

Download **PG&E Trade Professional Manager Area Coverage Map (PDF, 1.38 MB)**



Find easy sign-up guides

Learn how to enroll in TPA. Download **Quick Start Guide: How to enroll in the Trade Professional Alliance (PDF, 1.66 MB)**



Get help securing EE financing

Find out about our **EE On-Bill Financing Program** to help your customers' EE projects move forward. Visit **Energy Efficiency Financing**.



Access our online rebates

Download **Quick Start Guide: How to submit an online rebate application (PDF, 1.66 MB)**

Alliance FAQ & Contact Info



Before you call us...

There's a good chance your question about the BC Hydro Alliance Energy Professionals, its many Trade Pro Manager is answered. If it isn't, please contact us. Our contact information is in the right to the page.

- 1 What is the BC Hydro Alliance of Energy Professionals?
- 2 How do I become an Alliance member?
- 3 How do I become an affiliate?
- 4 How do I find out if my company is already a member?
- 5 Can I check the status of my membership application?
- 6 What program is my customer eligible for?
- 7 How do I calculate an incentive for my customer?
- 8 What if I forgot my Alliance ID and/or password?

NORTHWEST LIGHTING NETWORK

TRAINING & EVENTS

Attend lighting training throughout the region and work with other designers to develop a competitive business. Check back to see the next list.

[VIEW ALL >](#)

UTILITY PROGRAMS

Access a variety of rebates, incentives and programs designed to help you save your customers' money and the earth. If you're ready...

[GO >](#)

When lighting upgrades make the greatest impact on your energy?

- Improving lighting
- Improving controls
- Reducing maintenance

[SUBMIT >](#)

FIELD STORIES

Smart ideas you can put to use.

Read about the success stories of other Trade Pro Managers who have achieved great results.

NETWORK FINDER

Find the Trade Pro Network in your area that can help your business thrive.

[EXPLORE NETWORK >](#)

TOP TOOLS

- 1 BPA Lighting Calculators 3.0
- 2 Energy Tool Lighting Fact Sheet

III. THIRD PARTIES

THIRD PARTIES ARE USED EXTENSIVELY THROUGHOUT CONSERVATION FIRST FRAMEWORK PROCESSES

- All entities (IESO, LDCs, Working Groups and CFIC) use third parties to help with multiple aspects of Conservation First Framework

CDM Activity	Internal Role (IESO, LDCs, WGs and CFIC)	Third Party Role (Contractors & Channel Allies)
Program Design	• Programs are designed by LDCs and Working Groups (with oversight from CFIC) and approved by the IESO • IESO will be providing additional program design support to working groups	• Strategic advisors are contracted by Working Groups to help in the design of new programs
Program Promotion	• IESO is responsible for Save on Energy promotion • LDCs primarily carry out program-level promotion using non-incentive budget	• Third party advertisers, marketers and market researchers may be contracted by the IESO and/or LDCs to promote CDM programs • Allies (e.g. contractors) are vital in the promotion and delivery of various programs (e.g. Heating & Cooling program)
Program Delivery	• LDCs are responsible for offering programs set out in their CDM Plan	• LDCs often contract third party technical reviewers to perform technical reviews on conservation programs, a requirement of program delivery
Program Evaluation	• LDCs are responsible for providing EM&V and Reporting results to the IESO	• EM&V Reports are completed annually by third party organizations, contracted by the IESO, in which each program is assessed
Other	• The IESO is responsible for overseeing an Achievable Potential Study	• Achievable Potential Studies are completed by third party organizations, contracted by the IESO with working group involvement • These studies help inform the design of new programs

III. THIRD PARTIES

CENTRAL SERVICES INCLUDE MANY ACTIVITIES THAT SUPPORT THE CONSERVATION FIRST FRAMEWORK

- Central services are the responsibility of the IESO in support of LDC and portfolio level activities for the Conservation First Framework

Ontario	Description	Partnership Activities
Central Services	Central Services are functions provided by the IESO for the benefit of all LDCs and are funded from the central services budget outside of LDC CDM plans. The scope of central services is determined by the IESO	A significant amount of the Central Services budget is allocated to channel partner related activities (Province-wide marketing, capability building, Industrial technical reviewer, Market Research and technical support)

III. THIRD PARTIES

CENTRAL SERVICES OVERVIEW

- Central Services are functions provided by the IESO for the benefit of all LDCs and are funded from the central services budget outside of LDC CDM plans
- The scope of central services is determined by the IESO

Central Services Activity	Description
Evaluation, Measurement and Verification (EM&V) including Compliance audits	IESO measures electricity savings and demand reductions from each program in market. EM&V is often done by a third party evaluator. Audits of LDC activities to confirm, for example, eligible costs
Province-wide marketing	IESO carries out province-wide marketing under the Save on Energy brand. Third parties may be used for the design and delivery of marketing materials
LDC Innovation Pilots	The IESO supports LDC-led program design and market testing of new initiatives through the central services budget. Testing and learning from small-scale pilot programs (pilots) will contribute to the success and cost effectiveness of the full-scale launch of a new program
IESO Infrastructure (IS, IT, CRM, Call Centre)	Program delivery is supported by centralized systems offered by IESO (e.g. iCON) these systems are often developed and implemented by third parties
Capability Building	IESO offers capability building and training through various events and webinars targeted at a broad variety of stakeholders. Third parties and allies are often targeted through these events
Collaboration Fund	Through the LDC Collaboration Fund, LDCs can receive additional support as they work together towards a common goal, whether based on geographic location, shared customer characteristics or as a province-wide working group

III. THIRD PARTIES

CENTRAL SERVICES OVERVIEW

- Central Services are functions provided by the IESO for the benefit of all LDCs and are funded from the central services budget outside of LDC CDM plans
- The scope of central services is determined by the IESO

Central Services Activity	Description
Program Delivery	This includes an industrial technical reviewer that carries out technical reviews on customers' PSUP projects
P4P MSD Program (Incentives)	Centrally run pay-for-performance program incentives available for customers
Provincial Energy Managers	Provincial Energy Manager Program aimed at promoting the availability of energy managers to help support the objectives of the Province's 2015 to 2020 Conservation First Framework
National Accounts (multi-site Energy Managers)	Financial support for energy managers will be offered to customers that have a centrally managed energy management function with facilities located in five or more LDC territories
Market Research	IESO conducts regular market research related to both the Save on Energy brand and specific programs (e.g., awareness, customer satisfaction, etc.). IESO also procures market research on behalf of LDCs (e.g., esource)
P4P MSD Program (Program Costs)	Centrally run pay-for-performance program administration costs supporting program operations.
HVAC & Coupon non-LDC participation & contingency	HVAC and Coupon Programs funding for service fees and incentives for non-participating LDCs
Technical support	Support for the annual updates to technical tools, protocol and guideline development, and ad-hoc work to support the LDCs and other customers

III. THIRD PARTIES

CENTRAL SERVICES OVERVIEW

- The proposed budget for Central Services is \$400 million, and a significant amount of this budget is allocated to channel partner related activities
- 23% of budget has been committed, and only Program Delivery has received more than its budgeted amount

July 2016 Conservation First Framework Central Services Budget Reforecast (\$ in millions)

Activity	Actual	Projections					Proposed Budget
	2015	2016	2017	2018	2019	2020	2015-2020
LDC innovation pilots (includes WH Program)	0.81	8	16	8	8	8	49
EM&V (includes Compliance)	0.04	3	10	12	12	24	60
Province Wide Marketing	1.25	15	11	10	7	5	49
Market Research	0.05	2	2	2	2	2	10
Program Delivery	0.0	5	6	5	4	3	24
Collaboration Fund	0.08	3	4	4	4	4	19
National Accounts	0.0	1	4	3	3	3	13
P4P MSD Program	0.0	1	6	6	6	6	25
Capability Building	0.0	1	3	6	6	4	20
Provincial Energy Managers	0.0	0	4	4	4	4	15
LDC Performance Incentives (MTI, ATI/ETI)	0.0	0	0	30	0	60	90
IESO Infrastructure (IS, IT, CRM, Call Centre)	0.81	4	5	4	4	4	23
Technical Support	0.02	0	1	1	1	1	3
Total Central Services Budget	3.06	44	71	95	60	127	400

III. THIRD PARTIES

THIRD PARTIES ARE USED EXTENSIVELY THROUGHOUT THE INDUSTRIAL ACCELERATOR PROGRAM PROCESSES

- IESO has partnered with other entities for most aspects of the Industrial Accelerator Program process (i.e. sales through delivery and evaluation)

Industrial Accelerator Program Processes	Partner	Activity
Sales and Communication	Third Party Sales Support	• These third parties will be used to support the first sales step of the Industrial Accelerator Program process
	Suppliers and Manufacturers	• These organizations help communicate Industrial Accelerator Program programs to their clients, which are potential Industrial Accelerator Program participants
	Engineering Consultants	• Perform engineering studies on potential Industrial Accelerator Program participants, and often help influence program sales
Program Delivery	LDCs	• LDCs and the IESO partner in program delivery, particularly for lighting applications
Program Evaluation	Third Party Reviewers	• Perform non-incentive and technical reviews for participants of Industrial Accelerator Program

