

May 9, 2018

The Honourable Glenn Thibeault
Minister of Energy
4th Floor, Hearst Block
900 Bay St.
Toronto, ON M7A 2E1

Dear Minister Thibeault:

I am pleased to provide you with the following update on the IESO's efforts to support the implementation and early adoption of Green Ontario Fund services as per the February, 2017 Minister's Directive.

Since that time, the IESO has dedicated considerable resources to support the launch of the Green Ontario Fund and its residential programs. The IESO engagement was formalized through two agreements executed in 2017 – a Service Level Agreement to provide program design options as well as web and call centre services, and a Transfer Payment Agreement to develop, implement and market a series of residential programs. Total spending up to March 2018 under the two agreements is \$21.5 million.

This letter provides an overview of the IESO activities that ensured the Green Ontario Fund was able to get in market quickly and build an immediate presence in the marketplace.

Staff Resources: To date, the IESO has dedicated nearly 17,000 staff hours to the Green Ontario Fund – including hiring and rotating staff to work on the project. Currently, 19 staff work full time on the project with at least 25 additional IESO staff contributing their expertise as needed. The IESO also procured new office space and facilities for the work being done on behalf of the Green Ontario Fund.

Procurement: Where appropriate, existing IESO vendors were leveraged to support the rollout of programs; this required renegotiating contracts and developing new statements of work. In some cases, new procurements were undertaken where an existing vendor was not available. For example, the IESO conducted a full procurement for vendors to provide smart thermostat installation services so that within four months, a full slate of uniformed installation teams were in field throughout the province. In all, the IESO estimates that roughly 320 new positions have been created through our vendor network alone.

Program Design and implementation: The IESO designed and implemented four core GreenON programs:

- **GreenON Installations:** This program delivers a no-cost smart thermostat installed by a qualified mechanical contractor to homeowners across the province. This effort involved ramping up vendors to perform installations for a target of 150,000 Ontario homes, identifying smart thermostat models that would be eligible for the program, overseeing vendor activities such as appointment scheduling and the development of leave-behind materials for program participants. The IESO also provided a full application portal for program participants – collecting approximately 100,000 registrations within the first two days of the program launch. To date, over 72,000 smart thermostats have been installed in customers’ homes, with a customer complaint rate of just 0.1 percent.
- **GreenON Rebates:** This program offers significant rebates for upgrades to insulation and windows in Ontario homes, as well as rebates for installation of air-source and ground-source heat pumps. Existing IESO vendors were leveraged to implement the program and enroll contractors across the province. Customer and contractor contracts were developed and an online rebate submission tool was created. To date, more than 20,000 rebate claims have been submitted by Ontario homeowners and their contractors.
- **\$100 Smart Thermostat Rebate for Ontario Homes:** This program, a partnership between Save on Energy and the Green Ontario Fund, required the development of agreements with participating smart thermostat manufacturers to collect and verify rebate applications through online portals, and to forward that information to the IESO’s vendor for payment of the rebate to customers.
- **GreenON Support:** The IESO designed this unique program to support consumers looking for in-depth advice about how to make their renovations more energy efficient. It also procured a vendor to provide this service – which also includes the provision of home energy reports to consumers who participated in the GreenON Installations program. To date, nearly 65,500 reports have been issued to customers with recommendations for energy improvements to their homes.
- Other programs in development and waiting for approval to launch include GreenON Rebates for heritage windows and modern wood stoves. The IESO also provided insights and analysis for the development of the GreenON Solar Rebate program.

Contractor Network: The IESO has built a network of nearly 2,200 contractors for GreenON, including nearly 100 in Northern Ontario, exceeding the scope and size of the current Save on Energy HVAC contractor network. Contractors have been trained, approved and are now actively promoting the GreenON Rebates program. In addition, five major retailers – Lowes, Home Depot, Rona, Home Hardware and Costco – are also active participants in the contractor network delivering the program to consumers.

Website: The IESO developed and launched greenon.ca on August 30, 2017, in time for the launch of the Green Ontario Fund and GreenON Installations program. This site was designed as a one-stop shop for all energy-efficiency programs in the province – which required a considerable amount of research and content development covering more than a hundred different programs. To date, the site has experienced 1.2 million unique visits.

Call Centre: The GreenON call centre was also launched on August 30, providing multilingual support for questions about GreenON and other energy-efficiency programs. To date, the call centre has responded to nearly 70,000 requests for information by telephone and over 28,000 email inquiries.

Social Media: The IESO handles the GreenON social media accounts – which includes responding to consumer requests online. To date, more than 1,000 customer queries have been responded to online and directed to the appropriate follow-up channels.

Program Marketing: A full range of marketing efforts were developed to support the launch of the IESO-managed residential programs. This included the development of comprehensive marketing plans to raise awareness and engagement. Specific efforts included marketing collateral, digital and social advertising, home show events, media launch support, earned media outreach, influencer campaigns and videos.

Program Evaluation: Customer satisfaction surveys and contract compliance tools are being deployed for the IESO-managed programs and a full impact evaluation will be undertaken in the fall of 2018. Preliminary results for the GreenON Installations programs have shown that 92 percent of participants say they would recommend Green Ontario Fund programs to others.

I am pleased that the IESO has delivered well under the Directive. In addition to taking on this large GreenON project, the IESO has continued its core conservation work in promoting Save on Energy and developing and launching new programs. The brand, for example, reached new reputational highs in the past year, and the IESO has been rolling out new programs such as the Home Assistance Program for low-income Ontarians and the new mid-stream incentive program (Deal Days) program which replaced the popular coupon event.

Our Green Ontario Fund efforts have allowed the IESO to continue to demonstrate our leadership and expertise and explore new options within the marketplace, which will ultimately help to promote a conservation culture in the province.

Sincerely,

A handwritten signature in black ink, appearing to read 'Peter Gregg', with a stylized, cursive flourish at the end.

Peter Gregg
President and CEO