

MARCH 7, 2022

Energy Affordability Program Roundtable

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Vicki Gagnon, Business Advisor



Session Agenda

Agenda Item	Start Time
Welcome Remarks	9:05
IESO Business Updates	9:10
Omega Foundation Update	9:30
Market Research Update	9:50
Final Remarks / Next Steps	11:00
End of EAP Roundtable	11:10
Social Housing Focused Session	11:15

Previous Meeting Action Item & Business Updates:

Previous meeting (October 6) action item updates

Business updates:

- Overview of the Agenda
- New Participant Introductions
- Previous meeting (Oct 6, 2021) action items update
- Standing program updates:
 - Procurement
 - Results to date
 - Marketing & Awareness
- 2021 – 2024 CDM Framework Mid-Term Review



2021 – 2024 CDM Mid-Term Review

Background

- The 2021-2024 Conservation and Demand Management (CDM) Framework Directive requires that the IESO submit a Mid-Term Review report to government by December 31, 2022
- Since the 2021-2024 CDM Framework was designed and implemented, new considerations have emerged in the sector:
 - Electrification and decarbonization – increased interest and expectations around reducing emissions and supporting non-wires alternatives/distributed energy resources
 - System needs – growing bulk and regional system needs and associated increases in avoided costs increases energy efficiency benefits and potential
 - COVID-19 and supply chain issues – created challenges and delays for customers that are likely to affect the remainder of the 2021-2024 CDM Framework

Mid Term Review Scoping Background

Task	Directive Requirement	Objectives
1. System Needs Review	Review alignment of the demand reduction target, electricity target and the CDM Framework budget with the provincial, regional and/or local electricity system needs as identified by the IESO	Determine if any change to the Framework targets and/or budget is warranted
2. Customer Needs Review	Review alignment of the CDM program offerings with consumer needs in Ontario	Determine if any changes to CDM programs is warranted to better meet customer needs
3. Competitive Mechanisms Review	Review lessons learned and recommendations from competitive mechanisms for procuring energy efficiency resources, including results to date of the Energy Efficiency Auction Pilot	Determine how to leverage competitive mechanisms to most effectively support CDM program delivery
4. Program Review	Assess the progress and impact of CDM programs, including for low-income/income-eligible and on-reserve First Nations consumers and comparison against programs from other jurisdictions	Determine if any changes to programs and/or the allocation of budget and targets to programs is warranted
5. Report	Recommendations on the remainder of the CDM Framework	Recommend proposed changes for program years 2023 and 2024 based on Mid-Term Review findings

Objectives of Customer Needs Review

Task 2 Directive Requirement: Review alignment of the CDM program offerings with consumer needs in Ontario

Objective: Gain broad marketplace perspective through direct feedback from consumers, program participants, communities, program delivery agents and key market actors to understand the following:

- Customer experience with current programs,
- Evolving customer needs,
- Opportunities for enhancements to current programs, new program offering, and/or additional program support services.

Marketplace Outreach

- IESO will engage with the marketplace (e.g., customer, vendor, association) to gain broad insight into customer experiences with the framework (February – April).
- Key themes from the discussions will be identified to inform the formal stakeholder engagements (to be held on engagement days in April and July).
- As experienced participants in the Save on Energy programs, we want to hear your insights. Please engage your IESO Business Advisor if you'd like to share your perspectives and join the stakeholder engagement meetings.
- The Q2 Roundtable meeting will include a facilitated discussion to gain insights into experiences with EAP



Omega Foundation Update

EcoSAVER Phase 1 Findings

March 7, 2022



What is EcoSAVER?

- EcoSAVER is a project of the Omega Foundation, a national charity focused on alleviating poverty.
- Since 2019 Omega has been researching opportunities that target both social inequity and the climate crisis.
- Launched in 2021 EcoSAVER's Goal is to: motivate low-modest income households to participate in free energy assistance programs to save money, reduce residential energy waste and greenhouse gas emissions, while living in more energy-secure and healthier homes.
- EcoSAVER's first pilot collaboration with Enbridge Gas and the IESO launched in fall 2021.

