

November 2, 2017 LDC Event – Terry Young Closing Remarks

- Thank you to everyone for taking the time to attend today's event. I know everyone is very busy, especially around this time of the year, so I am pleased to see such a great turnout today.
- I would like to conclude today's event with some thoughts around the day and what we've heard, reflect on the first half of the framework, and talk about where we're headed into the second half of the framework.
- From Kady Cowan joining us all the way from North Carolina to share her insights and experiences around energy issues and their impact on C&I facilities, to the updates and interactive sessions with the residential and business working groups, and the leader panel, today's content and discussions have been very rich.
- I think it's evident from today's discussions that quite a lot has happened in the first half of the framework, especially in the last twelve months, and even since we had the regional meetings in May and June.
 - Late last year we launched the public engagement for the Mid-term Review, and in January, the Advisory Group was established, and work on the study began.
 - There has been a lot of activity since then, with the Advisory Group meeting monthly, four public webinars, and ongoing feedback received from customers, LDCs, service providers, associations, and others.
 - This past spring, the IESO entered into a Service Level Agreement with the Ministry of Environment and Climate Change (MOECC) to provide support for program design, website development and call centre services.
 - In late August the Green Ontario Fund was announced, along with the launch of the website and early enrollment for the residential smart thermostat direct install program, GreenON Installations – some of you may have even enrolled.
 - The Whole Home Pilot also launched in May, and we have seen some great success. Initial reporting as of early October shows strong participation with over 7,000 pre-assessment audits completed for homes of all heating types, which includes delivering conservation educational material including program information and a walk-through audit.
 - Additionally, over 2,800 post-renovation energy audits have been completed in homes across the Province.
 - This summer, the amended ECA came into effect in July that included some pretty notable changes such as proportional ownership of environmental attributes, and the option for LDCs to choose how their Mid-term Incentive is calculated (either based on

2017 verified savings results, or the 2018 Final Verified Results Report that will include a true-up of 2017 projects).

- As you know, in August we received a Direction from the Ministry of Energy to enter into an agreement with the MOECC/Green Ontario Fund to support the establishment of the new agency, and to ensure that it complements and builds on the success of the Province's existing suite of CDM programs.
 - We recently entered into a new Transfer Payment Agreement with the MOECC to cover our expanded work with the MOECC.
- Into the fall, we launched a Save on Energy marketing campaign, as well as Deal Days, which is on at participating retailers until this Sunday, November 5.
 - I am looking forward to seeing the results, since the big change from physical coupons to instant discounts.
- Through all of this, I think we can all see that the landscape has evolved, and times are changing.
 - We saw the release of the Climate Change Action Plan, expanded eligibility for the Industrial Conservation Initiative, received three Directions from the Ministry of Energy, introduction of the Fair Hydro Plan, and just last week there was the release of the Long Term Energy Plan.
- The sector is certainly evolving, and our objectives, priorities, and the way we work will too. As we head into the second half of the framework, there are a number of key priorities and objectives for us.
 - First and foremost, we are going to continue to support and work with LDCs, customers and other stakeholders, and government to ensure the success of the Conservation First Framework and Industrial Accelerator Program.
 - This means ensuring that all customers across the province regardless of sector and size have equitable access to programs to help them manage their energy use and costs.
 - Some of the changes we have seen towards the end of the first half of the framework have been largely driven by a gap, or identified need in the marketplace.
 - Phil spoke earlier today about where we are at with various IESO-delivered initiatives, including the province-wide delivery of the Home Assistance Program, and certain programs where a gap has been identified in the CDM Plans, beginning next year.
 - Our relationship with LDCs, customers, and other stakeholders has always been a key priority for us. Now what we want to do is take the foundation of the relationships we have built, and evolve them to align with our also evolving objectives.

- This may mean things will not be exactly the same as they were in the last framework, or even last year, but the needs of our sector are changing, and so must the way we work together and our roles in this framework.
- I would like to take the opportunity to thank those of you who took the time to respond to our annual LDC Satisfaction Survey that was sent out a couple weeks ago, to give us feedback on the support we provide to LDCs.
 - Early results show that the overall score was not quite as good as last year
 - Quite a few LDCs that completed the survey felt that clear communication of decisions open and transparent communications and interactions was lacking
 - You’ve seen there’s been a lot going on behind the scenes with the division during 2017 and we haven’t been able to share as openly as you’d like while those things were in progress
 - We also heard that you continue to be happy with the way we interact with LDCs – the respect and courtesy we show you – and we appreciate your feedback on that
 - Once we have the final results we will plan to share as we normally do via webinar
- We will continue to support innovation and collaboration in the sector. Since the beginning of the Conservation First Framework, the LDC Innovation Fund has been available to pilot innovative programs, and the LDC Collaboration Fund to provide support to LDCs with innovative collaboration projects and activities.
 - We heard from Mernaz at Hydro One about their experience piloting a residential heat pump pilot, and from Jeff Quint at Waterloo North Hydro about their smart thermostat pilot for small to medium sized businesses, jointly delivered with Energy+ and Kitchener-Wilmot Hydro.
 - Now, halfway through the framework, we are re-evaluating where we are, and the kinds of projects and innovation that should be supported at this point in time.
 - Phil also spoke earlier today about the Collaboration Fund and next steps for its reinstatement. I understand details about this are also included in an FAQ document at your table.
- We will continue to ensure verified cost effective energy savings. Conservation is regarded as the cheapest resource we have, and for this to remain true, we need to ensure programs are designed and delivered in a cost effective manner. We need to continue to demonstrate the value of conservation, particularly in light of public reports that are highly critical of CDM.
 - We saw in the LTEP released last week that there is an ongoing commitment to conservation in Ontario, and it’s not going away, so it is important to continue to measure and demonstrate its value.

- Earlier today you heard from Parminder Sandhu, Chair of the Green Ontario Fund Board of Directors. In accordance with the August 4 Direction from the Ministry of Energy, and the LTEP, the IESO will continue to provide support to the MOECC and Green Ontario Fund providing its insights and expertise, involving key partners such as LDCs, delivery agents and other service providers as much as possible.
 - We had a healthy discussion around the potential roles and involvement of LDCs last week with the CFIC LDCs, and even before that had an introductory meeting and discussion with MOECC and Green Ontario Fund at the September 26 CFIC meeting.
- And of course, now halfway through the framework and pending the results of the Mid-term Review, we will be looking to recalibrate where required to ensure the continued success of conservation programs in Ontario.
 - One of things we will be working on in short order is amending the Target Exchange Guidelines. We have seen some great success in the first half of the framework, with a few LDCs already have met their allocated target and budget. In light of this, we need to remain cognizant of our accountability to the 8.7 TWh target and budget, and will be looking to further clarify and define criteria and principles around target exchange.
- Some of you may have heard that there were changes this week to the IESO's organizational structure. As you know, Peter Gregg started as our new CEO earlier this summer, and since then has been looking at the groups, functions and priorities to determine areas that needed to be aligned.
 - Moving forward, the conservation and corporate relations areas I have been responsible for that included government affairs and engagement have been expanded to include policy and indigenous affairs. I am excited by this opportunity to align and lead my expanded team in the Policy, Engagement and Innovation group of the IESO, to build upon our experience in these areas.
- Once again, thank to you everyone who attended today, especially to those who worked so hard to put together what I think has been a very successful event – from our speakers to our IESO staff.
- The dialogue does not end here. We will continue to communicate regularly with the LDCs through the many vehicles we have including weekly E-Blasts, ongoing webinars, through the LDC Business Managers, LDC Support, and the Working Groups.