II. TOOLS

II. TOOLS

OVERVIEW

Section	Tools
Description	An inventory of the tools used in the Conservation First Framework and Industrial Accelerator Program. The frequency and usefulness of each tool is investigated. Gaps and potential areas of improvement are explored.
Focus area	• Conservation First Framework and Industrial Accelerator Program tools • Use and usefulness of tools • Entities that use and own the tools
Source(s)	IESO Data, CDM Energy Efficiency Cost Effectiveness Tool; Reporting Template Guide; IESO List of Ontario Businesses; Regional Potential Calculator; Financial Modeling Tool; CDM Plan Template; Business Case Template for Conservation Programs and Pilots; E-BLASTs, Active Engagements – CDM IS; LDC toolkit; Brand Use Rules, Save on Energy Marketing Standard

Summary:

- All Industrial Accelerator Program tools and the following Conservation First Framework tools appear to be used and useful, which will be confirmed through market research

Cost Effectiveness tool	E-BLASTs	E Source Access and MPAC Data
Business Energy Efficiency Sales tool	Webinars	Email
Reporting Template	Conservation First Framework Guidelines	Marketing Standards and Toolbox

- There are opportunities apparent with multiple Conservation First Framework tools including the ability to integrate tools (CDM Plan and Business Case Template with Cost Effectiveness tool) and update data (Achievable potential calculator)
- Certain gaps have been identified with associated tools (iCON, Extranet)

II. TOOLS

NUMEROUS TOOLS SUPPORT THE CONSERVATION FIRST FRAMEWORK

- An inventory of IESO tools was completed, each was categorized and an initial assessment was made in terms of its use and usefulness/effectiveness
- Required tools are flagged within the table below

Category	Sub-Category	Tools
Calculators and Templates	Conservation First Framework Tools	• Cost Effectiveness Tool <i>(required)</i> • Financial Modelling Tool
	Sales and Program Design Tools	• Business Energy Efficiency Sales Tool • Regional Achievable Potential Calculator • E Source Access and MPAC data
	Conservation First Framework Templates	• Reporting Template <i>(required)</i> • CDM Plan Template <i>(required)</i> • Business Case Template <i>(required)</i>
Systems and Communication Tools	Active Program Support Systems	• iCON <i>(required)</i> • CDM-IS (coupon and Heating & Cooling programs) • IESO reports issued to LDCs
	Communication Tools	• Email • E-BLASTs • Extranet • Webinars • LDC Business Managers • LDC Support System • LDC Events
Guidelines and Standards		• Conservation First Framework Guidelines and Marketing Standards <i>(required)</i> • Marketing Toolbox

SUMMARY: CALCULATORS AND TEMPLATES

- The Cost Effectiveness tool and Reporting Template are widely used because they help LDCs fulfill requirements set out in the ECA and other regulations
- The Business Energy Efficiency Sales tool is widely used because it provides LDCs with information to improve CDM sales
- Preliminary research has deemed each tool as useful, which will be expanded upon in market research

Tool		Is the Tool Used?		Is the Tool Useful/Effective?
Cost Effectiveness Tool		Used as an input to every CDM Plan and Business Case to determine custom program cost-effectiveness		The tool provides a standardized approach for LDCs to prove cost-effectiveness to the IESO
Business Energy Efficiency Sales Tool (BEEST)		The tool is provided for use by all LDCs in the province, uncertain on the extent to which LDCs use the tool		The tool provides information in to facilitate CDM sales, segmentation, etc.
Reporting Template		The tool is used to help all LDCs with their CDM reporting requirements		The tool is standardized and provides LDCs information on how to report results to the IESO. Market research may identify further insight into the usefulness of this tool.
E Source Access and MPAC data		Uncertain on the extent to which LDCs leverage these data sources and for what purposes, metrics to be available in June		The tool provides a method to obtain data collaboratively rather than each LDC procuring it on their own

Legend – Degree of Use and Usefulness

Required/Highly Used or Useful



Medium



Low



TBD Market Research



II. TOOLS

SUMMARY: CALCULATORS AND TEMPLATES

- The CDM Plan and Business Case templates are used regularly, the Achievable Potential (AP) calculator and Financial Modelling tool are not
- The AP tool is outdated, the Cost Effectiveness Tool and templates are not integrated, the Financial Modelling has only resulted in one changed funding model

Tool		Is the Tool Used?		Is the Tool Useful/Effective?
CDM Plan Template		All LDCs are required to use this template when creating or amending their CDM Plan		The template is standardized, but also requires the LDC to fill in the cost-effectiveness tool
Business Case Template		Used by LDCs in applications for new programs or changes to existing programs		The template is standardized, but also requires the LDC to fill in the cost-effectiveness tool
Financial Modelling Tool		Used for LDCs to help choose a program funding model		One LDC has changed its funding model (i.e. used P4P)
Regional Achievable Potential Calculator		Used to show local energy efficiency potential.		The current version is based on outdated achievable potential study data (2014)

Legend – Degree of Use and Usefulness

Required/Highly Used or Useful		Medium		Low		TBD Market Research	
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SUMMARY: SYSTEMS AND COMMUNICATION TOOLS

- All tools in this subsection are highly used. Email is an easily accessible tool that can be to communicate individualized communications, or more broad communications like E-BLASTs
- Webinars have high attendance, which has increased year over year. Market research will add insight to the usefulness of these tools and help isolate any areas for improvement.

Tool		Is the Tool Used?		Is the Tool Useful/Effective?
Email		Emails are a method for the IESO to communicate Conservation First Framework-related information to LDCs and stakeholders		Emails are especially effective for communication to specific individuals about specific topics
E-BLASTs		E-BLASTs are the primary communication method for the IESO. These are released regularly to communicate Conservation First Framework-related information to all LDCs		E-BLASTs are effective at reaching a broad-base of LDCs and have been enhanced to allow search and narrowed results by year
Webinars		Webinars have high attendance (89 attendees on average in 2017)		Webinars provide information on Conservation First Framework related topics Their usefulness is confirmed by their attendance, which increases every year

Legend – Degree of Use and Usefulness

Required/Highly Used or Useful



Medium



Low

TBD Market
Research

II. TOOLS

SUMMARY: SYSTEMS AND COMMUNICATION TOOLS

- Both Business Managers and the LDC Support System are have been deemed highly used and useful for LDCs
- As part of the Energy Conservation Agreement, the IESO issues various reports to the LDCs which can be used to monitor cost effectiveness, progress towards targets and budget spent.

Tool		Is the Tool Used?		Is the Tool Useful/Effective?
Business Managers Support		The business mangers act as a single point of contact at the IESO for LDCs. Feedback from LDCs indicate they are highly used		Virtually all feedback from LDCs on their interaction with business managers was positive
LDC Support System		The IESO offers an email ticketing system to support to LDCs. Since 2015, 8,289 tickets have been received by the IESO from LDCs		In 2016, 74% of LDCs had a much better impression of the IESO conservation division due to their support of LDCs (in part due to the LDC Support System)
Reports Issued by IESO to LDC		The IESO's Monthly Participation & Cost Report, Value-Added Services Report and Preliminary/Final Verified Results reports are obligations under the energy conservation agreement.		IESO's Monthly Participation & Cost Report, Value-Added Services Report and Preliminary/Final Verified Results reports can be used by LDCs to monitor progress towards their targets, budget spent and cost-effectiveness.

Legend – Degree of Use and Usefulness

Required/Highly Used or Useful



Medium



Low



TBD Market Research



II. TOOLS

SUMMARY: SYSTEMS AND COMMUNICATION TOOLS

- CDM-IS and the Extranet are not highly used, whereas iCON is used by many stakeholders
- Specific gaps amongst the tools below are: several issues with the iCON system leading for it to be replaced by CDM-IS, development of CDM-IS has been stalled, preliminary research indicates that only specific sections of the Extranet are regularly used

Tool		Is the Tool Used?		Is the Tool Useful/Effective?
iCon		The system is required to be used by all LDCs for the management and administration of CDM programs		The system was intended to be replaced by CDM-IS, indicating issues with the system
Extranet		LDCs can access documents, research, and other communications from the IESO		Preliminary research indicates that only specific sections of the Extranet are regularly used
CDM-IS		An upgrade to iCon and options for enhancement are currently under review by the data and reporting working group		CDM-IS was intended to improve upon the issues identified with the current iCon system, but it is unavailable at this time
LDC Events		Events (meetings) are held by the IESO for LDCs and other stakeholders 3 to 5 times a year		Events (meetings) are a place for LDCs to get useful information on timely messaging, timelines, future plans and specific topics

Legend – Degree of Use and Usefulness

Required/Highly Used or Useful



Medium



Low



TBD Market Research



SUMMARY: GUIDELINES AND STANDARDS

- Numerous Conservation First Framework Guidelines are offered in the LDC toolkit, including Marketing and Brand Use Standards
- These are widely used by LDCs to remain compliant with Conservation First Framework rules and regulations
- Market research will seek to provide more insight into the usefulness of these guidelines

Tool		Is the Tool Used?		Is the Tool Useful/Effective?
Conservation First Framework Guidelines		Conservation First Framework Guidelines are posted on the IESO website and Extranet and are used by LDCs for numerous activities		These guidelines are easily accessible, but market research will indicate if there are any gaps in their usefulness
Marketing Standards and Toolbox		Marketing and Brand standards are required to be used by all LDCs		These guidelines are easily accessible, but market research will indicate if there are any gaps in their usefulness

Legend – Degree of Use and Usefulness

Required/Highly Used or Useful



Medium



Low



TBD Market Research



II. TOOLS

IN-DEPTH: PROGRAM APPLICATION AND CDM PLAN DEVELOPMENT TOOLS

- The Cost Effectiveness Tool is widely used by LDCs and is effective at determining the cost effectiveness of programs
- The use of the Financial Modelling Tool has resulted in one LDC changing a program funding model