Pilot Guiding Principles

- Effective Engagement
 - Promotional activities should be targeted (eg. no mass media) and reasonably expected to precisely target income-eligible customers; Pilot collaboration will seek to measure the impacts of engagement/promotional activities
- Reputation + Brand Preservation
 - Activities should be pursued with a focus on (at minimum) preserving and (ideally) improving the IESO and Enbridge's reputation and preserving our respective brand identities
- Collaboration and Coordination
 - Collaborate and Coordinate effectively with stakeholders and program partners (eg. Enbridge, Service Providers, EAP Roundtable)
- Equitable Reach
 - Activities should also focus on identifying underserved populations and communities (eg. Indigenous customers, New Canadians, people with disabilities, etc).
- No additional cost to be borne by IESO/Ratepayers
 - IESO will provide contributions in-kind

Pilot Scope

- Pilot Goals:
 - A) Transition 300 Ontario households into the EAP & HWP
 - B) Measure impact of Cost/Comfort Messaging + Incentive
- Target Audience: EAP/HWP eligible households
- Pilot Timeline: Nov-Dec 2021

Measuring Pilot Impact

- Ecosaver conducted focus groups with The Strategic Council
 - EAP/HWP eligible Participants highlighted both Cost and Comfort as chief reasons to embark on energy efficiency projects.
- Digital lead generation and onboarding pilot program concept allowed for real-time tracking of pilot results
- Behavioral Insights Team develop A/B (Cost/Comfort) test + incentive

Results: 515 total landing traffic

(Google Analytics: New Users landing on 1 of 4 EcoSAVER landing pages)

134

Comfort & No incentive
<https://ecosaver.ca>

The screenshot shows the EcoSAVER landing page with the following text: "Receive energy efficiency upgrades to make your home more comfortable – at \$0 cost to you." Below this, it says "Thousands of Ontarians have made their homes more comfortable with home energy upgrades. It's easy to sign up." The page includes logos for EcoSAVER, SAVE ENERGY, and ENBRIDGE, and a "SIGN UP" button in the top right corner.

154

Comfort & incentive
<https://ecosaver.ca/c2>

The screenshot shows the EcoSAVER landing page with the following text: "Receive energy efficiency upgrades to make your home more comfortable – at \$0 cost to you. And we'll send you a \$50 Tim Hortons gift card as a treat!" Below this, it says "Thousands of Ontarians have made their homes more comfortable with home energy upgrades. It's easy to sign up." A red arrow points to the word "treat!". The page includes logos for EcoSAVER, SAVE ENERGY, and ENBRIDGE, and a "SIGN UP" button in the top right corner.

107

Cost & No incentive
<https://ecosaver.ca/cs1>

The screenshot shows the EcoSAVER landing page with the following text: "Receive valuable energy efficiency upgrades for your home – at \$0 cost to you." Below this, it says "Thousands of Ontarians have received their valuable home energy upgrades. It's easy to sign up." The page includes logos for EcoSAVER, SAVE ENERGY, and ENBRIDGE, and a "SIGN UP" button in the top right corner.

120

Cost & incentive
<https://ecosaver.ca/cs4>

The screenshot shows the EcoSAVER landing page with the following text: "Receive valuable energy efficiency upgrades for your home – at \$0 cost to you. And we'll send you a \$50 Tim Hortons gift card as a treat!" Below this, it says "Thousands of Ontarians have received their valuable home energy upgrades. It's easy to sign up." A red arrow points to the word "treat!". The page includes logos for EcoSAVER, SAVE ENERGY, and ENBRIDGE, and a "SIGN UP" button in the top right corner.

Results: 215 signups on EcoSAVER

(Submitted applications on 1 of 4 EcoSAVER landing pages)

COMFORT

No Incentive
26 appl.

+Incentive
89 appl.

COST

No Incentive
34 appl.

+Incentive
66 appl.

Conversion rate for landing pages

COMFORT

No Incentive
19%

+Incentive
58%

COST

No Incentive
32%

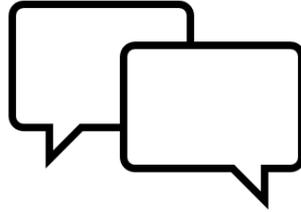
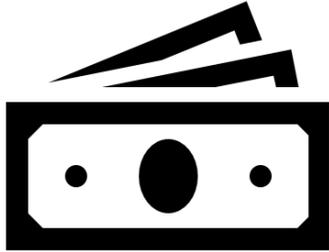
+Incentive
55%

Key Findings

The Phase 1 Pilot findings provide clear opportunities for a Phase 2 to help Omega, the IESO, and Enbridge to drill down further into best practices that motivate families to partake in home energy upgrade programs.

Omega Foundation worked with the BIT team to review and assess the data.

Key Finding



Participants were motivated by the incentive,
and by both comfort and cost messages.

