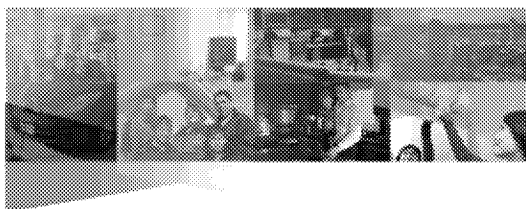


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Conservation E-BLAST

An IESO conservation update for local distribution companies

April 12 Issue:

Administration and Governance

- >Cost eligibility for new programs
- >iCon performance update
- >CDM-IS update

Province-wide Programs

- >Industrial Conservation Initiative update
- >Retrofit Program: Updated Participant Agreement

Training and Events

- >LDC regional meetings scheduled for May and June

Important dates

Upcoming webinars, training, events, meetings:

- April 12: Business Working Group meeting
- April 13: Marketing and Sales Working Group meeting
- April 13: Webinar: CDM Plan submission refresher
- April 18: Mid-term Review engagement webinar (registration required)

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- **April 20:** Data and Reporting Working Group meeting
- **May 16-18:** Certified RETScreen Expert training (registration required)
- **June 6:** *Powerful Ideas '17*- All LDC marketing and sales workshop (registration required)
- LDC regional meetings:

May 3: London
May 9: Hamilton
May 25: Barrie
May 30: Kingston
June 15: Toronto

Submission deadlines, Implementation dates:

- **April 15:** Project claims for inclusion in 2016 final verified results due
- **May 1:** Revised Retrofit Program Rules in effect and new measures available in iCon
- **May 1:** Revised CDM PlanS due

Administration and Governance

Cost eligibility for new programs

The IESO has identified multiple cases of ineligible costs being reported through monthly/quarterly LDC Report submissions. Please note that project applications received prior to the Program Start Date specified in an approved CDM Plan are ineligible for incentives.

As a reminder, following the approval of a local or regional program business case, LDCs must submit a revised CDM Plan prior to implementing the new program implementation, to ensure all requirements specified in the CDM Plan Resubmission and Review Criteria Rules are followed, continue to be met. For clarity, program-related costs should not be incurred or submitted through monthly/quarterly LDC Reports until the CDM Plan is revised to reflect the new approved local or regional program, and subsequently approved by the IESO. The following represents the cases/scenarios in which program costs are eligible to be incurred and reimbursed:

[INTD: I FIND THIS FIRST BULLET TOO CONFUSING.....]

- Administrative costs incurred after both the program and LDC CDM Plan have been approved, but prior to the specified Program Start Date, are not

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Commented [NS1]: I thought an LDC can incur program costs for an approved program even if it's not in their approved CDM plan?

reimbursable until after the Program Start Date in the approved CDM Plan;
and,

- Administrative costs and incentives incurred after the specified Program Start Date are reimbursable in the approved LDC CDM Plan.

iCon performance update

The IESO is aware that iCon has been experiencing a number of performance issues, which impact the ability of users to complete and report Retrofit applications in a timely and efficient manner. ~~[NTD: should additional verbiage be added to reinforce that the IESO has been aware of the iCon issues and has been working to address it?]~~ As communicated in the April 6, 2017 E-Blast, the IESO continues to work diligently on addressing these iCon performance issues through a series of planned activities focused on both infrastructural and architectural improvements to the aging system. Last week, real-time data from the live environment were monitored, for which results are currently being reviewed to identify next steps for the implementation of the planned system improvements. Activities to improve iCon performance are a high priority, and the IESO remains committed to delivering the improvements in an expedited manner to minimize customer and partner frustration. Ongoing updates will be provided in future E-Blasts.

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CDM-IS project update

In parallel with the planned improvements to iCon, the IESO continues to work with the Information Systems Sub Group (ISSG) on long-term options to replace iCon as part of the CDM-IS project. The original strategy of the CDM-IS project was to replace the existing iCon system through the procurement of a commercial off-the-shelf (COTS) product that would enable a centralized delivery of the Conservation First Framework (CFF) and Industrial Accelerator programs.