Tool	Description and Use	Entities	Effectiveness and Gaps	Used/ Useful
Cost Effectiveness Tool	• A workbook that allows users to calculate the cost effectiveness of CDM programs	Owner – IESO Users – LDCs, IESO	• The Cost Effectiveness Tool is used as an input to all CDM Plans • The Tool is also used in the business cases for programs and pilots • The tool provides a standardized approach for LDCs to prove cost-effectiveness to the IESO	Used 
				Useful 
Financial Modelling Tool	• Workbook comparing the funding options available to LDCs (full cost recovery and pay for performance)	Owner – IESO Users – LDCs	• The model enables the IESO and LDCs to compare the funding models in total and by program or sector • It can be used in both the development or amendment of a CDM Plan • However, only one LDC has updated its funding model as a result of using the tool	Used 
				Useful 

Legend – Degree of Use and Usefulness

Required/Highly Used or Useful



Medium



Low



TBD Market Research



IN-DEPTH: SALES AND PROGRAM DESIGN TOOLS

- The Business Energy Efficiency Sales tool is a widely used and useful tool for LDCs to improve their CDM sales activities
- The Regional Achievable Potential Calculator is reported to not be widely used, and relies on outdated information

Tool	Description and Use	Entities	Effectiveness and Gaps	Used/ Useful
Business Energy Efficiency Sales Tool (BEEST)	• The IESO has licensed a list of businesses and built a tool containing this and other information for use by LDCs	Owner – IESO Users – LDCs	• The tool contains a significant amount of detail on businesses in Ontario and facilitates the sales process for LDC • The tool also includes IESO data, which provides insight into businesses' past CDM experience	Used  Useful 
Regional Achievable Potential Calculator	• A tool that enables a local region to obtain quick estimates of local energy efficiency potential	Owner – IESO Owner – LDCs, General Public	• The current calculator is based off of the 2014 Achievable Potential Study results, which are now outdated by the 2016 iteration of the achievable potential study • There are worksheets available for the 2016 study, but these do not easily provide regional information	Used  Useful 

Legend – Degree of Use and Usefulness

Required/Highly Used or Useful



Medium



Low



TBD Market Research



II. TOOLS

IN-DEPTH: SALES AND PROGRAM DESIGN TOOLS

- The IESO procures market research services and data on behalf of the LDCs to support various aspects of the Conservation First Framework such as program design and sales

Tool	Description and Use	Entities	Effectiveness and Gaps	Used/ Useful
E Source Access and MPAC data	Access to market research and data to support, for example, sales and marketing, program design	Owner – IESO Users – LDCs, Others	- Effective method to obtain the data rather than each LDC procuring it on their own and avoids the need for costly market research in some cases - Uncertain on the extent to which LDCs leverage these data sources and for what purposes	Used  Useful 

Legend – Degree of Use and Usefulness

Required/Highly Used or Useful



Medium



Low



TBD Market Research



IN-DEPTH: CONSERVATION FIRST FRAMEWORK TEMPLATES

- The reporting template is highly used and provides a standardized tool for LDCs to remain in compliant with regulations
- Further insight into the usefulness of this tool will be determined in market research.

Tool	Description and Use	Entities	Effectiveness and Gaps	Used/ Useful
Reporting Template	• The LDC Reporting template enables LDCs to report savings and financial data to the IESO	Owner – IESO Users – LDCs	• The template is a standardized tool that supports the ability of LDCs to remain compliant with reporting requirements set out in the Electricity Conservation Agreement and Data and Reporting Requirement rules • The template can be used quarterly as well as annually • Market research will help determine the usefulness of this template, and if improvements can be made	Used  Useful 

Legend – Degree of Use and Usefulness

Required/Highly Used or Useful



Medium



Low



TBD Market Research



IN-DEPTH: CONSERVATION FIRST FRAMEWORK TEMPLATES

- The CDM Plan Template is used by LDCs in the development of their CDM Plans, and the Business Case Template is used by LDCs when applying for new programs or suggesting changes to existing programs. Both templates also require that the LDC fills out the Cost-Effectiveness Tool

Tool	Description and Use	Entities	Effectiveness and Gaps	Used/ Useful
CDM Plan Template	Workbook to be used for the development of an LDC's CDM Plan	Owner – IESO Users – LDCs	The template provides a standardized tool for LDCs to create and/or amend their CDM plans. LDCs must also fill in the cost-effectiveness tool in addition to the CDM Plan Template, so there is the potential to integrate the two	Used 
				Useful 
Business Case Template	- Used by LDCs when applying for new programs or suggesting changes to existing programs. - Applies to province-wide, regional and local programs as well as LDC Innovation Fund pilots	Owner – IESO Users – LDCs	This Business Case Template is used in all program applications. The Template has sections that allow the LDC to emphasize the uniqueness and collaborative aspects of the program. LDCs must also fill in the cost-effectiveness tool as part of this, so there is the potential to integrate the two	Used 
				Useful 

Legend – Degree of Use and Usefulness

Required/Highly Used or Useful



Medium



Low



TBD Market Research



IN-DEPTH: ACTIVE PROGRAM SUPPORT SYSTEMS

- The iCON system is used by LDCs for the administration of CDM programs, but there are reported issues with the system
- These issues spurred the development of the CDM-IS system as a replacement, but progress on CDM-IS has stalled

Tool	Description and Use	Entities	Effectiveness and Gaps	Used/ Useful
iCON	• The iCON system is used for the management and administration of CDM programs • Program applications are submitted to iCON by the customer and retrieved by the LDC	Owner – IESO Users – LDCs , others	The system is required to be used by all LDCs, but there have been various issues. Which lead the development of the CDM-IS. There are third party systems available to improve the current iCON system functionality. https://temagami.co/dashboard-front	Used  Useful 
CDM-IS	• A system capable of providing the functionality necessary for the management and administration of Conservation & Demand Management programs.	Owner – IESO Users – LDCs	The CDM-IS was planned to improve-upon and replace the functions of the existing iCon 2011 solution, as well as some manual and partially automated processes, however progress on the system has stalled.	Used  Useful 

Legend – Degree of Use and Usefulness

Required/Highly Used or Useful



Medium



Low



TBD Market Research



II. TOOLS

IN-DEPTH: ACTIVE PROGRAM SUPPORT SYSTEMS (CONT.)

- The iCON system is used by LDCs for the administration of CDM programs, but there are reported issues with the system
- These issues spurred the development of the CDM-IS system as a replacement, but progress on CDM-IS has stalled

Tool	Description and Use	Entities	Effectiveness and Gaps	Used/ Useful
Reports Issued by IESO to LDC	• The IESO's Monthly Participation & Cost Report, Value-Added Services Report and Preliminary/Final Verified Results reports are obligations under the energy conservation agreement. • These reports can be used by LDCs to monitor progress towards their targets, budget spent and cost-effectiveness.	Owner – IESO Users – LDCs	While these reports contain a lot of useful information, their effectiveness and any opportunities for improvement will be identified in the market research phase.	Used  Useful 

Legend – Degree of Use and Usefulness

Required/Highly Used or Useful



Medium



Low



TBD Market Research



IN-DEPTH: COMMUNICATION TOOLS

- E-BLAST is an IESO energy conservation update for local distribution companies (LDCs) that is widely-circulated and used
- Many CDM communications are delivered from the IESO to LDCs using email, effective for specific communications.

Tool	Description and Use	Entities	Effectiveness and Gaps	Used/ Useful
E-BLASTs	The Conservation E-BLAST is an IESO energy conservation update for local distribution companies (LDCs)	Owner – IESO Users – LDCs, Others	E-BLASTs are released regularly, and are an effective method of communicating CDM information to all stakeholders Posted on the IESO website, searchable	Used  Useful 
Email	Many CDM-related communications are delivered from the IESO to LDCs using email	Owner – N/A Users – LDCs, IESO and other Stakeholders	This is an effective method of communicating CDM information to LDCs that otherwise cannot be communicated through E-BLASTs and the Extranet (e.g. LDC-specific communications).	Used  Useful 

Legend – Degree of Use and Usefulness

Required/Highly Used or Useful



Medium



Low



TBD Market Research



IN-DEPTH: COMMUNICATION TOOLS (CONT.)