1. Incentives:

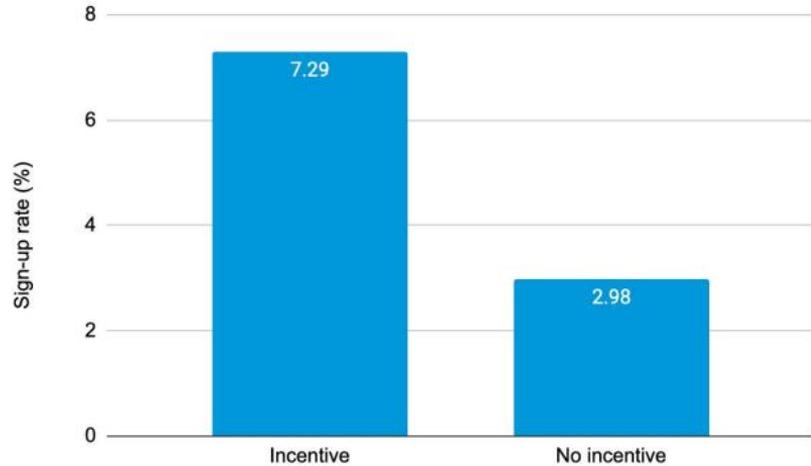
Participants
were motivated
by the incentive
to sign up.

Data

A large, statistically significant benefit to providing an incentive (7.29% compared to 2.98%).



Sign-up rate as a function of incentive (\$50 Tim Hortons card), among those who opened the email



$n = 4140, p < .001$

Note: A "p value" of $<.001$ means that it is extremely unlikely that we would observe a difference this large due to chance. As a result, we can be very confident that providing the incentive increases the proportion of email recipients who sign up with EcoSAVER!

2. Messaging:

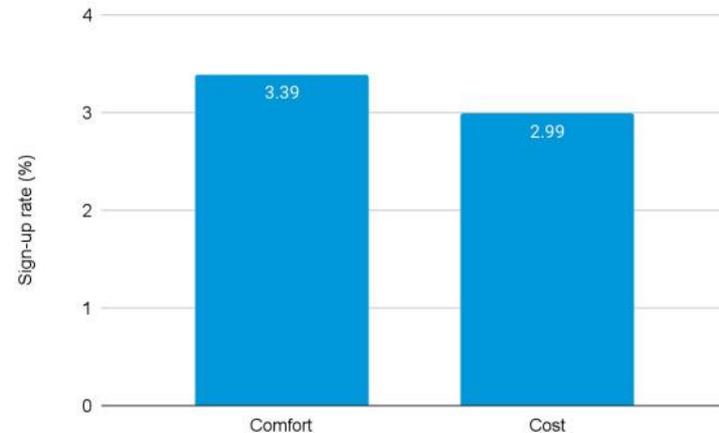
Participants were motivated by both comfort and cost messages to sign up.

Data

No difference between the “comfort” and “cost” focused messaging (slight variance likely to be the result of chance).



Sign-up rate as a function of message frame



$N = 6744, p = .965$

Note: A “p value” of $> .05$ means that there is a fair chance that the difference in the two values is just due to chance, not an actual effect. A p-value of .965 means that the difference is very likely to be the result of chance, which is why we say that there is “no difference” between comfort and cost.

3. Pathway:

Participants were motivated by the comfort messages in the email to click through.



Condition	Clickthrough Rate	Sign Up After Clicking Through Rate*
Incentive, Comfort	9.18%	57.79%
Incentive, Cost	7.16%	55.00%
No Incentive, Comfort	7.81%	19.40%
No Incentive, Cost	6.39%	31.78%

Pathway



Data

A. The comfort message is more effective in generating clickthroughs ($p = .009$).

B. The incentive is less important and may not have an impact on clickthroughs ($p = .11$).

C. The incentive is critical to converting clickthrough to sign-ups at a higher rate, 'especially' in the "comfort" condition

Condition	Clickthrough Rate	Sign Up After Clicking Through Rate*
Incentive, Comfort	9.18%	57.79%
Incentive, Cost	7.16%	55.00%
No Incentive, Comfort	7.81%	19.40%
No Incentive, Cost	6.39%	31.78%

Phase 2 test options

P1 Finding	Identify	Options
Participants were motivated by the \$50 Tim Hortons e-card to sign up.	What incentive motivates most?	<ul style="list-style-type: none">• Type of reward• Amount of reward• Timeline of receipt
Participants were motivated by the comfort and cost messages equally.	What kind/s of messages work best?	Messages with behavioural nudges: <ul style="list-style-type: none">• Social norms• Loss aversion• Sunken costs
Participants were motivated by the comfort messages in the email.	What is the ideal pathway?	Email message and/or build Landing page build

Activity 1 – EcoSAVER debrief/ discussion

1. Did any of the findings from the EcoSAVER pilot surprise you?
2. From your perspective, which Phase 2 test options would be most beneficial to assess in 2022? Are there any other test conditions we should explore to better improve our effectiveness in reaching eligible households?
3. The Omega Foundation/EcoSAVER collaboration demonstrates the value of establishing partnerships to improve EAP reach and access – are there other potential outreach or marketing partners you are aware of whom we should consider working with?



