

## SECTION 2 – VALUE ADDED SERVICES

### 2.1 RETAIL SPECIALIST SERVICES

#### 2.1.1 OBJECTIVES

The purpose of this SOW is to ~~engage~~ outline for the Service Provider to deliver Retail Specialist Services for the ~~Coupons-Instant Discount~~ Program for the ~~2015-2017~~ 2020 period.

In summary, it is expected that the Service Provider will:

Ensure a smooth transition of existing services and operations ~~in cooperation with the incumbent vendor that is currently delivering retail specialist services for the existing 2011-2014 (and 2015-16 extension) conservation framework from the legacy Coupon program to the Instant Discount program, which entails providing support to the IESO and the Residential Working Group (ResiWG) during the early engagement with the retailers by the IESO;~~

- Maintain regular communications with Retailers, LDCs, the IESO and third party vendors;
- Engage and recruit new Retailers to participate in the ~~Coupons-Instant Discount~~ Program;
- Provide support and promote ~~Coupon-Instant Discount~~ Program to Retailers;
- Develop ~~Coupon~~-Program materials for Retailers, including training materials;
- Report Program performance and results to the IESO, LDCs and other stakeholders;
- Validate and ensure eligibility and accuracy of all documentation; and
- Ensure KPIs are achieved and reported to the IESO.

#### 2.1.2 DELIVERABLES

##### Deliverable 1. Program Transition

The IESO has engaged a service provider to deliver the Coupons Program to the Province of Ontario since 2011. It is expected that the Service Provider will work with the existing service provider to ensure a smooth transition and the continuation of existing services ~~to the Instant Discount Program~~. Key areas of transition will include, but are not limited to:

It is expected that the Service Provider will develop an ~~Coupon-Instant Discount~~ Program transition plan to the IESO for approval within ten (10) Business Days after the Effective Date. The transition plan will specify the logistics, support and steps to be undertaken by the Service Provider to ensure that there is no disruption to the services outlined below.

~~The transition will entail, at the least, the support of the IESO and ResiWG during the RFEI to be launched by the IESO in Q1 of 2017 with the purpose of recruiting Participating Retailers to the Instant Discount Program. The support will include, but not be limited to support the IESO and ResiWG with evaluating the responses of the Retailers to the RFEI.~~

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## **Deliverable 2. Program Update**

- I. It is expected that the Service Provider will submit recommendations to the IESO over the term for updates to the Coupons-Instant Discount Program:
  - a. from time to time where the Successful Proponent becomes aware of changes to industry qualifications, standards and best practices;
  - b. in the annual Report, based on year-end assessments; and
  - c. upon the IESO's request, for updates to the Qualified Product List (QPL, i.e. the product eligibility list.)
- II. It is expected that the Service Provider will supply supplemental updates of eligible products to the IESO from time to time, and upon the IESO's request.
- III. It is expected that the Service Provider will make changes to the training materials to reflect the above updates or as requested by the IESO from time to time.

For certainty, in each case, such changes will be subject to the IESO's review and approval.

## **Deliverable 3. Engagement, Recruitment and Eligibility**

It is expected that, within ten (10) Business Days after the Effective Date the Service Provider will deliver a plan and an implementation strategy for continuous Retailer recruitment/enrollment in the program with the purpose of allowing Retailers that will initially have missed responding to the RFEI to join the program at a later date.

1. registration and eligibility, for IESO approval. The plan will include, but not be limited to:
- .....
  - ..... review of the current participating Retailer list, provided by the IESO, and recommendations for updates to new eligible retailers (the Service Provider will obtain a store list from each Retailer twice a year and make corresponding updates to a master store list);
  - a. recruitment of retailers in new retail segments to expand the Instant DiscountCoupons Program;
  - a. protocol for day-to-day communications with partners;
  - a. recommendations and feedback on the execution or design of the Instant DiscountCoupons Program; and
  - a. protocol for resolution of Retailer issues requiring escalation to the IESO for resolution.