- Webinars are widely used informative sessions, which have increased in attendance year over year since 2015
- LDCs have access to an Extranet, which allows them to access updates from the IESO. Usage of the extranet has declined, and is limited to specific sections

Tool	Description and Use	Entities	Effectiveness and Gaps	Used/ Useful
Webinars	The IESO holds webinars for a variety of conservation-related topics as part of their engagement initiatives	Owner – IESO Users – LDCs, Others	Average attendance for webinar events is high in 2017 (89 attendees) and has increased each year of the Conservation First Framework.	Used  Useful 
Extranet	LDCs have access to an Extranet, which allows them to access updates from the IESO	Owner – IESO Users – LDCs	Usage of the extranet has declined, and only specific sections are regularly used.	Used  Useful 

Legend – Degree of Use and Usefulness

Required/Highly Used or Useful



Medium



Low



TBD Market Research



IN-DEPTH: COMMUNICATION TOOLS

- Webinars are widely used informative sessions, which have increased in attendance year over year since 2015
- LDCs have access to an Extranet, which allows them to access updates from the IESO. Usage of the extranet has declined, and is limited to specific sections

Tool	Description and Use	Entities	Effectiveness and Gaps	Used/ Useful
Business Manager Support	• Act as a single point of contact at the IESO for communications with LDCs	Owner – IESO Users – LDCs	• The LDC satisfaction survey indicates that these business managers are highly useful and used • This will be confirmed through market research	Used  Useful 
LDC Support System	• A central ticketing system for LDCs to reach out to the IESO with requests for help	Owner – IESO Users – LDCs	• Since the start of the framework, over 8,000 tickets have been processed through the system • LDCs have indicated a high amount of satisfaction with the system (74%)	Used  Useful 

Legend – Degree of Use and Usefulness

Required/Highly Used or Useful



Medium



Low



TBD Market Research



IN-DEPTH: GUIDELINES AND STANDARDS

- Numerous Conservation First Framework Guidelines are offered in the LDC toolkit, including Marketing and Brand Use Standards, which are widely used by LDCs in order to remain compliant with the rules and regulations of the Conservation First Framework
- Market research will seek to provide more insight into the usefulness of these guidelines

Tool	Description and Use	Entities	Effectiveness and Gaps	Used/ Useful
Conservation First Framework Guidelines	• The IESO provides an extensive set of guidelines and rules used for the governance and oversight of the Conservation First Framework	Owner – IESO Users – LDCs, IESO, Others	Many of these guidelines are documents intended to inform all stakeholders of the IESO's responsibilities, which is highly useful for maintaining transparency. Other guidelines are intended for use by LDCs for program related activities, and are effective at ensuring LDCs' compliance with Conservation First Framework rules and regulations	Used  Useful 
Marketing Standards and Toolbox	• Save on Energy brand use standards and rules as required through the Energy Conservation Agreement • Marketing standards are provided to ensure that the Save on Energy brand is applied consistently	Owner – IESO Users – LDCs, IESO	The marketing standards and toolbox offer useful guides and materials for LDCs to promote CDM. These also ensure consistency across the province. Market research will identify if there are any gaps with the standards and toolbox	Used  Useful 

Legend – Degree of Use and Usefulness

Required/Highly Used or Useful



Medium



Low



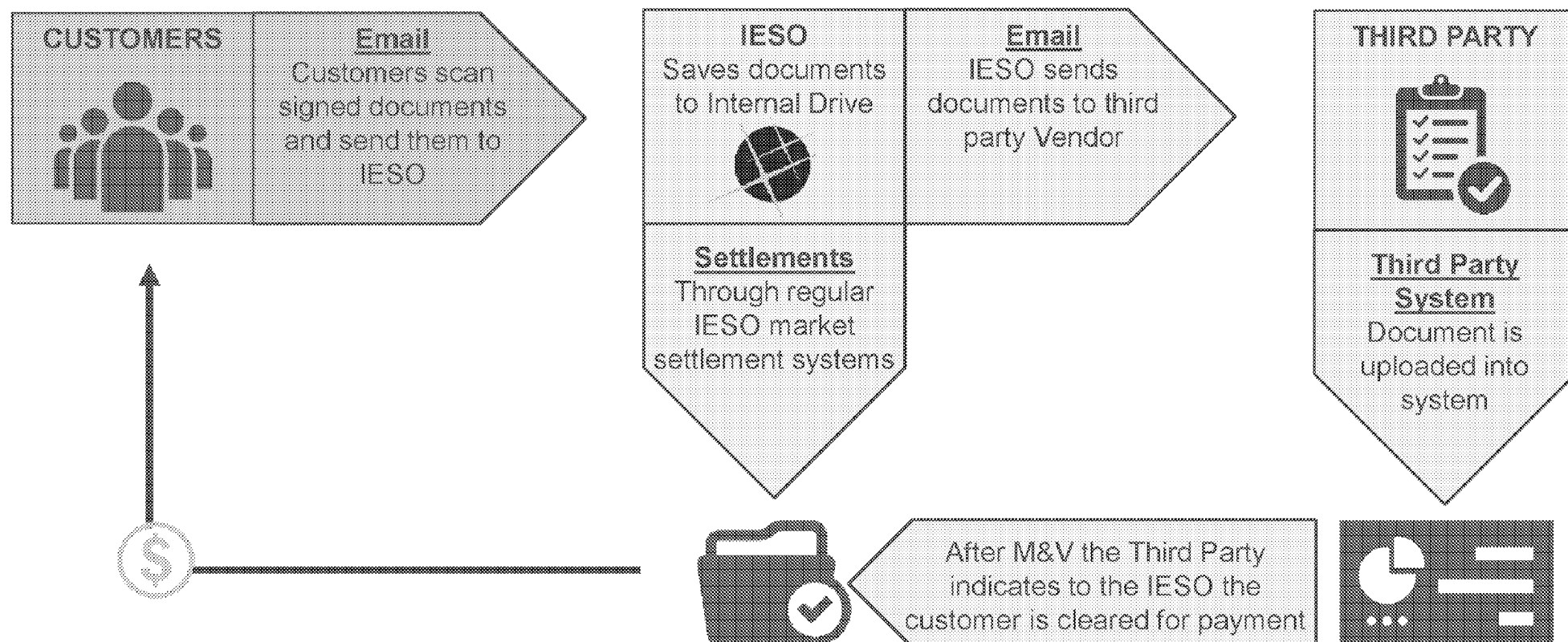
TBD Market Research



II. TOOLS

INDUSTRIAL ACCELERATOR PROGRAM REQUIRES MINIMAL TOOLS

- The IESO relies on email to receive applications and send these on to Third Party reviewers
- The third party Reviewers have an internal system used for application administration and technical reviews
- The IESO leverages market settlements for incentive payments



II. TOOLS

INDUSTRIAL ACCELERATOR PROGRAM REQUIRES MINIMAL TOOLS

- The IESO uses basic tools like Email and Internal drives for the Industrial Accelerator Program process
- Preliminary research indicates these tools are effective for the requirements of the program, which will be confirmed through market research

Tool	Description and Use	Entities	Effectiveness and Gaps	Used/ Useful
Email	• Customers submit applications to the IESO by Email • Emails are forwarded to the 3rd party	Owner – IESO and Customers and third parties	Preliminary research indicated that the customers' preferred tool for communications is email	Used 
		User – IESO, Customers and third parties		Useful 
Internal Drive	• Customer documents are saved on IESO's internal drive	Owner – IESO	Easily accessible to members of the IESO team. The functionality is limited compared to other systems, but the functionality meets IESO's need	Used 
		User – IESO		Useful 

Legend – Degree of Use and Usefulness

Required/Highly Used or Useful



Medium



Low



TBD Market Research



II. TOOLS

INDUSTRIAL ACCELERATOR PROGRAM REQUIRES MINIMAL TOOLS

- The IESO uses their established settlements database for settling Industrial Accelerator Program payments, and the third party technical reviewers use a system to carry out non-incentive and technical review of Industrial Accelerator Program project documents
- Preliminary research indicates that both systems are effective, which will be confirmed in market research

Tool	Description and Use	Entities	Effectiveness and Gaps	Used/ Useful
Settlements Database	• The IESO uses an online system for settling Industrial Accelerator Program payments	Owner – IESO	IESO uses the system for regular market settlements which leverages an existing process and results in a single payment to customers (who are also market participants)	Used 
		User – IESO		Useful 
Third Party System	• The third party uploads the data from customer documents into the system and uses it during review	Owner – Third Party	Preliminary research indicates that the third party system functions well in the management of customer documents	Used 
		User – Third Party		Useful 

Legend – Degree of Use and Usefulness

Required/Highly Used or Useful



Medium



Low



TBD Market Research



IV. PROCESSES

IV. PROCESS

OVERVIEW

Section	Processes
Description	Inventory of the processes guiding the Conservation First Framework and Industrial Accelerator Program. Review of the processes and identification of opportunities for improvement.
Focus area	• IESO-LDC processes • IESO-Customer processes • LDC-Customer processes
Source(s)	• IESO Data, LDC Satisfaction Survey, 2015 EM&V reports, Energy Conservation Agreement, LDC Toolkit, Achievable Potential Study

