August 21, 2020

Ministry of Energy, Northern Development and Mines

99 Wellesley St W

Toronto, ON M7A 1W3

Dear Minister Rickford,

We are writing to you today on the matter of Conservation and Demand Management (CDM) of electricity. We want to commend the government for moving forward on this important file, and for including an opportunity to recommend suggestions as detailed in ERO-number 019-2132.

As stated in the ERO, there is significant potential for cost-effective electricity conservation in the province. We agree that this approach can help address forecasted increased capacity and local needs. In short, the upcoming framework has the potential to be good for consumers, good for the government, and good for the environment.

With this win-win-win scenario in mind, The Atmospheric Fund (TAF) would like to highlight our positive and productive conversations with Minister Walker’s staff, such as our meeting on this issue on February 28th followed by our recommendations on March 24th, also attached here. We would also like to highlight areas that the government could continue to move forward on CDM.

Specifically, we would like to highlight the 2019 Navigant study titled “Integrated Ontario Electricity and Natural Gas Achievable Potential Study”[[1]](#footnote-1). This study is unique and the first of its kind as it was a combined IESO and OEB study. The study recommended a number of different options for the government to move forward on the CDM. It is our view that **Scenario B would be the best option**.

Detail Scenario B for Electricity Constraint:

* Incentives set at 100% of incremental cost of each measure
* Assumes idealized program design (i.e., fewer market barriers and high adoption rates)

However, if the government determines that the scenario fits outside of the “Made-in-Ontario Plan” then at **a minimum** **we would recommend option C[[2]](#footnote-2) as the minimum viable option.**

Detail Scenario C for Electricity Constraint:

* Incentives set such that average incentive payment is ~2.5 cents/kWh of lifetime energy savings for individual measures.
* Assumes standard adoption rates

For funding to contribute meaningfully to the forecasted 2023 capacity needs, we strongly recommend that CDM ramp up well before 2023. It will take considerable time to address the potential 2000megawatt capacity shortage outlined in the ERO.

In closing, TAF would like to highlight the importance of energy efficiency and how vital it is to not just saving Ontarians money on their bills, but also supporting local employment, reducing load on the electricity grid, and making residential spaces more livable. It is estimated that there will be 147,00 construction-industry job openings in the Toronto area alone over the next 15 years in green infrastructure and energy efficiency[[3]](#footnote-3). When we also include the fact that 42.8 per cent[[4]](#footnote-4) of total carbon emissions in the Greater Toronto Hamilton Area are from the building sector, the link between carbon reduction and the potential for good, clean jobs becomes even more compelling.

Thank you for taking action on this file and for continuing this vital work that will reduce carbon emissions and save Ontarians money.

Sincerely,



Bryan Purcell

Vice President of Policy and Programs

The Atmospheric Fund

1. <http://www.ieso.ca/2019-conservation-achievable-potential-study> [↑](#footnote-ref-1)
2. Ibid. [↑](#footnote-ref-2)
3. <https://www.cagbc.org/tradingup> [↑](#footnote-ref-3)
4. <https://taf.ca/gtha-carbon-emissions/> [↑](#footnote-ref-4)