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- II. It is expected that the Service Provider will distribute the Coupons-Instant Discount Program information to various Channel Partners or other contacts (such as industry associations and manufacturers), and any other IESO designated contacts, as appropriate using multiple communication channels.
- III. Upon direction from the IESO, it is expected that the Service Provider will:
  - a. coordinate meetings, webinars, presentations and other engagement activities between the Retailers, the IESO and the LDCs;

- b. draft presentations, meeting agendas and other required materials, attend meetings and otherwise support the IESO in encouraging the Retailers to participate in the ~~Coupons~~ Instant Discount Program;
- c. ensure Retailers understand and have the required information to carry out all of their obligations to participate in the ~~Coupons~~ Instant Discount Program;
- d. source and use language and data for Retailer engagement materials that appeal to Retailers (e.g. data that describes impact on sales, store traffic, of participation in ~~saveONenergy~~ Save on Energy programs) and ensure that materials are customized for each Retailer.

IV.iii. It is expected that the Service Provider may be required to cross promote other ~~saveONenergy~~ Save on Energy Programs to participating Retailers as directed by the IESO.

V.iv. It is expected that the Service Provider will review and evaluate applications by prospective retailers to participate in the ~~Coupons~~ Instant Discount Program, including ~~scoring the applications according to~~ assessing whether the applications meet the minimum to ~~enter~~ requirements provided ~~used~~ by the IESO to accept retailers in the program during the RFEI process that will have taken place in Q1 of 2017, where the IESO will have the sole discretion to approve or reject retailer applications. The application will be modeled based on requirements and data request made in the RFEI. The Service Provider is expected to recommend the size of the ~~program~~ annual budgetary cap based on information provided in the application.

vi.v. It is expected that the Service Provider will provide registration process support to prospective retailers, including ensuring retailers understand and can accurately answer questions about the participant agreement, provided by the IESO.

vii.vi. Following execution of a ~~Retailer participation agreement~~ Retailer Participation Agreement, the Service Provider will:

- a. verify that all relevant information relating to individual Retailer product codes or SKUs ~~were logged in the Retailer's Discounted Product List (DPL) and have~~ are received through the OSS;
- b. verify that all SKUs proposed by a Retailer are eligible for the ~~Coupons~~ Instant Discount Program ~~as per the QPL prior to adding to the Retailer's DPL;~~
- c. confirm to both the Retailer and the IESO, within the timelines prescribed by the KPIs, whether the SKUs submitted by the Retailer are eligible or ineligible under the ~~Coupons~~ Instant Discount Program;
- d. where necessary, request additional information from the Retailer regarding the SKUs in order to make a determination regarding eligibility;
- e. where the SKU(s) are ineligible, subject to approval by the IESO, advise the Retailer and, if applicable, request that: (1) the subject SKU be removed, and/or (2) update information, including, sales data and sales forecast to be resubmitted through the OSS;
- f. report to the IESO on all communications with Retailers; and
- g. advise the IESO on whether a SKU is eligible for the Program based on: (1) the IESO's Official ~~Measures and Assumptions List~~ QPL, and (2) an annual review of the industry standards for each identified criteria referred to in (1) for comparison.

4.4.4. It is expected that the Service Provider will work with Retailers to set up LDC-hosted ~~Coupons~~ Instant Discount Program events and will undertake:

- a. work with Retailers to establish dates/times/locations for stores to host LDC events;
- b. develop event applications;
- c. advise LDCs of Retailer's within their jurisdiction;
- d. provide LDCs with store event applications as early as possible but no less than 90 days prior to the proposed event times to enable LDCs to plan for such events;
- e. review all LDC event applications with Retailers and advise LDCs of approved event days (no less than 50 days prior to the proposed event time); and
- f. report on all LDC events to the IESO (including number of event days, number of LDCs that participated, and type of event LDC held).