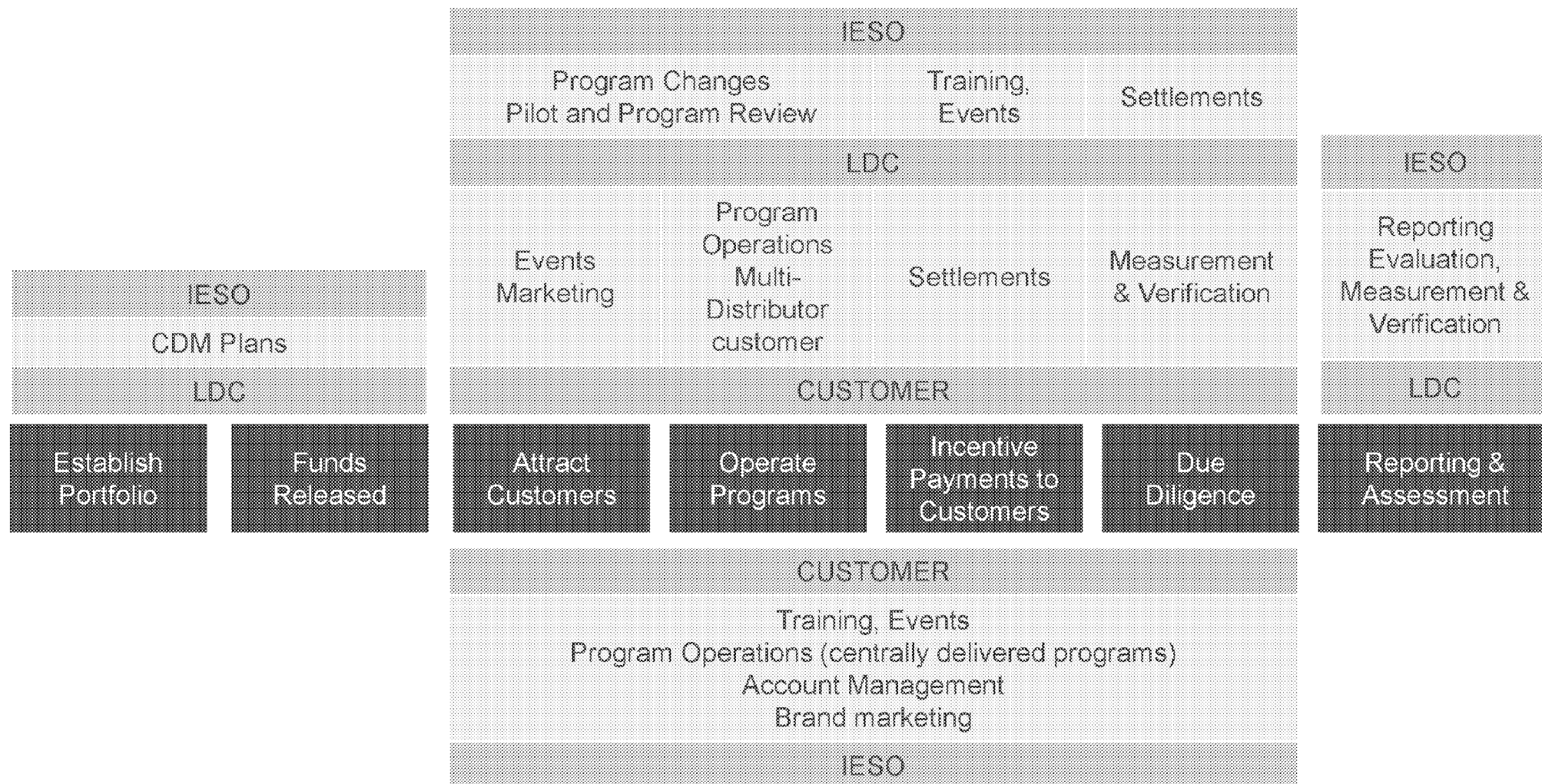
Summary:

- Most IESO-Customer, IESO-LDC, LDC-Customer processes under the Conservation First Framework and Industrial Accelerator Program are meeting expectations
- The improvement opportunities have been identified in the following processes:
 - CDM plan development and submission
 - Implementing program changes
 - Prioritization of Working Group efforts (program operations)

IV. PROCESS

AN INVENTORY OF MAJOR PROCESSES THAT IMPACT THE CONSERVATION FIRST FRAMEWORK WAS UNDERTAKEN

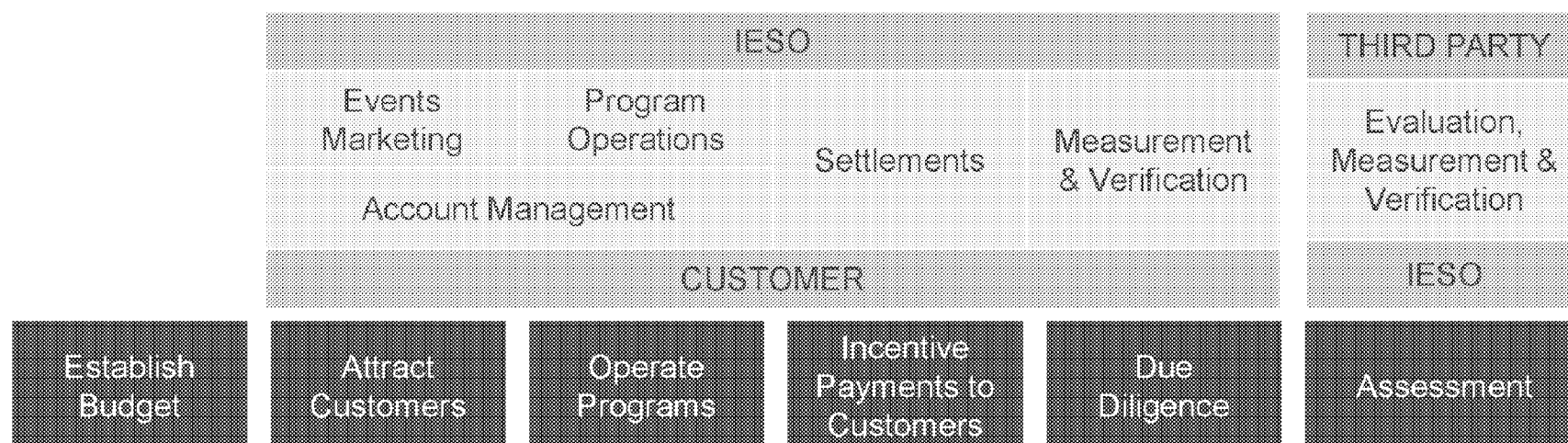
- A review of IESO documentation and survey data was used to identify processes between the major stakeholder groups.



IV. PROCESS

AN INVENTORY OF MAJOR PROCESSES THAT IMPACT THE INDUSTRIAL ACCELERATOR PROGRAM WAS UNDERTAKEN

- A review of IESO documentation and survey data was used to identify processes between the major stakeholder groups.



IV. PROCESS

IESO- LDC PROCESSES WITHIN THE CONSERVATION FIRST FRAMEWORK

Process	Overview
CDM Plans	Plans can be developed either individually or in partnership with other LDCs. Plans are submitted to the IESO for review and approval. CDM plans may be updated by LDCs as needed to reflect actual program performance, addition of new programs and revised understanding of market opportunities. Once approved each LDC and the IESO sign the Energy Conservation Agreement (ECA). The working groups and IESO may suggest revisions to ECA. LDCs have the option to opt in to any changes in the ECA and re-sign if they see fit.
Program Operations	LDCs are responsible for delivering the CDM programs included in their CDM Plan to customers as per program rules. The IESO undertakes program activities where directed by the program rules this includes application processing, approval of business case, settlements and measurement/verification activities. The CFIC and working groups trigger changes to programs based on customer and LDC feedback.
Program changes	The CFIC and working groups monitor and recommend changes to existing conservation programs and submit a business case to the IESO for approval. Once the IESO approves the business case, it is available for comment by the LDC community. All LDCs have 10 days to comment on the business case approved by the IESO. Once approved, all LDCs in the province are expected to abide by the new program rules unless it affects their ability to deliver on their CDM plans.

IV. PROCESS

IESO- LDC PROCESSES WITHIN THE CONSERVATION FIRST FRAMEWORK
(CONT.)

Process	Overview
Pilot and Program review	LDCs are responsible for developing business cases to support pilots or new programs including program design and program execution once approved. LDCs can request a pre-consultation meeting with the LDCs to address any questions or concerns before creating a business case. LDCs develop a business case and submit to the IESO for review. After review and any edits by the LDC(s), the IESO approves the business case and the LDC is able to implement the new program.
Reporting	The Energy Conservation Agreement (ECA) requires the LDCs to provide data as prescribed by the program rules and any data required for the purposes of supporting the IESO Evaluation, Measurement & Verification process. The ECA also stipulates that the IESO where available provide the LDC with program participation and costs, quarterly reports on IESO customer satisfaction surveys, electricity savings, peak demand savings, annual full cost recovery progress, peak demand savings and cost effectiveness.
Settlements	LDCs submit an invoice to the IESO on a monthly or quarterly basis for all eligible expenses incurred in the applicable period. The IESO pays the approved invoiced amount to the LDC as part of the regular market settlement process.
Training, Events	IESO provides training on tools, program administration, marketing activities and the evaluation process. Events are held to present results from the EM&V to ensure communication between IESO and LDC. The decision to provide training is based on the level of interest and impact to the LDCs.

IV. PROCESS

LDC-CUSTOMER PROCESSES WITHIN THE CONSERVATION FIRST FRAMEWORK

Process	Overview
Settlements	Depending on the program (e.g., Retrofit), customers execute a project and submit a post-project application to the IESO. The LDC conducts a technical review (due diligence) and processes payment if requirements are met as per program rules. Settlements are governed by program rules, but will vary by LDC and program.
Measurement & Verification	Depending on the program, the LDC is responsible for conducting quality checks and project measurement and verification activities as per the program rules. Activities may include validating equipment at customer facility, confirming operating hours of the facility, reasonableness of estimated eligible costs.
Events	LDCs may organize events to increase awareness and educate customer segments on programs and products that are being incentivised. The LDC may also organize events to target channels— HVAC contractor training
Marketing	LDCs undertake marketing efforts which include advertising campaigns and information sessions to increase awareness and educate customers about the conservation programs. All marketing materials for IESO funded conservation programs have to comply with approved "Save on Energy marketing standards" marketing standards to ensure that the brand is applied on a consistent manner across all marketing materials. An LDC identifies the marketing need, develops the marketing materials and submits it to the IESO for approval. Once approved, the LDC can use these materials as needed. The marketing and sales Working Group advises on tools to aid in the LDC's marketing efforts, provides assistance in development of marketing strategies and conducts research to help LDC marketing efforts as needed.

IV. PROCESS

LDC-CUSTOMER PROCESSES WITHIN THE CONSERVATION FIRST
FRAMEWORK (CONT.)

