

November 1, 2024

Gabriel Weekes  
Ministry of Energy, Conservation and Renewable Energy Division  
77 Grenville Street, 5th floor  
Toronto, Ontario M7A 2C1

Dear Mr. Weekes:

**Re: 2025–2036 Electricity Energy Efficiency Framework (ERO no. 019-9235)**

The EDA represents Ontario's local hydro utilities, the part of our electricity system closest to customers. Publicly and privately owned utilities, otherwise known as local distribution companies (LDCs), deliver electricity to residential, commercial, industrial, and institutional customers—powering every community in the province. The sector owns more than \$30 billion in electricity system infrastructure and invests more than \$2.5 billion annually in the electricity grid—that is the Power of Local Hydro.

**The EDA applauds the government's recognition of, and proposal to, re-establish the enhanced involvement of LDCs in electricity demand side management (eDSM). We are hopeful that the proposed enduring eDSM framework will expand beyond this excellent first step in the future.** As a low-cost and non-emitting resource that can dynamically respond to the province's electricity system needs, eDSM makes Ontario's coveted clean electricity accessible to customers most expediently. LDCs understand that their customers are highly interested in a low-carbon electricity supply, and eDSM is an important tool to this end. Simultaneously, eDSM could defer and/or reduce the need to build generation, transmission, and distribution infrastructure. eDSM programming has full-spectrum benefits: it empowers customers with smart, sustainable choices while unlocking upstream benefits to the bulk system. Both outcomes increase affordability by lowering energy bills for families and businesses alike.

As noted in the EDA's 2022 paper, [The Power of Local Conservation](#), LDCs have a proven track record delivering eDSM programs (referred to as CDM programs in the paper) to over 5 million residential, commercial, industrial, and institutional customers throughout Ontario for over a decade. Bringing LDCs back into eDSM would improve affordability for Ontario's electricity customers. It would also help to address the expected energy supply shortfall, identified by IESO's 2021 Annual Planning Outlook and again in its 2025 Annual Planning Outlook's Demand Forecast.

**The EDA commends the government's move to a rolling long-term energy efficiency framework, which would greatly increase certainty to customers and the marketplace.** By doing so, the province signals its strong commitment to energy efficiency, providing customers with confidence to implement energy efficiency projects, knowing that eDSM incentives will be

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available for many years to come. This is particularly relevant for large projects and those that may have multiple cumulative phases, particularly among commercial, industrial, and institutional (CI&I) customers.

**LDCs are uniquely positioned to support the IESO's province-wide programs in customer engagement activities.** They maintain longstanding relationships in the communities they serve, as trusted energy advisors to residents, businesses, institutions, industries, and farms. Because of LDCs' collective reach across the province, they are ready, willing, and able to support Ontario's customers to lower their energy use and costs, through customer engagement in their local communities. LDCs have well-established, cost-effective marketing and communication channels to educate and engage with their customers. For example, some LDCs have managed to retain staff who are Certified Energy Managers, Certified Energy Auditors, and Certified Measurement & Verification Professionals, via previous years' IESO funding programs. These professionals support the identification and implementation of energy saving projects with the detailed customer knowledge that LDCs maintain. With LDCs' customer engagement expertise, the positive impact of the IESO's province-wide eDSM programs would be harnessed in any region of Ontario, not only areas that are identified through regional planning as facing transmission system constraints.

**The EDA strongly supports the government's proposal of dedicated LDC funding for eDSM programs in their respective service areas to address local distribution system needs.** LDCs know their customers, communities, and distribution systems best. Expanding LDC-specific funding to include tailored eDSM programs that address distribution system constraints would be an excellent complement to the IESO's province-wide eDSM programming. These local programs would directly benefit communities by delaying or avoiding premature asset renewal, thereby cost-effectively managing electricity demand growth while supporting economic development. Stacking of both bulk system and distribution system benefits (accompanied with a beneficiary-pays model) ensures more cost-effective programming to the benefit of all Ontarians. We acknowledge the ongoing efforts of the IESO-LDC DSM Working Group in developing approaches to capture the value of local eDSM programs in a non-duplicative way alongside the IESO's province-wide eDSM programs.

Thank you once again for the opportunity to comment on this proposal. We look forward to continued engagement with the Ministry of Energy and Electrification, the IESO, and OEB on eDSM in Ontario by offering valuable LDC feedback. If you have any questions, please contact Tina Wong, Senior Policy Advisor at [twong@eda-on.ca](mailto:twong@eda-on.ca) or (905) 265-5334.

Sincerely,



Teresa Sarkesian  
President and CEO