**Deliverable 4. Communication**

- I. Within ten (10) Business Days after the Effective Date the Service Provider will deliver to the a communications plan and implementation strategy for the IESO approval, which will include, but not be limited to:
  - a. participation in bi-weekly status meetings or any other meetings as required by the IESO;
  - b. providing general program communications and updates in a timely fashion to the IESO and other stakeholders, including any material developments that could impact on Retailer participation and success of the ~~Coupons~~ Instant Discount Program; and
  - c. obtaining written Retailer consent prior to disclosing confidential information to an LDC.
- II. It is expected that the Service Provider will conduct general Retailer communications, including but not limited to:
  - a. day-to-day communications (emails, phone calls) with Channel Partners outside of kitting, payments, SKUs and as designated by IESO; and
  - b. a maximum of one (1) Business Day response time to Retailers, manufacturers or other stakeholder inquiries.
- III. Where instructed by the IESO, it is expected that the Service Provider will coordinate events and webinars related to the ~~Coupons~~ Instant Discount Program to an audience identified by the IESO.
- IV. It is expected that the Service Provider will have a dedicated e-mail address and phone number to provide for all prospective and participating Retailers, to address any inquiries related to the ~~Coupons~~ Instant Discount Program.
- V. It is expected that the Service Provider will issue surveys to Retailers at the completion of events and training sessions to solicit feedback on the support and effectiveness of services, which include IESO-approved questions developed by the Service Provider and may from time to time include questions supplied by the IESO. It is expected that the Service Provider will include feedback in reports to be submitted to the IESO.

**Deliverable 5. ~~Kitting and Distribution~~ In-Store/Online Marketing Materials Coordination and Creative Work**

- I. Within ten (10) Business Days of the Effective Date, it is expected that the Service Provider will deliver an implementation plan for Retailer In-Store Materials Coordination and Creative Work ~~kitting and distribution for IESO approval, including but not limited to the deliverables detailed in this Section.~~
- II. It is expected that the Service Provider ~~will continue to use, and improve as appropriate, the current Kitting Matrix (as specified in Appendix M) for each Event, which will identify the appropriate quantities of materials to be provided to Retailers, including, but not limited to: general information on the Coupon Instant Discount Program, placement of point-of-sale materials, Coupon sales submission guides and forms, and directions with respect to how to re-order and submit materials and invoices will create a pro-forma In-Store Marketing Materials Planning Matrix (the "Planning Matrix") that list include all creative materials made available to Retailers, and all requirements and guidelines related with in-store and online marketing materials for Retailers. The Planning Matrix is to highlight any changes as per prior events, as applicable.~~
- III. It is expected that the Service Provider will deliver the draft Kitting Planning Matrix and store list to the IESO ten (10) weeks in advance of an Event delivery date, and the final Kitting Planning Matrix and store list to the IESO, the ~~printing and kitting vendor~~ Participating Retailers, and any other IESO designated contacts, eight (8) weeks before the Event delivery date.
- IV. It is expected that the Service Provider will ~~develop Coupons for an Event as follows~~ prepare for month-long events as follows:
  - a. review list of Retailers participating in an Event, which will include, but not be limited to, Retailer name, store name, address, contact information and payment information;
  - ~~b. review the Retailer sales forecast for each Retailer location prior to an Event;~~
  - ~~a. b. develop barcode logic for Coupons, upon IESO request;~~
  - ~~d. test Coupon barcodes to verify the ability to track Coupons in distribution, and advise the IESO of any barcode improvements to facilitate Coupon tracking and processing;~~
  - ~~e. c. review the new Coupon Instant Discount offer profile, as updated by the IESO from time to time, for each new Coupon discount prior to an Event; and~~
  - ~~f. develop an electronic version (paperless) of the Coupons to allow customers and Retailers to scan from a smart phone or develop promotion codes that will be used in online transactions.~~
- V. It is expected that the Service Provider will review draft Retailer marketing materials from time to time, as follows:
  - a. attend IESO training sessions for instructions on how to review marketing materials submitted by Retailers for approval;
  - b. review and provide feedback to Retailer within one (1) Business Day of receipt of the request;
  - c. review and approve marketing materials submitted by Retailers in accordance with training and prescribed documentation, specifically, Retailer guidelines, a marketing

materials checklist and the IESO's brand standards, to be provided by the IESO, as updated from time to time;

- d. where Retailer marketing materials do not comply with the marketing guidelines, contact the Retailer and request that such non-compliance be remedied and the marketing materials be resubmitted for review; and
- e. escalate the marketing materials review to the IESO where: (i) a contravention of marketing guidelines is not remedied by a Retailer; or (ii) where the Service Provider would be required to exercise discretion in determining whether the marketing guidelines were not complied with.