Process	Overview
Programs Operations	Depending on the program (e.g., Retrofit), customers submit pre-project application to the LDC for review. A technical review is conducted before the LDC approves the project. The customer is responsible for completing the project and submitting a post project application to the LDC. A technical review is conducted after which the LDC approves the post-project application and continues through the settlement process. Program operations are governed by program rules, but will vary by LDC and program.
Multi-Distributor Customer	The application and review process for Multi-distributor customers has been enhanced to make it easier for customers to participate in programs. A standard application is available for all province-wide distributor programs. Recognizing that the participation agreement is between the customer and an LDC, an LDC may also choose to create and use its own customer application for the program.

IV. PROCESS

IESO-CUSTOMER PROCESSES CONSERVATION FIRST FRAMEWORK

Conservation First Framework Processes	Overview
Account management	The IESO assigns an account manager, who is responsible for relationship management with large portfolio multi-site customers and key sectors.
Measurement & Verification (M&V)	Depending on the program (e.g., Process and Systems), the IESO may conduct measurement and verification activities to validate the level of incentive and energy savings of the customer as per program rules. Typically third parties conduct the M&V activities.
Settlement	IESO conducts settlements for certain programs. For example, the coupon program. Participants of the redeem coupons at the point of sale for eligible energy efficient products purchased at participating retailer. The IESO would then reimburse the retailer. Participants of the HVAC program install an energy efficient HVAC device (AC system or furnace) in their homes. A contractor submits an application to IESO on behalf of the customer. The customer submits proof of purchase to the IESO and receives the incentive.

IV. PROCESS

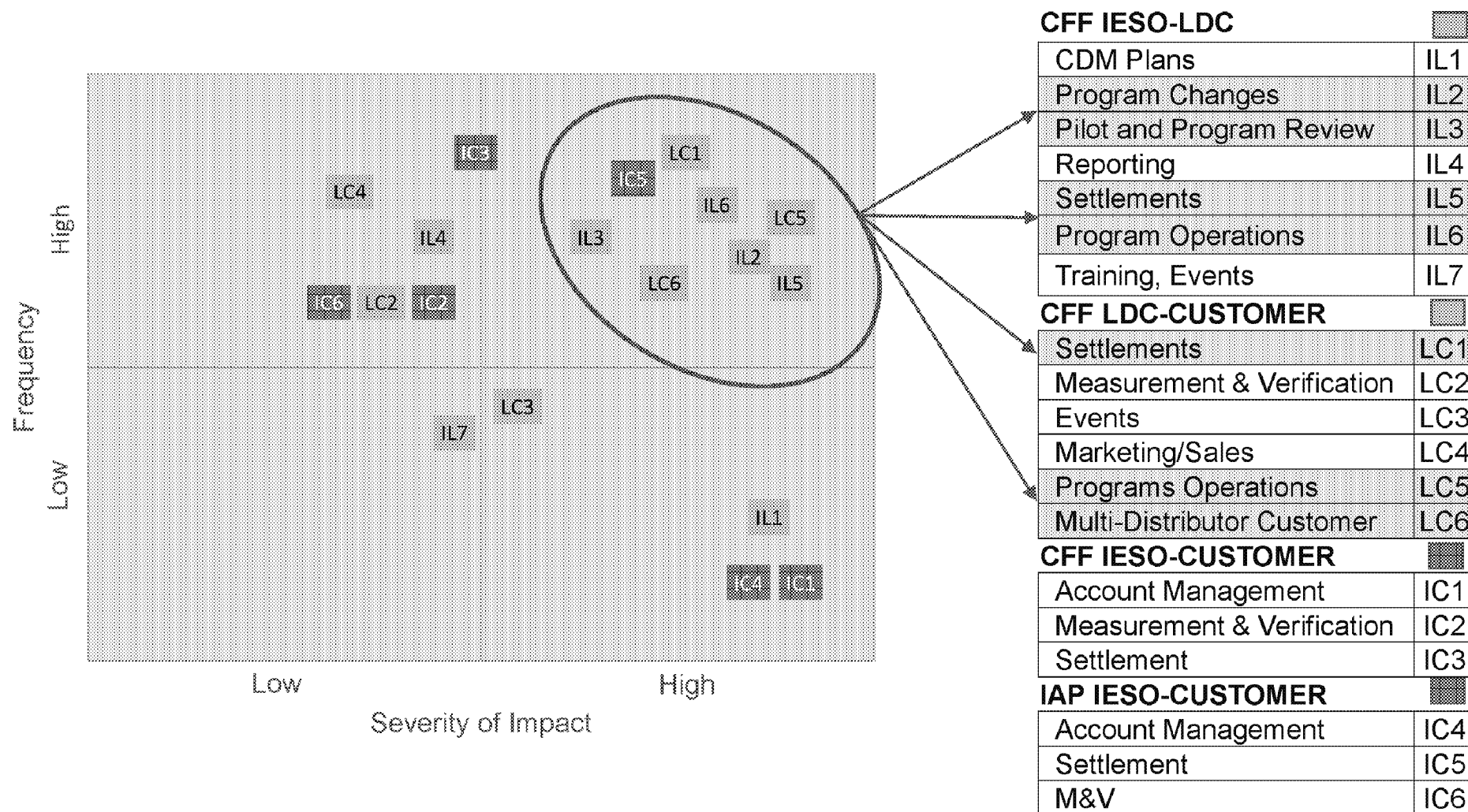
IESO-CUSTOMER PROCESSES INDUSTRIAL ACCELERATOR PROGRAM

Processes	Overview
Account management	For transmission connected customers, the IESO assigns an account manager, who coordinates activities between the IESO and the customer. When a customer participates in a program, the interaction between the customer and the third party technical reviewers is coordinated. The business manager also assists customers with creating a business case for energy management, assists with the on-boarding of an energy manager and coordinating third party technical review activities.
Settlement	Customers are paid incentive in one of two ways: receive the incentive before the project is in service, receive incentive after M&V. Customers invoice the IESO every quarter and IESO approves payments as part of the IESO regular market settlement process.
Measurement & Verification (M&V)	Depending on the program, the IESO may conduct measurement and verification activities to validate the level of incentive and energy savings of the customer as per program rules. Typically third parties conduct the M&V activities and advise the IESO on the appropriate incentive payment to the customer.

IV. PROCESS

PROCESSES WERE RANKED BASED ON ESTIMATED IMPACT OF PROCESS FAILURE AND FREQUENCY OF THE PROCESS

- Processes with the highest impact of process failure and severity of impact were selected as shown below



IV. PROCESS

FIVE PROCESSES ARE CONSIDERED FOR FURTHER ANALYSIS

- The inventory of processes were ranked by “severity of impact” and “frequency of occurrence”
- Processes for further considered were selected based on:
 - Highest combination of “severity of impact” and “frequency of occurrence” ranking
 - Whether data was available to conduct further analysis (e.g., audit or evaluation)
- IESO is currently undergoing internal audits on the processes associated with business case and CDM plan reviews

Process	Description	Stakeholder Group	Impact	Frequency
Program Changes	The length of time from identification of opportunity by LDCs and/or working group to implementation of program change	IESO - LDC	High	Medium
Pilot/program review	The length of time from program business case submission to IESO by the LDC to business case approval	IESO-LDC	High	Medium
CDM Plans	The length of time and amount of effort involved in the CDM plan development and submission process	IESO - LDC	High	Low
Program Operations	The process from project initiation to post project submission by the customer for the Retrofit program	LDC – Customer, IESO - Customer	High	High
Settlements	The length of time from submitting post project completion documentation for the Retrofit program to receiving the incentive	IESO-Customer, LDC - Customer	High	Medium

IV. PROCESS

ONCE AN OPPORTUNITY IS IDENTIFIED A BUSINESS CASE IS CREATED AND SUBMITTED TO IESO FOR REVIEW AND APPROVAL

- The process for making program changes can be cumbersome and time consuming
- Currently no service standards exist for program design process
- The change below had impact on only 1% of the savings for the retrofit program

