

December 6, 2024

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

Dear Mr. Weekes:

Re: New Proposal for An Electricity Energy Efficiency Programming to Promote Beneficial Electrification ([ERO no. 019-9373](#))

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), own more than \$30 billion in electricity system infrastructure and invest more than \$2.5 billion annually in the grid enabling economic growth in Ontario. This infrastructure delivers electricity to 5.4 million residential, commercial, industrial, and institutional customers – powering every community in the province.

The EDA is pleased that the Ministry of Energy and Electrification (MOEE) recognizes the importance of beneficial electrification in the energy transition. We agree with the MOEE's perspective, that substituting electricity for other fuels in high consumption activities such as home heating and cooling helps Ontarians to reduce their emissions. Consequently, we are supportive of provincewide electricity energy efficiency programs, administered by the IESO, to enable the same.

The EDA recommends that the province's portfolio of electrification programs and incentives should be under the purview of the IESO and LDCs, to best ensure beneficial electrification is met with beneficial supply. The IESO and LDCs are most knowledgeable and experienced in administering and pacing residential, commercial and industrial electrification. Specifically, LDCs have the responsibility to provide their customers with electricity. The Electricity Act requires LDCs to "provide generators, retailers, market participants and consumers with non-discriminatory access to [their] distribution systems,"¹ and to "sell electricity to every person connected to their distribution system,"² unless otherwise advised by the person.

The EDA is supportive of the MOEE's proposal to fund beneficial electrification programming through electricity rates, namely the Global Adjustment Mechanism (GA). We understand that currently Enbridge's Home Efficiency Rebate Program provides incentives for fuel switching to eligible Ontario residents who primarily heat their homes with Enbridge-supplied natural gas.³ This MOEE proposal would enable commensurate access to incentives for Ontario residents who use

¹ The Electricity Act, 26 (1), <https://www.ontario.ca/laws/statute/98e15#BK79>

² The Electricity Act, 29 (1), <https://www.ontario.ca/laws/statute/98e15#BK82>

³ <https://www.enbridgegas.com/her-terms>

other fuel sources for high-consumption activities (e.g., propane, heating oil, or natural gas supplied by a distributor other than Enbridge).

This proposal helps to provide a clear pathway and funding support for residential electrification activities, which will contribute to realizing the energy transition in an affordable way. For example:

- **Residential energy customers** can receive clear messaging on incentive opportunities and technical steps on electrification actions which will help them save on energy and related costs.
- **Municipalities**, many of which have declared climate emergencies, can realize accelerated progress towards their targets on net zero and electricity energy efficiency, while continuing to encourage, and be an attractive destination for, sustainable economic development (e.g., net-zero communities, green manufacturing).
- **LDCs** can gain more insight into future load growth to inform their system planning investments. Electrification also encourages more local Distributed Energy Resources (DERs), such as solar panels and battery energy storage systems in residential and commercial, industrial, and institutional (CI&I) customers. The move to electric heat and water increases the potential opportunities for aggregated demand response.

Fuel switching from propane or heating oil to electrified space heating supports rural residential customers who are otherwise underserved by existing fuel switching/upgrading programs and limited in their opportunities to reduce their greenhouse gas emissions. These customers face unique circumstances with their existing heating fuel sources, which would be improved significantly with electrified space and/or water heating. Some examples include:

- **Cost savings:** heating fuel prices can be volatile, equipment is expensive to maintain, and mandated to be replaced at fixed time intervals (e.g., tanks are prone to corrosion and are mandated to be replaced every 10 years). Electric heating for space and water are more energy-efficient and consequently more cost-effective than propane or heating oil.
- **Improved supply to rural locales:** propane and heating oil deliveries by truck can be impacted by inclement weather. Strict scheduling may not correspond with a customer's fuel needs.
- **Environment, health, and safety:** mitigates fuel oil spills on properties that may contaminate wells, reduces potential carbon monoxide exposure, reduces soot and ventilation hazards.

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 electricity energy efficiency in Ontario by offering valuable LDC feedback. If you have any questions, please contact Tina Wong, Senior Policy Advisor at twong@eda-on.ca or (905) 265-5334.

Sincerely,



Teresa Sarkesian
President and CEO