

2025-2036 Electricity Energy Efficiency Framework

AMO SUBMISSION TO THE MINISTRY OF ENERGY

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Executive Summary

AMO appreciates the opportunity to comment on the province's proposed new Energy Efficiency Framework (EEF). As AMO has previously commented, municipalities are committed to supporting a transition to a clean, reliable, affordable energy system. Municipalities support initiatives that reduce energy costs and help ensure the long-term reliability of our energy system. This is increasingly important to ensure there is sufficient energy available as we work towards building 1.5 million new homes by 2031.

Reducing Electricity Consumption

The rapid growth of our communities and shift towards electrification are increasing demand on the electrical grid. Access to reliable electric service is increasingly identified by municipalities as a barrier to building new homes and businesses. Communities are also increasingly concerned about climate change and are seeking opportunities to reduce their carbon footprint through a transition from fossil fuel to clean electricity.

We understand that reducing electricity consumption is the most cost-effective way to increase the electrical capacity available to power homes and businesses. AMO is supportive of the proposed EEF as an approach to reduce consumption through increased energy efficiency. We are pleased to see that programs under the proposed EEF are targeted towards all consumer groups and are particularly supportive of programs to reduce electricity consumption at municipal facilities.

We are also supportive of the EEF's dedicated budget for local distribution corporation (LDC) led energy efficiency initiatives to help ensure programs reflect local needs. This approach will help ensure that energy efficiency programs are scoped to maximize impact based on local needs. It will also help LDCs pursue broader implementation of distributed energy resources (e.g. smart thermostats, rooftop solar panels, vehicle-to-grid charging) that help reduce overall demand on the electricity grid.

While AMO supports these initiatives in principle, the success of any energy efficiency programming – particularly programs delivered locally – will depend on how programs are implemented. Municipalities and LDCs are already experiencing financial pressure to deliver services and build housing-enabling infrastructure. It is important that the cost of delivering any new or expanded energy programming be covered by the province and not downloaded to municipalities or LDCs.

Local Energy Planning

The proposed EEF makes reference to a long-term framework that would be managed through regular program cycles to support long-term energy planning. It also speaks to offering enhanced local programming in areas identified through regional planning as facing transmission system constraints.

Although municipalities are not responsible for leading regional energy planning, they are responsible for planning for local growth through land-use and other planning process. Municipalities are well positioned to provide key input about how communities are anticipated to grow over time. However, municipalities do not always have expertise and capacity to provide technical analysis or feedback to regional energy planning.

We encourage the province to consider ways to better incorporate municipal knowledge to inform energy planning. Better equipping municipalities, LDCs and energy transmission planners to share information and understand planning processes will result in better outcomes that will allow energy resources to be more efficiently directed. We understand that the province is currently consulting on an integrated energy plan for Ontario. As part of this work, the province should outline a plan to ensure effective coordination of planning efforts between all energy partners.

Conclusion

AMO supports continued efforts to reduce energy consumption and improve energy affordability. Improved efficiency will help ensure communities have access to clean, reliable, affordable energy when and where it is needed. We are available to provide feedback to the province and the Independent Electricity System Operator on the design of any specific programs under a new EEF.

In addition to the proposed EEF, there remain opportunities to pursue energy efficiency initiatives in policies and programs led by other ministries. Incorporating these opportunities into energy efficiency efforts will maximize the success of efforts to reduce consumption. For example, [AMO has called](#) on the Ministry of Municipal Affairs and Housing to harmonize energy efficiency standards in the Ontario Building Code with the national construction codes, or empower municipalities to set higher efficiency standards for buildings.