VI. It is expected that the Service Provider will review all Retailer merchandising materials to ensure compliance with the IESO's brand standards and ~~Energy Star~~ENERGY STAR® guidelines; review flyers from each Retailer to ensure compliance with brand standards as applicable; and provide comments to the IESO.

~~VII. It is expected that the Service Provider will ensure that Retailers have sufficient quantities of materials to implement the CouponsInstant Discount Program while minimizing waste and reorders, according to timelines to be established by the IESO, including:~~

- ~~a. for the annual Retailer events, materials must be available in-store a minimum of seven (7) days prior to /the mail-out of Coupon booklets in each year of the Program term; and~~
- ~~b. for the bi-annual Retailer events, materials must be available in-store a minimum of seven (7) days prior to each campaign launch date.~~

~~VIII. It is expected that the Service Provider will work with the printing and kitting vendor to project manage the printing, kitting and distribution of Coupons and Retailer merchandising materials for Events.~~

#### **Deliverable 6. Merchandising for Spring and Fall Bi-Annual Events**

- I. It is expected that the Service Provider will deliver a merchandising plan and implementation strategy for IESO approval within ten (10) Business Days after the Effective Date (the "Merchandising Plan"). The purpose of the Merchandising Plan is to ensure that Participating Retailers meet their store-level obligations under the participation agreement.
- II. Prior to the Event delivery date, it is expected that the Service Provider will recruit, train and manage a team of up to 30 (or other number as proposed by the Proponent in their Proposal) merchandisers capable of visiting and performing merchandising, compliance and associated duties at approximately 1,600 Retailer stores (up to a maximum of approximately 3,200 individual visits) in Ontario, over a four (4) week period before and during the Events.
- III. It is expected that the Service Provider will provide the IESO and/or third party vendor with the Kitting Planning Matrix and mailing addresses at least two (2) weeks prior to an Event delivery date. It is expected that the Service Provider will develop and print merchandiser forms, train and deploy merchandisers to install materials, assess compliance, address deficiencies, answer questions by Retailers, assist stores in re-ordering materials relating to the CouponsInstant

Discount Program, and report on Retailer compliance with the participation agreement on a weekly basis during each of the Events.

- IV. It is expected that the Service Provider will assess the Retailer's compliance with their obligations for each Event in accordance with the Retailer participation agreementRetailer Participation Agreement, and advise the IESO of any instance of non-compliance within two (2) Business Days and recommend corrective action to the IESO.

**Deliverable 7.           Retailer Training**

- I. Within ten (10) Business Days of the Effective Date, it is expected that the Service Provider will deliver a Retailer training plan and implementation strategy for IESO approval (the "Training Plan"). The Training Plan will:
- a. facilitate an understanding of the Instant DiscountCoupons Program among head office and store-level staff;
  - b. provide training on the features and benefits of applicable eligible products;
  - c. provide training on the applicable rules and processes regarding participation in the CouponsInstant Discount Program;
  - d. set out a recommended delivery strategy for training, including, high quality and engaging training appropriate to the setting and audience;
  - e. test store staff of knowledge of the Program; and
  - f. develop appropriate incentives for store staff that successfully complete training (costs for IESO-approved incentives will be a reimbursable cost under the Agreement).
- II. It is expected that the Service Provider will provide training throughout Ontario and have the ability to deliver training face-to-face, through webinars, in-store or online, among other forms, as follows:
- a. provide training for CouponsInstant Discount Program on a bi-annual basis;
  - b. meet the timelines for the delivery of the work, services and deliverables under Training Plan; and
  - c. use existing Retailer and sector training systems and processes where possible.
- III. It is expected that the Service Provider will use existing training materials as supplied by the IESO, and make updates to them as necessary and/or requested by IESO, to be submitted to IESO for review and approval prior to use.
- IV. It is expected that the Service Provider will assist Retailers to develop high level content for their own staff training materials.
- V. It is expected that the Service Provider will use content supplied by the IESO in the training materials, including, the product knowledge guides and program and pocket reference guides.
- VI. It is expected that the Service Provider will submit the training materials to the IESO for approval at least ten (10) weeks before any training occurs and pursuant to the Training Plan.

- VII. It is expected that the Service Provider will, where requested by Retailers, provide printed training materials to their floor staff.

