

Energy Efficiency Interim Framework Program Plan

June 2019

The Interim Framework Program Plan is an overview of energy-efficiency programs IESO is offering in Ontario from April 2019 to December 2020. It sets out forecast budgets and, where applicable, targets and expected cost-effectiveness for Save on Energy programs. Details about incentives and how to apply for programs are available at www.SaveonEnergy.ca.

The IESO will report on the progress of the Interim Framework on a quarterly and annual basis.

Budget and Targets:

The plan, which is subject to changes and revisions over time, allocates the Interim Framework budget of \$353 million over the suite of programs to create a cost-effective portfolio that is expected to achieve 1.4 TWh of electricity savings, and 189 MW of demand savings at a Levelized Unit Energy Cost (LUEC) of two cents per kWh. This budget represents a savings of up to \$442 million from the previous Conservation First Framework.

Cost Effectiveness:

Program cost-effectiveness under the Interim Framework is assessed using forecasted program participation and supply side avoided costs – which estimate the cost of supplying that same amount of energy from the current electricity generation mix. An updated cost-effectiveness [tool](#) reflecting updated projections of avoided costs for 2019-2040 is available on the IESO website.

Reporting:

As part of its responsibilities, the IESO will publish the results of its Evaluation, Measurement, and Verification (EM&V) of the activities of the Interim Framework, as well as costs related to audits, capability building and training. The IESO will publish verified results on a yearly basis, as well as quarterly program updates, to inform the sector on the progress to meet the targets over the Interim Framework.

Interim Framework Summary	2019-2020			Cost-Effectiveness Tests		
	Budget (\$M)	Energy Savings (TWh)	Demand Savings (MW)	Total Resource Cost Test (TRC)	Program Administrator Cost Test (PAC)	Levelized Unit Energy Cost (\$/kWh)
Business Programs						
Retrofit	141	0.925	144	1.28	2.99	0.02
Small Business Lighting	16	0.066	8.3	1.74	1.39	0.03
Energy Managers	17	0.151	7.6	1.18	2.21	0.02
Process and Systems Upgrades	52	0.210	21.1	1.45	2.68	0.02
Energy Performance Program	6	0.024	2.8	1.20	1.09	0.02
Total Business Programs	232	1.35	184	1.22	2.36	0.02
Low Income and Indigenous programs						
Home Assistance	50	0.035	3.6			
Indigenous Programs	16	0.014	1.4			
Total Low Income & Indigenous Programs	66	0.05	5	-	-	-
LDC Local Program Fund	27					
IESO Central Services Costs	28					
Total Interim Framework	353	1.4	189	-	-	-

The “-” symbol signifies that those programs are not required to be cost effective as per the directive.