3. **Targets**

EDA:
The updated Achievable Potential Study (APS) demonstrates a variance between allocated targets and that which is 'achievable' in each service area. Additionally, the Fair Hydro Plan, changes to the Industrial Conservation Initiative (ICI) and new programs through the Green Ontario Fund could further reduce the 'potential' attributed to the LDCs savings targets. The EDA recommends a discussion on LDC targets based on the 2015-2016 CFF results, the updated APS as well as new programs introduced, or soon-to-be introduced, to the market.

Key points for IESO:

Achievable Potential Study

- We have seen great success, and are on track to exceed the 7 TWh CFF target, with more LDCs eligible for the MTI than previously forecasted. We should consider actual performance as well as the APS results.
- Targets and budgets are one of the *key* areas being looked at as part of the Mid-term Review. In particular, the introduction of Fair Hydro Plan, changes to the ICI program and the introduction of Green Ontario Fund programs were discussed as part of the session and it was determined that these impacts could not yet be quantified. Also these would be offset by the increase in prices seen in 2015 and 2016, the continued higher prices in place for class B customers, the whole home pilot and the fact that Green Ontario Fund is also promoting existing Save on Energy programs.
- This was partially addressed through the ECA changes that came into effect July, 2017 that provides LDCs with an option to select the timeframe in which their MTI would be calculated:
    - Option for LDCs to calculate the Mid-Term Incentive based on 2017 verified savings through either the 2017 or the 2018 Final Verified Results Report, to allow for the true-up of savings
- In accordance with the CFF and ECA, any new CFF programs should be driven through the Working Groups. The IESO will also seek to discuss the introduction of non-CFF programs at the relevant sector working group to determine its potential impact and potential for collaboration with CFF.
- The Fair Hydro Plan, and expansion of the ICI are government-driven; the IESO can and will engage with LDCs as much as possible within the parameters and guidelines set out by government

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