December 13, 2024

Ministry of Energy and Electrification
77 Grenville Street
Toronto, ON M7A 2C1

RE: Enercare Response to an Integrated Energy Resource Plan (ERO Posting #019-9285)

Enercare appreciates the opportunity to provide input into the development of Ontario's first Integrated Energy Resource Plan (IERP). Enercare Inc. ("Enercare") is a Canadian company, headquartered in Markham, Ontario, that provides energy-efficient products, services, and solutions that support residential and business customers in making substantial contributions to Canada's energy transition. We provide heating, cooling, water heating, water purification, backup generator, electrical vehicle chargers and related products and services to over one million homes and businesses across the country, including 1 in 5 homes in Ontario.

Our operations are supported by almost 2,000 employees, including a workforce represented by two unions. Our technicians are fully licensed, receive ongoing training and are provided with best-in-class safety equipment. We are committed to providing careers and training opportunities in the skilled trades and have developed an in-house apprenticeship program and on-site training facilities.

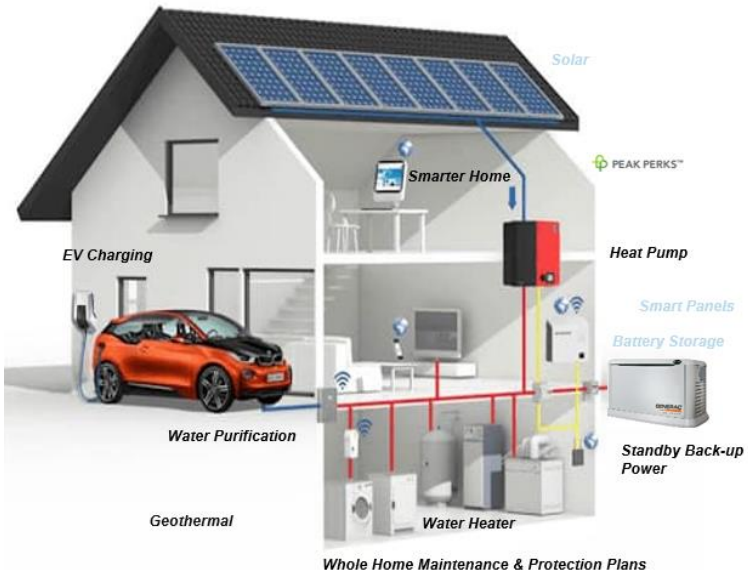
Enercare's reach and scope in enabling customers to have innovative technologies and make the right choices is unique. We are in over one million customer homes and buildings in Ontario approximately 800,000 times each year, to support their equipment maintenance, repair, installation and related needs. We also have operations in Alberta, British Columbia, Manitoba and Quebec, with additional customers in New Brunswick and Saskatchewan who are serviced through our dealers.

Enercare applauds the Ministry's recent release of the energy policy vision paper, *"Ontario's Affordable Energy Future: The Pressing Case for More Power,"*[1] and its focus on the role that energy efficiency and distributed energy resources can play in meeting the province's future electricity needs. We are happy to provide feedback on select *Guiding Questions* highlighted below and would welcome the opportunity to meet with you at your earliest convenience.

[1] "Ontario's Affordable Energy Future: The Pressing Case for More Power." Ontario, October 24, 2024. https://www.ontario.ca/page/ontarios-affordable-energy-future-pressing-case-more-power.

Response to Guiding Questions

Enercare is driving the adoption of energy efficient equipment in Ontario. With approximately 1 in 5 homes in Ontario opting for our residential energy equipment subscription services, our product roadmap including air, water, and energy needs is servicing customers and allowing them to choose from the most innovative, energy efficient technologies when it comes to electrifying their homes.



The image on the right illustrates the equipment Enercare offers, or expects to offer in the future as part of its product roadmap, and highlights our support for the electrification transition happening at the residential level. Through these various services and types of equipment, the average residential customer can become another useful participant in beneficial electrification.

We are happy to highlight that we have also been a proud supporter of the IESO's Peak Perks™ program through our incentive matching program. Enercare is supportive of targeted programs that can help expand customer choice while meeting a broader set of system needs. As noted in the recently released vision paper, Ontario's Affordable Energy Future: The Pressing Case for More Power,*"Giving customers more ways to participate in the grid, with a focus on creating new ways for families and businesses to save money while reducing province-wide energy demand, benefits us all.*

Moreover, with more than 1 million subscription customers and 500,000 protection plan customers in Ontario, our customers look to us to advise them on equipment selection and technology transitions. As such, Ontario must act now to implement policies and programs that increase the role of the customer in supporting electricity system services and strategically manage the electrification transition, while at the same time ensuring that customers have affordable options, including through expansive energy efficiency incentives.

What further steps should the government take to enable households and businesses to manage and make informed decisions about their energy use?

Many consumers do not plan for the upfront costs of replacing HVAC equipment. As the province is currently undergoing an affordability crisis, consumers want *choice* in how and when they purchase, including the rental/subscription model, which provides access to new equipment without the upfront (and ongoing) costs of equipment ownership.

Enercare's subscription model offers an option to help reduce initial costs for equipment, and utilize ongoing payments to help make energy affordability a priority for the average Ontarian. The latest technological offerings in energy efficiency and electrification-related equipment often offer significant energy savings the average consumer would not be able to take advantage of otherwise.

Including the rental/subscription model in offered programs is critical to ensuring program accessibility to a cross section of residential consumers, and already the prevalent option in Ontario. Subscription works much like a "direct install" program, as it means consumers will get installed equipment without a large capital outlay, in a turn-key fashion, in addition to the ongoing service and maintenance to ensure efficiency and reliability of the equipment. The rental/subscription model offers an affordable way for consumers to participate even without the full cost of the equipment being covered by incentives. This will allow the province to support a larger portion of residential customers with their programs.