Income Eligible Household Market Research Update – See Supporting Materials



Social Housing Focused Session

Purpose

- The purpose of the session is to gain feedback on whether the current program processes and measures in EAP and Retrofit are working effectively for Social Housing Providers and/or tenants.
- This feedback will help to inform future design enhancements and the CDM Mid-Term Review.

Social Housing Discussion Questions (1 of 2)

- EAP – How effective is the offering for SHP through EAP? Is it working for SHP, or is the benefit primarily for tenants?
 - Are there issues with eligibility, or the application process, or level of support?
 - Are there areas for program improvement? (Additional measures, application process, program support)
- Retrofit – Does the offering meet your needs?
 - Types of measures available?
 - Type/amount of incentive available?
 - Application process
 - Are there projects/facilities that fall through the cracks between the 2 programs?
 - Would it be easier to have a single point of access for all suites and building types?

Social Housing Discussion Questions (2 of 2)

- Cold Climate heat pumps
 - Are you installing them or considering installing to replace electric resistance (baseboard) heating?
 - What barriers (i.e. cost, acceptance and/or mechanical, etc.) are there to installing air source heat pumps?
- Communication
 - Is knowledge of the program an issue?
 - What is the best way to communicate with the sector?
 - HSC Energy committee? Survey?

Marketing Material for Retrofit Program

Do you find the current program collateral effective?


RETROFIT | SOCIAL HOUSING PROVIDERS



YOUR
TENANTS
YOUR FOCUS

KEY BENEFITS

REDUCE ELECTRICITY COSTS
To improve your operating costs.

SAFETY FIRST Upgrade lighting in common areas and improve overall safety with greater visibility.

BRIGHTER SPACES
Makes your common areas more inviting.

FEWER SERVICE CALLS
Spend less time replacing bulbs and servicing appliances.

INCREASE TENANT COMFORT AND SAFETY WHILE DECREASING YOUR OPERATING COSTS

You can reduce your overall operating costs, and not just your electricity bills, when you participate in the Save on Energy Retrofit Program for social housing providers. This program will provide you with advanced incentives for capital investments to upgrade your old equipment up to a maximum of 50% of the Eligible Costs (i.e. project costs).

Improvements to comfort and safety are powerful ways to maximize tenant satisfaction. Well maintained buildings make tenants proud of where they live, and this is important for their happiness, well being, and sense of community.





RETROFIT | SOCIAL HOUSING PROVIDERS

UPGRADES MAY INCLUDE

- LED Lighting for common areas
- HVAC systems
- Building Automation Systems
- Energy Star Refrigerators
- Envelope Upgrades

DOES MY BUILDING QUALIFY?

Multi-family buildings (such as apartments and co-operatives) owned by eligible non-profit housing providers qualify.

LED LIGHTING IN COMMON AREAS MAKES A DIFFERENCE

Better visibility for:

 Exit signs	 Interior common areas lighting
 Exterior lighting	 Lobbies

WHAT CAN PARTICIPATING IN THE RETROFIT PROGRAM DO FOR YOU?

With Save on Energy's Retrofit Program, updating your buildings) is a big opportunity – in terms of savings, comfort, and benefits to your tenants.

- ↑ **Operational savings**
Find hidden savings beyond the bill. Less maintenance in common areas and fewer disruptions for tenants.
- ↑ **Increase safety**
Better lighting increases visibility.
- ↑ **Tenant satisfaction**
Efficient heating and cooling mitigates extreme weather outside, stabilizing temperatures inside and improving building comfort.

Ottawa Community Housing (OCH) took part in the Retrofit Program by replacing over 20,000 fluorescent light bulbs with LEDs and installing smart heating systems into buildings. It was able to reduce energy consumption and renew the yearly \$52,000 in savings, from a single building alone, back into its units resulting in a more comfortable environment for tenants.

WE LOOK AT COST SAVINGS AS A RETURN INTO PROGRAMS, INTO MAINTENANCE, INTO THE REPAIRS OF OUR BUILDINGS.

- Stéphane Giguère
CHIEF EXECUTIVE OFFICER, OCH

WANT TO LEARN MORE CALL 1-844-303-5542 OR VISIT SAVEONENERGY.CA/RETROFIT




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Facility Operator Training (on-line)

Toronto Community Housing Pilot Project - Update

Thank You

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