Approx. 12 month process for this case study

20 day service
standard

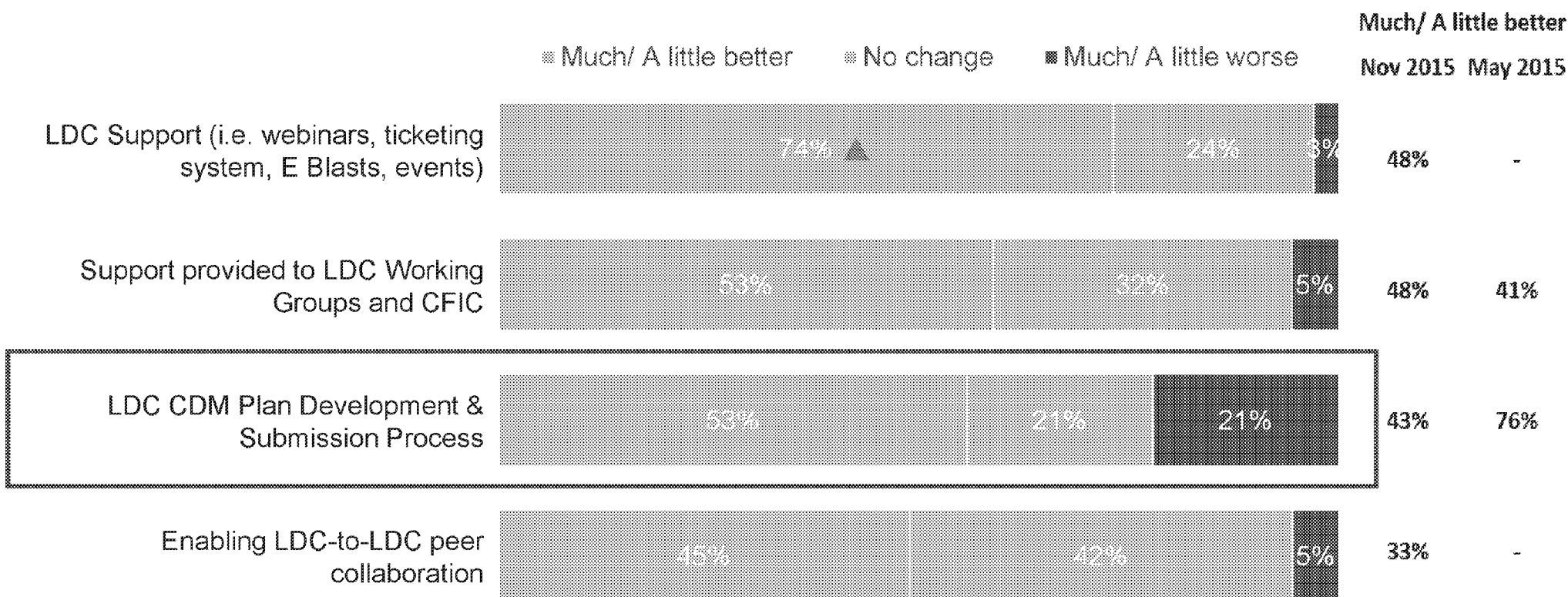
2 week LDC
comment period +
implementation

Identify opportunity	Review by RSWG	Review by BWG	Prepare and review Business case	IESO Review	Program Change
Q1 2016	Q1 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017
• Navigant report identified opportunities to update non-lighting prescriptive measures	• Retrofit Sub-Working Group (RSWG) reviewed report	• RSWG identified priority items and prepared recommendation to Business Working Group (BWG) • BWG reviewed recommendation • Pre-consultation meeting with IESO • BWG advised RSWG to engage Mooney Solutions to prepare business case	• Business case prepared and reviewed by RSWG, BWG with recommendation for CFIC endorsement • CFIC endorsed business case to be submitted to IESO for review	• IESO reviewed business case and invited BWG to resubmit • Mooney Solutions updated business case • Resubmitted by BWG with expectation of IESO approval	• Expected implementation of program change

IV. PROCESS

LDC SURVEY RESULTS INDICATE AN OPPORTUNITY FOR IMPROVEMENT WITHIN THE CDM PLAN PROCESSES

- The IESO is responsible for providing tools, support and guidance to LDCs in the development of their CDM plans
- LDCs are responsible for preparing and delivering a CDM Plan to the IESO
- 21% of respondents had a worse impression of the IESO as a result of the CDM plan development and submission process



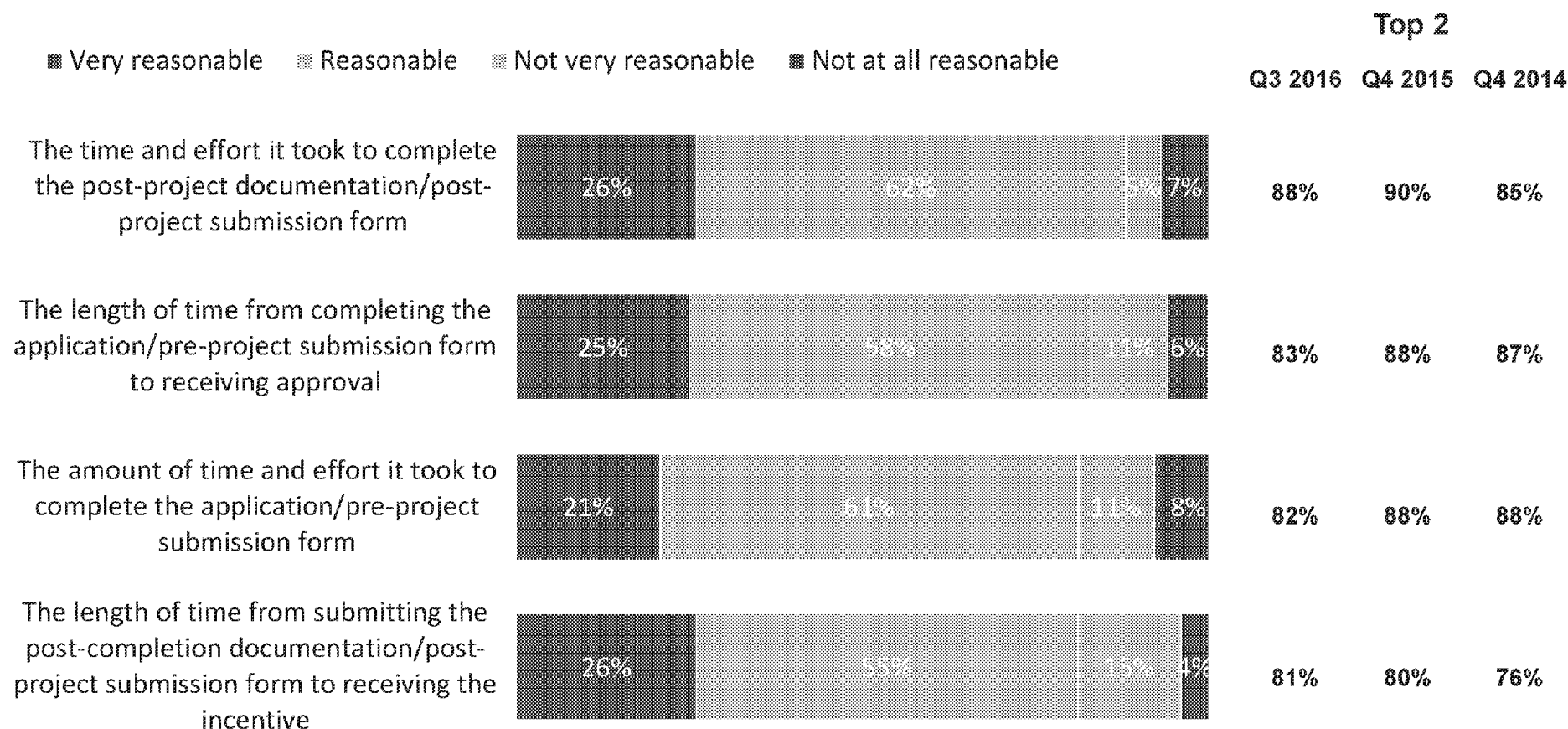
Q5. Have the following made your overall impression of the Conservation division...? (NOTE: Question prior to Nov. 2016 "Have the efforts of the IESO's Conservation & Corporate Relations Division to support and enable the following made your overall impression of them...?")

Base: May 2015 (n=29**); Nov 2015 (n=21**) Nov 2016 (n=38*) *small sample size, **very small base size.

IV. PROCESS

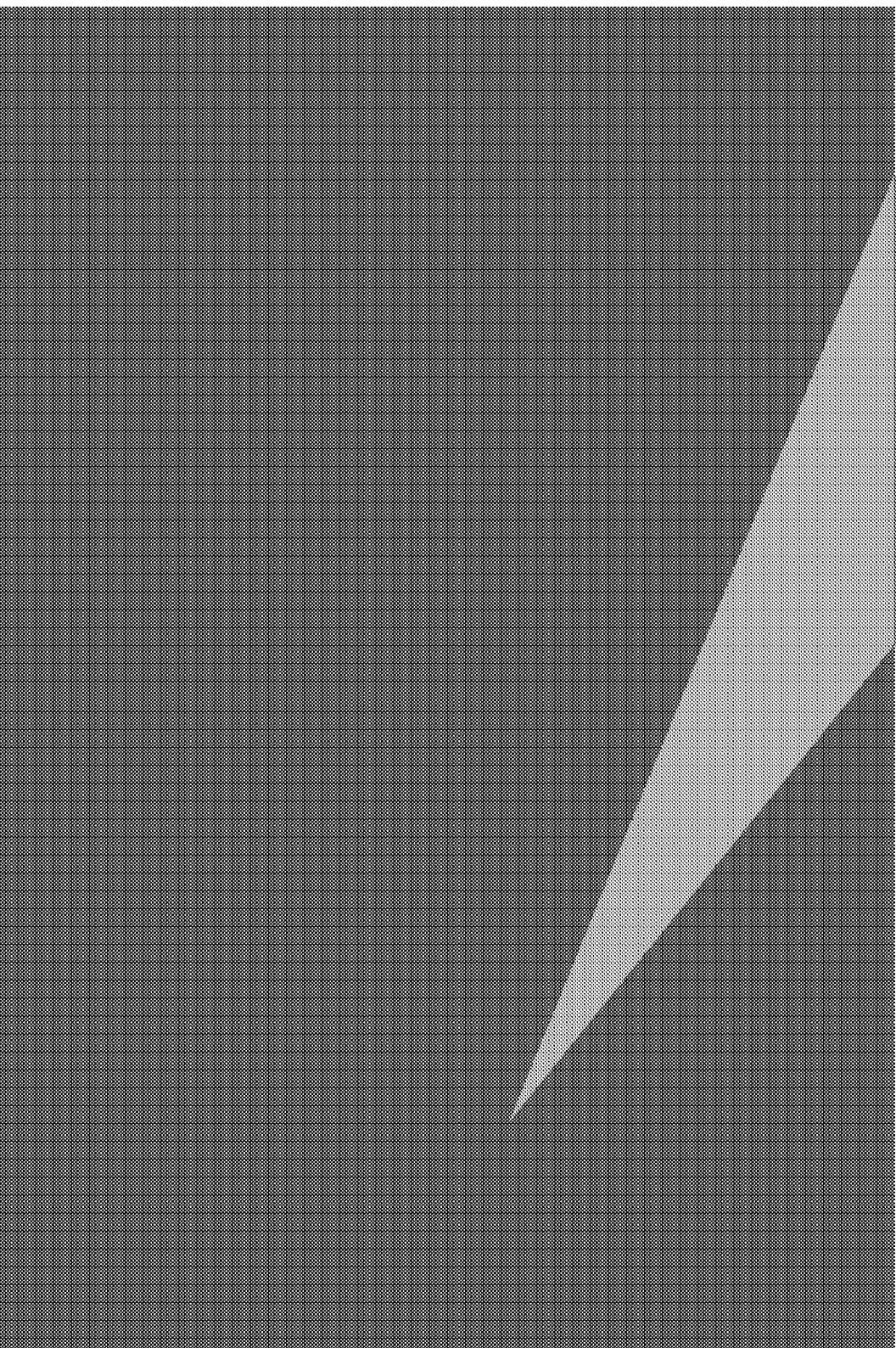
RETROFIT PROGRAM OPERATIONS AND SETTLEMENT APPEARS TO BE REASONABLE, ADDITIONAL FOCUS POSSIBLE ON SETTLEMENTS