Since moving forward with project implementation a year ago, it was determined that the initial strategy was not aligned with the needs of the user community, and presented a high risk of not being accepted. Key challenges included a lack of flexibility of the procured solution, system performance issues, a need for greater customization than originally expected, and an inability of the solution to meet the needs and processes of all LDCs. Recently, IESO executive support was received to revise the direction of the project given these challenges. It was decided that rather than procuring one central solution to meet all administrative and program delivery requirements, the revised strategy will involve the separation of administrative functions (e.g., reporting, settlement, CDM Plans, etc.) from the program systems

(Retrofit Program, Coupons, etc.), to enable greater system flexibility. In addition, this revised strategy includes the provision of application program interfaces (APIs) to facilitate data integration between systems, allowing the IESO and LDCs greater flexibility in system support.

The CDM-IS project team is continuing to work through the details of the revised strategy with IESO executives, the ISSG, and other stakeholders. The IESO will also continue to work closely with the ISSG and LDCs to ensure the revised approach builds from lessons learned from the initial strategy while also ensuring that iCon system performance issues will continue to be addressed in an expedient manner. In the interim, the IESO will continue to utilize the procured solution for existing business processes that have already been implemented, such as monthly/quarterly LDC Report Submission and access to Heating & Cooling and Coupons program data until a new solution is available. Further updates will be provided in future E-Blasts and meetings as more information becomes available. The IESO appreciates LDC feedback and continued understanding and cooperation.

Province-wide Programs

Industrial Conservation Initiative updates

As communicated in the Government of Ontario's Fair Hydro Plan, the government will further expand customer eligibility for participation in the Industrial Conservation Initiative (ICI). Effective July 1, 2017, consumers/market participants in the manufacturing sector (i.e., with NAICS codes commencing with the digits "31", "32", "33") in Ontario with an average monthly peak demand of greater than 500 kW and less than 1 MW are eligible to opt-in to the ICI. The IESO will update the ICI resources accordingly once Reg. 429/04 has been amended.

The Frequently Asked Questions document which is posted on the IESO's Global Adjustment Class A Eligibility page has been updated to include questions and answers from the Industrial Conservation Initiative Overview webinar that was held on February 23, 2017.

Retrofit Program: Updated Participant Agreement

Further to the March 15, 2017 E-Blast and the March 29, 2017 E-Blast describing the upcoming changes to the Retrofit Program, the Business Working Group (BWG) has updated the Participant Agreement to align with the changes which will take effect on May 1, 2017. Version 3 of the Retrofit Participant Agreement includes the following changes:

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- Section 2 – Amount and Form of Participant Incentive: removal of Advanced Evaluation Incentive Report (AEIR)/Final Evaluation Incentive Report requirements (FEIR);
- Section 9 – Evaluation, Measurement and Verification, Audit: removal of AEIR/FEIR requirements; and,
- Schedule 2 – Eligible Costs: removal of AEIR/FEIR preparation as eligible costs and clarification that financing costs are not eligible costs.

The updated Retrofit Participant Agreement will be integrated into the application process to coincide with the effective date of the program changes on May 1, 2017. The updated Retrofit Participant Agreement is available for review on the LDC Extranet [here](#). As a reminder, LDCs have the ability to develop and offer custom Participant Agreements ~~provided that they include given that~~ the mandatory provisions specified in the Energy Conservation Agreement and the applicable Program Rules, ~~are included.~~ LDCs interested in offering a customized Retrofit Participant Agreement can submit them through LDC.Support@ieso.ca for integration into the application process.

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Should you have any questions regarding the Retrofit Program changes or Participant Agreement, please contact a member of the BWG or email LDC.Support@ieso.ca.

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Training and Events

LDC regional meetings scheduled for May and June

In response to the positive feedback received regarding the LDC regional meetings held between May and June 2016, the IESO will once again facilitate regional meetings in 2017. Throughout the months of May and June, the IESO will facilitate full day regional meetings for LDCs in London, Hamilton, Barrie, Kingston and Toronto. LDCs may attend whichever location works best for them.

The regional meetings will provide timely updates and information to help in CDM planning and achievement of targets. Updates will include the following:

- CFF Mid-term Review

- Implementation of December 16, 2016 Direction
- Whole Home Pilot Program and Energy Performance Program
- Local LDC insights
- Marketing
- Energy Conservation Agreement changes,
- Working Group activities

The LDC regional meeting dates are as follows:

- May 3: London
- May 9: Hamilton
- May 25: Barrie
- May 30: Kingston
- June 15: Toronto

An invitation to register was sent on April 3, 2017. If you did not receive it, please click [here](#).

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If you have questions about the content or suggestions for future Conservation E-BLAST articles, please contact your LDC Business Manager or email LDC.Support@ieso.ca.

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