

President's Report – Conservation & Corporate Relations October, 2017

MOECC/IESO

The IESO remains on track with delivering on the objectives of the Service Level Agreement signed in April with the Ministry of Environment and Climate Change (MOECC) to provide early support to the new Green Ontario Fund agency. Specifically, the IESO was asked to support web design, call centre services and program design. The website was launched on August 30, 2017, and the first program, GreenON Installations was announced. To date, approximately 130,000 registrations have been received for the direct installation of smart thermostats in households across Ontario, at no cost to the homeowner.

The IESO continues to develop and design other programs, including a complementary smart thermostat rebate program and a range of other rebates for GHG reduction technologies for residential homeowners including incentives for upgrading home insulation and windows, air source and ground source heat pumps and solar PV.

The IESO received a Direction from the Ministry of Energy to enter into agreements with the MOECC or the Green Ontario Fund on August 4, to continue to support these efforts. The IESO is currently working with the MOECC on a new Transfer Payment Agreement (TPA) to cover this next phase of work, which is expected to be signed prior to the Board meeting. Following the signing of the TPA, vendor contracts to fulfill the GreenON Installations program will be executed, with smart thermostat installations commencing before the end of October, 2017.

Conservation Results Update

Preliminary results indicate that LDCs continue to progress well towards their Conservation First Framework target of 7 TWh, having achieved 48% (3.4 TWh) as of August 31, 2017.

The Industrial Accelerator Program has achieved 35% (0.60 TWh) of the 1.7 TWh 2020 target under contract with 12% (0.206 TWh) in-service based on results from 2015 to August 31, 2017.

Conservation Framework Mid-term Review Update

The Mid-term Review of the Conservation First Framework (CFF) and Industrial Accelerator Program (IAP) is on track for completion in Q1, 2018 with a draft report from Navigant Consulting due to the IESO in November, 2017.

A major deliverable involving the review of the current state of the Framework in the seven key areas identified by Navigant was completed in September, 2017, which has been used to identify objectives for market research, information gaps and form the basis for exploring key

opportunities for 2018-20 and 2020+. The key topic areas identified include customer and market engagement and satisfaction, the definition of CDM, collaboration, governance and operations, planning integration, climate change as well as budgets, targets, cost-effectiveness and non-energy impacts. In accordance with the IESO's stakeholder engagement principles, engagement and market research activities continue with monthly meetings with the Mid-term Review Advisory Group, three of five public webinars complete, two of four workshops complete (LDCs and IESO complete with customers and OEB to follow) as well as, 90% of market research interviews complete with customers, channels, LDCs, and associations. The IESO plans to provide regular updates to the Ministry of Energy and Stakeholder Advisory Committee until project completion. Following the internal review of the options and opportunities identified by Navigant in the final report, the IESO will submit recommendations to the Ministry of Energy for consideration with the potential for a Direction to follow.

Province-Wide Program Delivery

The IESO continues to prepare for a greater role with the delivery of province-wide conservation programs through its implementation of the Minister of Energy's December 2016 Direction. With the exception of the Retrofit, Small Business Lighting, and Instant Discounts (formally the Coupons Programs) the IESO will have the responsibility to centrally fund and deliver all province-wide programs where gaps in LDC delivery have been identified through CDM Plans. An RfP has been developed for the delivery of direct install programs while existing vendor agreements and vendors of record will be leveraged to support the remaining programs.

Further, through the Minister of Energy's August 2017 Direction, the IESO will have full responsibility to design, fund and deliver the Home Assistance Program (HAP) serving low income customers across all LDC service territories beginning January 2018 to address gaps in program availability that have been observed through the Conservation First Framework. This will allow a consistent provincial offering with adequate funding and equitable access across the province. To address concerns about local community engagement the IESO will establish a fund for LDCs to continue ongoing local community engagement activities. A plan is in development to communicate this new direction and the operational implications to the LDCs

Launch of Deal Days

The first Save on Energy Deal Days Instant Discount event is taking place October 6 to November 5, 2017. The event will offer instant discounts at the point of purchase to all customers purchasing eligible products during the event timelines at participating retailers. The IESO has encouraged LDCs to participate in in-store events to help increase program awareness and advise customers of other Save on Energy opportunities. A total of 19 retailers across Ontario will be participating in the fall event, and a full directory can be found on the Save on Energy Deal Days website.

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Regional Forums

The IESO is hosting five regional electricity forums across Ontario beginning in October as a means to engage with consumers, communities and businesses about the evolving electricity sector and its impact on regional needs. The regional forums are one of the key deliverables in the 2017-2019 Regional and Community Engagement Business Plan and the need for the forums has been reinforced by feedback from the IESO's Local Advisory Committees and Stakeholder Advisory Committee. Previous forums have been held in northwest Ontario and this important engagement opportunity is now being expanded across the province. The regional forums will be full-day sessions and will take place in the following locations:

- Northwest ON – **Thunder Bay** – October 18
- Northeast ON – **Sudbury** – November 9
- East ON – **Ottawa** – November 16
- Southwest ON – **London** – November 23
- GTA and Central ON – **Vaughan** – December 11

The regional forums will begin with a focus on the evolving provincial electricity system and the conversation will become increasingly focused on the individual region as the day progresses. Speakers will be a mix of industry and local leaders. Invitations have gone out for each of the forums, and the IESO is tracking registration and sending targeted invitations to increase numbers. The IESO will also be sending reminder invitations closer to each regional forum.

Employee Engagement: Staff On-boarding Program for CCR

In response to the 2017 Employee Survey, the Conservation and Corporate Relations (CCR) has developed a new staff on-boarding program for employees going into CCR, which has been implemented with 11 new CCR employees to date.

Key elements of the program include:

- CCR Ambassadors Network: Representative peer network, responsible for liaising with new hires and reporting feedback on program annually;
- On-boarding checklist: Contributions from HR, IT, Facilities, CCR ambassador and hiring manager;
- Resources for new hires: Online and paper resources; and,
- Work station provisioning: Help with workstation, phone and infrastructure requests for the employee being on-boarded.

A survey for all those participating in the program has been launched, and results will be reported to the CCR leadership team. CCR, HR and IT will meet to work through the planning for the onboarding of the new employees for Green ON using this new program. HR is

responsible for the overall on-boarding strategy, and the Executive Leadership Team is considering the application of this approach on a corporate wide basis.