- More than eight in ten Retrofit program participants found each phase of the process to be reasonable given the size and complexity of the given project



Q7. And based on the complexity and size of the project and the amount of incentive, how reasonable was...

Base: All Respondents: Q4 2014 (n=229); Q4 2015 (n=250); Q3 2016 (n=195);



SECTION 3:
SUMMARY
OBSERVATIONS
AND NEXT STEPS

PRELIMINARY OBSERVATIONS

Are the structures, internal processes, and accountabilities in place clear, effective, and efficient?

Observations:

- Accountability appears to be clear between the IESO, Conservation First Implementation Committee, Working Groups, and LDCs as indicated within the Energy Conservation Agreement and LDC Toolkit and Guidelines
- The process to make program changes appears to be time consuming with multiple handoffs between stakeholders
- Working groups appear to be meeting the priorities they set, however, there is a lack of understanding about working group activities among the broader LDC community

Next Steps:

- Preliminary research begins to identify the baseline performance of existing processes and assessment with an objective view of public documents – efforts will be made to expand upon this analysis with experiences in market research
- Data to support whether or not a process is efficient and effective would be helpful, market research will attempt to uncover additional evidence
- Market research could confirm the process assessment (high impact and high frequency) and indicate which processes could move forward to a more robust process assessment which could include:
 - Mapping the “as is” processes with stakeholders to understand frictions
 - Interviews with stakeholders that use these mapped processes to identify ideal state and opportunities for improvement
 - Mapping of the “to be” processes
 - Identification of gaps between the “as-is” and “to-be” processes

PRELIMINARY OBSERVATIONS

What can be done to improve these structures?

Observations:

- Further, there is opportunity to more formally link recommendations made through the Evaluation, Measurement, and Verification process to Working Group priorities
- LDCs reported dissatisfaction with CDM Plan review processes

Next Steps:

- There is an opportunity to make the IESO review process less time consuming
 - IESO is considering investing resources to investigate the program design phase (province wide programs), specifically the areas that relate to program changes or the development of new programs
 - IESO is conducting an audit to provide risk and control analysis on the CDM plan review and the program and pilot review process
- There is an opportunity for Working groups to prioritize their efforts on tasks/projects with the highest impact
 - IESO is considering making changes to ensure that the next Working Group annual plans will more closely follow EM&V recommendations
- There is an opportunity to streamline the program change process.
 - The process to make program changes involves multiple parties, reviews and handoffs which makes it cumbersome and time consuming

PRELIMINARY OBSERVATIONS

Are there additional tools and/or changes that can better support framework objectives?

Observations:

- There are opportunities apparent with multiple Conservation First Framework tools including the ability to integrate tools (CDM Plan and Business Case Template with Cost Effectiveness tool) and update data (Achievable potential calculator)
- There are many tools that support the Conservation First Framework

Next Steps:

- Confirming the assessment of current tools as “used and useful” will help identify where changes to tools could occur
- Gaps that have been identified with multiple tools will be discussed in market research, and potential solutions will be sought

PRELIMINARY OBSERVATIONS

Are the views of interested stakeholders adequately being reflected in decision-making?

Observations:

- The views of LDCs, gas utilities, IESO, Ministry of Energy, Electric Distributor Association and the Ontario Energy Association are captured through the involvement of these parties in the Working Group and CFIC

Next Steps:

- Market research will help identify whether the views of other stakeholders are being captured and reflected

Do existing processes and Working Groups adequately facilitate the inclusion and consideration of the views of interested stakeholders?

Observations:

- None

Next Steps:

- Market research will help identify whether the Working Groups adequately include and consider the needs of stakeholders

What are some key considerations thinking beyond 2020?

Observations:

- Current percentage of non-incentive as a percentage of total program delivery costs (incentives + program costs) is higher than other jurisdictions

Next Steps:

- Market research and 2016 Evaluation, Measurement & Verification reports will help identify what is working well and where there are opportunities

NEXT STEPS

Based on the preliminary assessment of the current state of collaboration, the following areas will be considered in the market research phase:

- Assessment of the tools that support the Conservation First Framework and identify where opportunities are for improvement in addition to what is working well
- Confirmation of the assessment of the processes that support the Conservation First Framework and identify where opportunities are for improvement in addition to what is working well
- Review process evaluation results and 2016 realization rates from evaluation reports when available
- Additional insights from customers to assess the processes that support the Conservation First Framework and Industrial Accelerator programs
- Perceptions and experience with the governance structures that support the Conservation First Framework to assess their effectiveness.
 - This is currently being explored by an IESO internal audit process, the results of which will inform the final version of this topic report.
- Perceptions and customer feedback on the account management model for Industrial Accelerator Program
- Explore how and where the Conservation First Framework and Industrial Accelerator Program can better leverage third parties

APPENDIX A: GLOSSARY

GLOSSARY

Term	Description
Achievable Potential Study	The Achievable Potential Study (APS) is carried out by IESO and Nexant. Comprises, in-part, of an energy efficiency study that assess long- and short-term energy savings potential in Ontario.
CDM Plans	A six-year conservation plan that each LDC must complete demonstrating a plan to meet an allocated conservation target given an allocated budget in a cost-effective manner.
CFIC	To support LDCs in the design and delivery of conservation programs, the IESO established the Conservation First Implementation Committee (CFIC) consisting of members from the LDCs, government, and other utilities to guide the success of the framework.
Allies	Third parties who interact with the customer in the delivery of conservation programs. Some examples by program: Coupons = retailers, Heating & Cooling = furnace vendors/installers, retrofit = the supply chain (i.e. contractors/vendors).
Collaboration Fund	A fund that is designed to support collaboration activities for conservation. It is overseen by the IESO.
Conservation Frameworks	High-level directives for conservation activities in the province. There is a unique framework for both electricity conservation and natural gas conservation.
Coupon program	Save on Energy coupons are available for discounts on a range of energy-efficient products from participating retailers.
Delivery Cost	This is the cost to deliver conservation programs. Includes both incentive and non-incentive costs.
ECA	Energy Conservation Agreement. Sets out the contractual relationship between the IESO and LDCs under the Conservation First Framework.
Gas Distributors	Organizations that distribute natural gas to customers in Ontario. Consist of Enbridge Gas Distribution and Union Gas.

GLOSSARY

Term	Description
HVAC	Heating, ventilation and air conditioning.
Incentive Costs	Costs incurred by a CDM program that are provided to the customer to encourage energy savings behaviours or offset the cost of energy efficient technologies.
KWh, MWh, GWh, TWh	kilowatt-hour, megawatt-hour, gigawatt-hour & terawatt-hour. Units of energy of differing orders of magnitude.
LDC(s)	Local Distribution Company. Provides electricity and conservation programs to distribution-connected customers.
LTEP	Long term Energy Plan. A strategic plan developed by the Ministry of Energy to guide Ontario's electricity system. The previous LTEP was released in 2013, and an update is anticipated in 2017.
Local Program	Programs serving local needs in the territory of one LDC.
OPA	Ontario Power Authority. Previous entity responsible conservation and demand management. Now merged with the IESO (as of January 1, 2015)
Program	A Conservation & Demand Management offering focusing on a particular opportunity or customer end-use (i.e. Retrofit, Heating & Cooling) from the 2015-2020 Conservation First Framework.
Regional Program	Programs serving regional needs in multiple LDC territories.
Retrofit program	Incentive program to reduce project and operational costs for business to upgrade to more efficient systems (lighting, HVAC, chiller, building envelope etc.).
Save on Energy	Save on Energy: The brand that represents energy conservation programs for homes and businesses. Programs are delivered through LDCs or directly through IESO and funded by the IESO.
Working Groups (WG)	Groups with representatives from LDCs, Gas utilities and government organizations, intended to represent all electric and gas utilities in the province. WGs are funded by the Collaboration Fund, and facilitate collaboration initiatives and strategies for conservation programs.