#### Deliverable 8. Compliance

- I. It is expected that the Service Provider will track Retailer compliance against the participation agreement and will, as applicable:
- a. report instances of non-compliance to the IESO;
  - b. take corrective actions, and escalate to the IESO as needed;
  - c. communicate with Retailers to resolve issues of non-compliance, and escalate to the IESO as needed;
  - d. liaise with IESO-appointed contacts, which may include discussions relating to SKUs and anomalies in Coupon-Retailers' incentive invoicing and POS Data submissions.

#### Deliverable 9. Record Keeping, ~~and~~ Database and QAQC

- i. Within ten (20) Business Days of the Effective Date, it is expected that the Service Provider will deliver a Record-Keeping, Database and Data Quality Assurance and Quality Control (QAQC) plan. The Plan must include, but is not limited to how the Service Provider intends:

- a. receive and store Point of Sales (POS) data from the Participating Retailers in a database;
- b. proceed with the QAQC of the data to ensure compliances with the program requirements prior to proceeding with fulfillment of the incentive total billed by the Participating Retailers;
- c. ensure confidentiality of the data remitted by the Participating Retailers and of online shoppers<sup>1</sup>;
- d. provide the necessary data to the evaluators designated by the IESO while ensuring a minimal level confidentiality for the Retailers;
- e. provide feedback to the Participating Retailers ~~about~~ regarding incentive disbursement to date against annual budgetary cap;
- f. used the data contained in the database to inform forecasting, budgeting and revision of ~~Retailers' the overall program~~ incentive cap, as applicable;
- g. interface and integrate database, as applicable, with OSS, and/or with province-wide CDM tracking system, while ensuring confidentiality of the data remitted by the Participating Retailers; and
- h. define access restrictions to relevant stakeholders to ease access to the stakeholders who need it, while preserving the confidentiality of Participating Retailers' POS data.

- ii. It is expected that the Service Provider will maintain a database that will store and manage information in respect of the ~~Coupons~~ Instant Discount Program, for reporting, payment and expense reimbursements, compliance, Point of Sales Data of eligible discounted products representing two-month worth of data prior to any event, all POS data during the event, and two-month worth of data after the event for EM&V purposes, market research and auditing -for a minimum of ten (10) years (in order to cover the duration of the Programs and any audits or legal proceedings following windup of the Programs).

<sup>1</sup> The Service Providers is to receive the postal code of online shoppers for QAQC purposes.

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III.III..... It is expected that the database will be easy to use, and will be operated and maintained in Canada and will not be transferred in whole or in part outside thereof. It is expected that the data and reports submitted will be in formats that are acceptable and compatible with the IESO's information system.

III.IV..... It is expected that the Service Provider will share access to relevant stakeholders as necessary, and as directed by the IESO. Access will be restricted to safeguard the confidentiality of Participating Retailers' POS data based on the aforementioned plan.

#### **Deliverable 10. Reporting**

I. It is expected that the Service Provider will deliver an ~~monthly Early Event report~~ Report to the IESO within five (5) Business Days after the end of each ~~month event~~ for activities in the previous ~~month event~~ and then a Final Event Report three month after the end of each event. ~~The Final Event Report, which will should~~ include, but not be limited to, the following information for each LDC service territory (as applicable):

- a. ~~number of Retailer material kits prepared and distributed in the previous month and year to date;~~
- a. ~~a tally of incentives that was/were fulfilled the Participating Retailers and an aggregated count of eligible Discounted Products during the event broken down by measure type;~~
- b. ~~a log of any noncompliances and issues noted in the data remitted by the Retailers and action taken to solve each one issue;~~
- b-c. ~~a list of Retailers, contact information for the head office of each of the listed Retailers, and contact information for the participating stores for each participating Retailers;~~
- d. ~~any material retailer developments that could have impact on retailer participation and the success of the CouponsInstant Discount Program~~
- e. ~~confirmation that POS data for eligible product (two months prior, one month during the event and two months after the event) was received, properly stored in the service provider's database and ready to be shared with the IESO's designated evaluators~~
- e-f. ~~a review of the Service Provider's performance with respect to each Event, which will highlight results, best practices, lessons learned, and recommendations for operational improvements under the Instant Discount Program; and~~
- e-g. ~~information as required by the ECA Reporting and Data rules, as described in Appendix L so long that it complies with the confidentiality plan of the Service Provider.~~

II..... In addition to the above report, it is expected that the Service Provider will submit to the IESO, a report reviewing the Service Provider's performance with respect to each Event, which will highlight results, best practices, lessons learned, and recommendations for operational improvements under the CouponsInstant Discount Program, for submission one (1) month after an Event, unless otherwise directed by the IESO.

