

Meeting minutes

RE: *Conservation Working Group - Meeting 1*

Date: June 25, 2009 Time: 9:30 a.m. to 4:30 p.m.

Location: OEB Office 2300 Yonge St., 27th floor

Attendees: **Conservation Working Group (CWG)**

- Rob Maxwell, City of Toronto;
- Sarah Griffiths, Savolaine, Coalition of Large Distributors (CLD);
- Gord Earmer, Cornerstone Hydro Electric Concepts (CHEC);
- Svetlana Diomin, Direct Energy;
- Brian Smith, Horizon Utilities/Electricity Distributors Association;
- Patricia Squires, Enbridge Gas Distribution (EGD);
- Cheryl Bezanson, Enbridge Gas Distribution (EGD);
- David Poch, Green Communities Canada (GCC);
- Ian Campbell, Hydro One;
- Theresa McClenaghan, Low Income Energy Network (LIEN);
- Marion Fraser, Low Income Energy Network (LIEN);
- Yvonne DiTuillio, Ministry of Energy and Infrastructure;
- Carrie Aloussis, Ontario Power Authority (OPA);
- Deb Thompson, Social Housing Services Corporation (SHSC);
- Tom Cloutier, Union Gas (UG);
- Tracey Brooks, Union Gas (UG);
- Roger Higgin, Vulnerable Energy Consumers Coalition/Energy Probe (VECC)

Board Staff

- Takis Plagiannakos,
- Alison Cazalet,
- Beverley Jaffray,
- Guy Halpern,
- Rachel Anderson

IndEco Staff

- Judy Simon,
- Shona Adamson,
- Patti Campbell

Regrets:

- Chantelle Bramley, Direct Energy;
- Clifford Maynes, Green Communities Canada (GCC);
- Kai Millyard, Green Energy Coalition (GEC);
- Jim Hall, Hydro One

Next scheduled meeting: June 30, 2009



Welcome and introductions - All

- Board staff welcomed the group to the kick off meeting of the Conservation Working Group (CWG)
- Each participant provided a brief introduction including the stakeholder group each represents

Logistics – Alison Cazalet, Board Staff

- Reviewed meeting logistics (e.g. security, facilities etc.)
- Reviewed the OEB cost award decision related to LEAP and this working group

Review of the meeting agenda – Judy Simon, Facilitator

- Reviewed the meeting agenda to ensure that participants understood the information and activities taking place over the course of the day
- Reviewed the purpose and activities of the CWG subgroups. CWG members will break into subgroups for part of each CWG meeting

Setting the context – Alison Cazalet, Board Staff

- Reviewed the timelines and events that led to the development of the Board report on the Low-income Energy Assistance Program (LEAP) and the formation of the Conservation Working Group (CWG) and Financial Assistance Working Group (FAWG)

Purpose of the Conservation Working Group – Judy Simon, Facilitator

- Reviewed the purpose of the CWG, which is to develop a short term (2010) and a long-term framework (3 to 5 years) for low-income gas DSM. The presentation also included a description of the types of advice that the CWG will be asked to provide and what issues are under the mandate of the CWG

Guiding principles – Alison Cazalet, Board Staff

- Reviewed draft guiding principles for the low-income gas DSM framework and held a roundtable discussion on revisions to these guiding principles

Overview of the natural gas DSM framework – Beverley Jaffray, Board Staff

- Reviewed the current natural gas DSM framework to provide a common understanding for CWG members

Low-income DSM/CDM programs in Ontario – gas and electric

- Presentation of their existing low-income DSM programs by Enbridge Gas Distribution, by Union Gas and the Ontario Power Authority



Round table

- Each CWG participant provided a brief oral overview of their interest/position on the low-income gas DSM framework. Below is a brief summary of the overviews.

Organization	Comments
Green Communities Canada	There should be a central administering entity for the province for low-income DSM/CDM; programs should be delivered by local environmental community groups, and these groups can oversee private contractors; programs should be designed and delivered using a smart protocol rather than NRCan protocols; natural gas-electricity utility competition needs to be addressed; the historic low levels of program participants needs to be addressed
VECC	OPA should be the coordinating body for electric LDCs and the Ministry of Energy should be coordinating body for gas utilities; more concerned about energy poverty than low income designation – people who can't pay their utility bills; Quebec's model of low-income DSM should be examined and considered
CHEC	Providing access to programs in small communities is difficult due to the lack of large social service agencies; whatever the framework, need to ensure that the client base has an understanding of what is available; the delivery model may be different in smaller communities
Enbridge	Separation of low income from regular DSM programs is essential; The gas utilities should have a continued role and responsibility for low-income DSM; clarity required on budget and targets; right utility incentive structure is required for ongoing success in low-income DSM

CLD	Ensure that the electric LDCs have continued representation in the development of the short and long term frameworks and are able to provide service to customers
Union Gas	Agreed that the separation of low-income from regular DSM programs is essential; need a low-income gas DSM framework that is right for the market; gas utilities know their customers and are in strong position to continue to deliver programs and maintain their customer relationships
City of Toronto	Set to introduce a low-income single family program; want to leverage available programs to avoid duplication and minimize overhead structure; want to take advantage of wider programs where it makes sense for the City
Hydro One	Needs to have model that works in rural communities; with funding and incentives taking into account rural population; because of the number of communities that Hydro One serves (300), need to have social service agencies that service the franchise area
OPA	Wants to minimize consumer confusion and move to increased integration of program offerings
Ministry of Energy and Infrastructure	Design province-wide programs with one-window access whether one program or central coordination of multiple programs; reduce consumer confusion, ensure easy access to the program(s) and work to consolidate programs; integration of programs either at the design or delivery phase should be resolved by the CWG