Enercare estimates that 90% of heating and cooling equipment is replaced when it breaks. Consumers will choose solutions that resolve critical heating and cooling breakdowns the fastest. To ensure incentives are effective, programs must avoid pre-installation assessments or other qualifications, and allow for quick and easy decisions for consumers to make right when they need it the most.

What actions should government consider that would empower customers to install innovative technologies to generate or store energy on-site to reduce costs and improve resiliency?

As the government remains focused on decreasing energy costs for Ontarians, electrification at the residential level should be prioritized. Programs or incentives that focus on residential homes and multi-residential buildings, whether it be new builds or existing residential, as well as condominium corporations or apartments, will be important to help further the government's mandate and focus on reduced energy costs and affordability.

Enercare is supportive of a thoughtful transition to electrification that reflects consumer preferences and evolving technology while managing demand on the power system. Continued targeted incentives will allow Ontarians to migrate from technologies like air conditioners to heat pumps, a product that offers consumers high efficiency and can help customers take the next step towards electrifying their space heating needs. While initial beneficial electrification programming may support the transition from non-traditional heating fuel types, like propane and oil, to help with affordability issues, it will be important to ensure that the province is also considering that equipment purchased today, can remain in use for 15+ years for the average residential consumer. Ontario should explore how to begin expanding beneficial electrification measures to support a planned, but gradual, electrification of natural gas heating and other equipment, where appropriate.

Other provinces, like Quebec, have begun to consider measures like electric water heaters, supplemented with demand-response capability, that support the transition and can help manage grid loads. These are actions that can be explored today in Ontario and should not be overlooked as customers have begun factoring these considerations into their equipment purchases already.

Expanding eligible products to include water heaters, heat pumps, backup power, EV chargers, batteries and solar also enable additional conversion to lower-emitting technologies. Enercare would welcome the opportunity to speak more about our experience with our 300,000 electric water heaters in Quebec.

Enercare would also suggest that more can be done from an investment perspective to support EV charging at home. As EV adoption increases, so too does the demand for electricity at the residential level. This increase in demand introduces new challenges for distributors, but also creates an opportunity to incentivize technologies that can offset EV charging loads. Peripheral investments should be explored for use by customers to support EV charging at home. This could include programs that incentivize or encourage customers to install innovative technologies, like solar and back-up systems like batteries. Newer technologies, like backup power and residential wall batteries offer future solutions to support the energy transition and shift reliance from the grid but require government incentives to bring the price point more in line with consumer expectations and drive adoption.

What actions should government consider to promote greater access to electricity and accelerate grid-connections that will support economic growth, connecting new homes, and electrifying transportation and heating?

As Ontario pushes for scaling the building of new affordable housing, incentive programs should be extended to new build homes, multi-residential buildings and condo corporations. The current suite of programs tends to focus on single-family homes, or low-rise retrofits only. Expanding the suite of programs to these other building types will help expand energy efficiency and affordability supports for different customer segments, while at the same time open up new avenues for efficiency programs to reduce the overall demand for electricity on the grid.

Enercare is exploring fully integrated geothermal solutions for Ontario homes and buildings. We believe that Ontario should be accelerating the adoption of technologies like geothermal heating and cooling in residential and multi-residential buildings as it is a solution that will help developers offset the upfront costs and make sustainability more accessible, including avoiding the need for natural gas infrastructure, without replacing all of the load onto the power grid. It also has the important benefit of lowering energy costs for future customers in those buildings on an ongoing basis.

Enercare recently introduced a new offering for customers that further promotes affordability and supports electrification of transportation in Ontario through an electric vehicle management system (EVEMS). The EVEMS can be installed in residential and multi-residential properties and has the ability to control both the rate and time of charging that leads to a reduced demand for supply from the grid, and at an affordable cost to homeowners, multi-residential residents and property managers. As consumers are seeking out ways to reduce their energy footprint from a cost savings perspective, the transition to an electric vehicle has gradually taken off, and this will impact the connection requirements for the grid. EVMS technologies can minimize the impact of demand from EVs, while supporting reduced requirements on distribution systems for new residential and multi-residential buildings that have increasing EV charging requirements at a time when connections in urban centres are strained. MOEE should consider incentives or programs

for EVEMS technologies to help support the adoption of EVs, reduce costs for consumers, and reduce the impact of the electrification of transportation on the electricity system.

Ensuring Skilled Labour is Available to Support the Energy Transition

We at Enercare are highly supportive of Ontario's vision to become an energy superpower and applaud the actions that have been taken to date to ensure Ontario can develop an integrated energy resource plan. We understand long-term planning and policy stability to be fundamental if Ontario wants to meet its growing energy needs. That said, we also feel that it is equally important that government continues to be pro-active with Ontario's labour force by mapping out a forward-thinking innovative approach to addressing the province's growing labour shortage. As new technologies continue to emerge and be deployed as part of the province's ongoing efforts to meet demand for electricity, reskilling the current workforce will become more common as electrification is leading the creation of new skills and new jobs. As a recipient of the last iteration of the government's Skills Development Fund program, we are grateful for the work that has been done to date to support the labour sector. Ensuring Ontario continues to support companies as they look to reskill their current workforce and grow the skilled trades workforce will remain important as a strong labour workforce trained in the newest and most innovative technologies will ensure Ontarians continue to have freedom of choice when it comes to accessing energy efficiency, distributed energy resources (DERs) and broader electrification of the economy.

Conclusion

Enercare would like to thank the Ministry of Energy and Electrification for the opportunity to provide input into Ontario's first Integrated Energy Resource Plan. We would be happy to meet with you at your earliest convenience to discuss our feedback further.

Sincere regards,

Tracy Li
Chief People and Legal Officer