It is expected that the Service Provider will submit an annual report to the IESO on or before January 31<sup>st</sup> in each year of the term that will (i) consolidate the Service Provider's performance relative to the KPIs for the relevant year of the ~~Coupons~~ Instant Discount Program; (ii) identify areas of achievement and those requiring improvement, industry best practices, lessons learned and recommendations for operational improvements; and (iii) prepare action plans to address items in report with timelines for their implementation.

It is expected that the Service Provider will respond to ad-hoc reports or data requests by IESO within ten (10) Business Days from the date of receipt of such request, ~~so long that it complies with the confidentiality plan of the Service Provider.~~

#### **Deliverable 11. Co-ordination with other service providers**

- I. It is expected that the Service Provider will liaise and coordinate with other service providers involved in the ~~Coupons~~ Instant Discount Program, from time to time as directed by the IESO, including, but not limited to: IESO partners, LDCs, an IESO-appointed market research firm, printer and kitting vendor ~~(if needed)~~, payment fulfillment firm, audit firm, and evaluation, measurement and verification firm.
- II. It is expected that the Service Provider will work closely with the Fulfillment Services provider(s) to resolve any issues related to payment of Retailers, to resolve any payment issues and escalate to IESO only if necessary, including, but not limited to:
  - a. payment system upgrade and changes;
  - b. responses to Retailers' payment inquiries;
  - c. determination of payment status;
  - d. communication back to Retailers on payment status; and
  - e. conducting ongoing monitoring of payment inquiry status.
- III. It is expected that the Service Provider will participate in periodic meetings or conference calls with IESO personnel and the personnel of other service providers, directed by the IESO, and provide input to status reports or external reports in respect of the Fulfillment Services that may be developed by a service provider on behalf of IESO.

#### **2.1.3 TIMELINES**

It is expected that the Service Provider will deliver and complete the tasks as follows:

Table 1 Deliverable Timeline

| Deliverable                                                   | Plan                                  | Implementation                                                                    |
|---------------------------------------------------------------|---------------------------------------|-----------------------------------------------------------------------------------|
| <b>Deliverable 1. Program Transition</b>                      | 10 Business Days after Effective Date | 3 months after Effective Date or prior to January 1, 2016, whichever comes first. |
| <b>Deliverable 2. Program Update</b>                          | NA                                    | Annually or as requested by IESO from time to time.                               |
| <b>Deliverable 3. Engagement, Recruitment and Eligibility</b> | 10 Business Days after Effective Date | On-going                                                                          |

|                                                                                                                      |                                          |                                                                                            |
|----------------------------------------------------------------------------------------------------------------------|------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>Deliverable 4. Communication</b>                                                                                  | 10 Business Days after Effective Date    | On-going                                                                                   |
| <b>Deliverable 5. Kitting and Distribution</b>                                                                       | 10 Business Days after Effective Date    | On-going                                                                                   |
| <b>Deliverable 6. Merchandising for Events</b>                                                                       | 10 Business Days after Effective Date    | On-going for Events                                                                        |
| <b>Deliverable 7. Retailer Training</b>                                                                              | 10 Business Days after Effective Date    | On-going                                                                                   |
| <b>Deliverable 8. Compliance</b>                                                                                     | NA                                       | On-going                                                                                   |
| <b>Deliverable 9. In-Store/Online Marketing Materials Coordination and Creative Work/Record Keeping and Database</b> | 20 Business Days after Effective Date/NA | On-going/3-Months after Effective Date or prior to January 1, 2017, whichever comes first. |
| <b>Deliverable 10. Reporting</b>                                                                                     | NA                                       | On-going                                                                                   |
| <b>Deliverable 11. Co-ordination with other service providers</b>                                                    | NA                                       | On-going                                                                                   |

#### 2.1.4 KEY PERFORMANCE INDICATORS

It is expected that the Service Provider will perform the Retail Specialist Services in accordance with the KPIs detailed below, in addition to any additional KPIs proposed by Proponents in a Proposal and adopted by the IESO. It is expected that the Service Provider will report on achievement of KPIs in monthly and annual reports to the IESO.