Horizon Utilities/EDA	Gas and electric utilities service same customer base, therefore, need to eliminate competing/overlapping programs or measures currently in the marketplace; building local delivery capacity and partnerships are essential; funding mechanism should take advantage of economies of scale
Direct Energy	Suggest one agency to administer programs and related measures; there should be a consistent program message; all providers have equal access to funding; willing to work with utilities in program delivery
LIEN	Conservation efforts should not be a point in time, or treated as a temporary overlay, but integrated into the way things are done, and integrated into all markets – new construction, renovation and retrofits; consider a broader definition of conservation to include combined heat and power and renewables
SHSC	There should be coordinated effort to strengthen low-income programs by ensuring easy access and benefits to all low-income consumers; Duplication of programs should be eliminated; SHSC is mandated to deliver programs to one segment of the low-income market; suggest that for social housing sector SHSC be the ‘one window portal’ for program delivery

Subgroup discussion – portfolio and program templates – Judy Simon, Facilitator

- Provided a description of the objectives of the subgroups, the materials to be provided, the schedule of activities and the assigned subgroups. Members were asked in this first subgroup session to focus on the issues with budgets, targets and incentives in the existing gas DSM framework
- The objectives of the subgroups are to complete and report on the following: a portfolio template for the short-term DSM framework and a program template for each of the 3 target audiences (homeowners, private rental, social housing)



- The materials provided included:
 - *Portfolio template*
 - *Portfolio reference case*
 - *Program templates*
- Program characteristics “strawmen” for:
 - *Homeowners*
 - *Private rental*
 - *Social housing*
- CWG members were assigned to following subgroups:

Group 1	Group 2	Group 3
<ul style="list-style-type: none">• Union Gas	<ul style="list-style-type: none">• Enbridge	<ul style="list-style-type: none">• Green Energy Coalition (GEC)
<ul style="list-style-type: none">• Hydro One	<ul style="list-style-type: none">• Coalition of Large Distributors (CLD)	<ul style="list-style-type: none">• Electricity Distributors Association (EDA)
<ul style="list-style-type: none">• Ontario Power Authority (OPA)	<ul style="list-style-type: none">• Direct Energy	<ul style="list-style-type: none">• Cornerstone Hydro Electric Concepts (CHEC)
<ul style="list-style-type: none">• Green Communities (GEC)	<ul style="list-style-type: none">• Low-income Energy Network (LIEN)	<ul style="list-style-type: none">• Vulnerable Energy Consumers Coalition (VECC)/Energy Probe
<ul style="list-style-type: none">• Social Housing Services Corporation (SHSC)	<ul style="list-style-type: none">• City of Toronto	<ul style="list-style-type: none">• Ministry of Energy and Infrastructure (MEI)

Subgroup report back

- Each subgroup reported back to the plenary on progress of their discussions regarding issues with the with budgets, targets and incentives in the existing gas DSM framework and some suggestions for an alternative framework



- Below is a short summary of each subgroup report:

Group 1

- i. Budget - Funding should not be determined as a percentage of budget; suggest either top down approach and double the budget or bottom up by determining funding on a per house basis and the number of houses to be reached in a year
- ii. Targets – TRC could be a screening mechanism for appropriate measures; TRC needs an ‘adder’ to account for measures that are beneficial but not cost effective
- iii. Incentives – incentives based on TRC eliminates the implementation of deeper measures; should consider a scorecard approach (multiple measures, multiple sources), possible metrics include a per measure incentive, lifetime cubic meters achieved or hybrid of both

Group 2

- i. Budget – Need to double average spending per home to install deeper measures as a starting point for program development (bottom up approach)
- ii. Targets - TRC needs to be revised to include an ‘adder’ that accrues social benefits such as health, safety and comfort
- iii. Incentives – remove the cap on the incentive structure

Group 3

- i. Budget – Use existing sample of weatherization participants to understand true share of consumption by low-income customers as a starting point for budget allocation, adjust on basis of measures that are included and consider ‘paying back’ those that did not have access to DSM in the past; allocation of budget to low-income must be based on some sort of principle; shallower measures could be used for those homes that do not qualify; need to consider market capacity and utility resource constraints



- ii. Targets – TRC is an information tool to help understand measures. There cannot be just one metric as a target for low-income gas DSM programs; there needs to be a collection of targets and a scorecard approach taken. Some metrics that could be used in a scorecard model include: number of participants, bill savings and percent bill reduction
- iii. Incentives – This section was not completed

Review of the day and overview of next meeting – Judy Simon, facilitator

- Reviewed the day and, in particular, the issues and suggestions raised as part of the subgroup discussions and report back

Action Items

The following actions were identified throughout the CWG meeting:

- Those participants interested in making 10 minute presentations at the next meeting are to advise Board Staff of their interest by Friday, June 26
- To develop the profile of low-income customers, those CWG members, in particular, LIEN, SHSC and the OPA, that have data related to the number and distribution of low-income consumers are requested to send the information to Board Staff prior to the next CWG meeting
- Enbridge and Union will provide sample metrics used for market transformation program (quantitative and qualitative) for the next CWG meeting
- VECC will provide, prior to the next CWG meeting, a slide presentation regarding Gaz Metro's low-income gas DSM framework and, in particular, the use of TRC adders
- Enbridge will provide the list of 25 questions used by their delivery agent to screen potential participants in their weatherization program
- Enbridge will provide material they have produced on the implications of the Green Energy Act on gas distribution utilities
- Enbridge and Union will provide an estimate of what the program results (e.g. uptake and gas savings) would have been for their low-income DSM programs in 2008 if there had been on TRC constraint