

October 30, 2024

Ministry of Energy, Conservation and Renewable Energy Division  
77 Grenville Street, 5th floor  
Toronto, ON  
M7A 2C1  
Canada

**RE: ERO 019-9235 “2025-2036 Energy Efficiency Framework”**

To the Ministry of Energy,

According to the Independent Electricity System Operator’s (IESO) 2024 Demand Forecast, electricity demand in Ontario is anticipated to grow 75 per cent by 2050. This is higher than previously forecasted, with annual consumption rising from 151 terawatt-hours (TWh) in 2025 to 263 TWh in 2050, a rise that is driven by the growing industrial load and electrification. As Ontario transitions to electrification, energy efficiency programming is going to be an important tool in ensuring the province can meet this growing demand.

**Maximizing Savings for Customers**

Hydro One supports the 2025-2036 Electricity Energy Efficiency (EE) Framework for Ontario, including expanded offerings to residential customers. Hydro One also supports greater participation of Local Distribution Companies (LDCs) in energy efficiency programming. LDCs are eager to be a part of the solution in unlocking and maximizing the benefits that energy efficiency can provide to address specific system issues. Expanded EE programming can help defer and mitigate some of the infrastructure needed to meet tomorrow’s electricity needs.

**The myEnergy Rewards Program**

LDCs understand their customers and their needs best. Hydro One is ready to work with the IESO to deliver local LDC programs. Hydro One’s myEnergy Rewards program has already enrolled 25,000

customers in demand shifting incentives for smart thermostats and electric vehicle charging. Through this demand response program, Hydro One is already learning how to educate our customers about the benefits of evolving energy efficiency programs and exploring the value these programs can have in providing system benefits.

## **Optimizing Delivery and Maximizing Savings**

Hydro One supports a single-program portal for EE programs as long as funding sources for these programs remain separate. Many Hydro One customers are not connected to the natural gas system and should not be subject to costs associated with natural gas efficiency programs.

To support the development of enhanced regional programming, EE programming should include regional achievable potential studies or funding for LDCs to assess cost-effective opportunities for non-wires alternatives to defer distribution system investments. To help implement the savings achievable for regional and local planning, the IESO could update their cost effectiveness tools to allow LDCs to assess local program cost effectiveness, such as “avoided cost” inputs, to meet budget goals. The IESO could also help facilitate information sharing between utilities, including assessments of local programs and participation data to facilitate knowledge sharing and adoption of successful programs. If utilities are to rely on EE measures to meet system needs, utilities need tools to verify the benefits of a program claimed by a customer or proponent, to ensure a program or resource is available when needed.

The Framework should also align with the OEB’s Non-Wires Solutions Guidelines for Electricity Distributors (EB-2024-0118), which identifies EE as a form of Non-Wires Solution.

## **Environmental Impact**

The Ministry of Energy should consider making beneficial electrification programs eligible for EE funding. This will enable customer choice and

spread fixed electricity costs over a larger number of energy applications. These programs could ease consumers' ability to adopt electric vehicles, assist industrial customers to adopt innovative technology and support farmers' adoption of electrified irrigation pumping. EE programming could incentivize customers to enroll in demand response programs at the time of purchase of an electric vehicle or heat pump, such as Hydro One's incentive program to allow demand flexibility behind the meter. Electrification supports efficient energy outcomes by expanding the number of energy applications that can enrol in evolving EE programming, including demand response programs.

## Conclusion

Hydro One is supportive of the proposed 2025-2036 Energy Efficiency Framework and looks forward to working with the government, the IESO, and the Ontario Energy Board to implement these programs to bring benefits to customers across Ontario. We recommend the Ministry consider increasing local program funding as demand forecasts for the province have substantially increased.

Please do not hesitate to reach out to Hydro One to discuss further.

Best,

A handwritten signature in dark ink, appearing to read "Frank D'Andrea".

Frank D'Andrea  
Vice President and Executive Lead, Enterprise Strategy and Energy  
Transition, Hydro One