Table 2 Key Performance Indicators

| Deliverables                            | Key Performance Indicators ("KPI")                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Engagement, recruitment and eligibility | <ul style="list-style-type: none"> <li>• Increase Retailer participation (# of Retailers and total # of stores) year-over-year for every year of the <del>Coupons</del>Instant Discount Program.</li> <li>• Increase the number of co-promotional opportunities (# of Event days and # of participating stores) for LDCs year-over-year for every year of the <del>Coupon</del>Instant Discount Program.</li> <li>• Increase the # of <del>Coupons-discounts</del> redeemed at Retailers on a year over year basis.</li> </ul> |
| Communications                          | Retailer and partner satisfaction survey indicates over 80% satisfaction                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Kitting and distribution                | Achieve efficiencies year-over-year for every year of the <del>CouponsInstant Discount</del> Program in the production and shipment of point of sale and materials as measured by: <ul style="list-style-type: none"> <li>• reduced wastage and number of reorder shipments each year</li> </ul>                                                                                                                                                                                                                               |

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|                                            |                                                                                                                                                                                                                               |
|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                            | <ul style="list-style-type: none"> <li>◆ <del># of stores/participants that receive materials on time</del></li> <li>◆ <del># of stores/participants that receive materials they've requested</del></li> </ul>                |
| Retailer and manufacturer staff training   | Increase the awareness and understanding among Retailer head offices and store-level staff of applicable obligations related to the implementation of the <del>Coupons</del> Instant Discount Program.                        |
| Compliance                                 | Achieve a minimum of 90% Retailer compliance with store-level obligations set out in the <del>Retailer participation agreement</del> Retailer Participation Agreements, as measured through annual IESO led compliance audit. |
| Co-ordination with other service providers | Increase satisfaction among stakeholders (retailers, IESO staff, LDCs) year-over-year for every year of the <del>Coupons</del> Instant Discount Program, as measured by customer/partner satisfaction survey led by IESO.     |

#### Annual Performance Incentives

Based on the IESO's review of the Service Provider's annual performance, the Service Provider may be eligible for an annual performance incentive where KPIs are met or exceeded to the satisfaction of the IESO, as exemplified in the table below:

Table 3 Annual Performance Incentives

| KPIs                                  | Annual Performance                                                                                                                                                                                                        | Performance Incentive                                                                                                                                                                                                                   |
|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Retailer participation                | Increase Retailer participation (# of retailers and total # of stores) year-over-year for every year of the <del>Coupons</del> Instant Discount Program.                                                                  | \$X/new participating store/year                                                                                                                                                                                                        |
| Partner satisfaction                  | Partner satisfaction survey (undertaken by IESO) indicates over 80% of Retailers and LDCs are satisfied (or better) with services provided.                                                                               | \$X/percentage point (for each point over 80%) of survey participants that are satisfied or better                                                                                                                                      |
| Compliance                            | Achieve a minimum of 90% retailer compliance with store-level obligations set out in <del>Retailer participation agreement</del> Retailer Participation Agreements, as measured through annual IESO led compliance audit. | \$X/year found (by IESO) to be 90% compliant with program requirements<br>Or<br>\$X/year found (by IESO) to be 95% compliant with program requirements<br>Or<br>\$X/year found (by IESO) to be 100% compliant with program requirements |
| <del>Coupons Discounts</del> redeemed | Increase the # of <del>Coupons Discounts</del> redeemed at Retailers on a year over year basis.                                                                                                                           | \$X/ <del>coupon discount</del> for each incremental <del>coupon discount</del> redeemed above total # of <del>coupons discounts</del> redeemed in previous year                                                                        |

The variable fees and performance incentives are subject to the IESO's annual review and assessment and will be determined by the IESO, once a Service Provider has been selected.