

# Energy Efficiency Backgrounder: May 25, 2023

Through the Save on Energy brand, the IESO offers programs, incentives, and educational content to help residents and businesses use energy wisely. These programs currently serve industrial, commercial, institutional, on-reserve First Nations, and residential consumers.

Save on Energy is Ontario's recognized and trusted source for energy-efficiency opportunities and knowledge in the province. Since 2011, Save on Energy has provided energy-efficiency opportunities and resources to more than 250,000 homes and businesses across Ontario to help them better manage their electricity use.

Energy efficiency delivered through conservation and demand management programs is a critical resource for maintaining a reliable, affordable and sustainable electricity system in Ontario. As electricity demand is forecasted to grow rapidly across the province and existing generation retire or enter refurbishment, the value of conservation and demand management increases as a low-cost, non-emitting resource that can support broader economic development and decarbonization objectives.

At a cost of just three cents per kilowatt-hour (KWh), energy efficiency remains one of the most cost-effective resources to help to meet Ontario's energy demands. Investments in energy efficiency also deliver consumer benefits – helping businesses become more competitive and making homes more comfortable to live in.

## **New Energy Efficiency Incentives for Consumers**

This spring, the IESO is launching new and enhanced Save on Energy programs – which when added to existing programs – will deliver 725 MW of peak demand savings and reduce overall energy consumption by 3.8 TWh by 2025.

The new and enhanced offerings include:

- **Peak Perks:** Peak Perks offers \$75 incentives to residential consumers with smart thermostats to reduce their electricity use during summer peak demand. When needed, participants' thermostats will automatically be adjusted by two to four degrees Celsius to reduce home energy consumption. Participants will be notified when these adjustments take place and can opt out at any time.
- **Retrofit Program - Custom:** Incentives for custom energy efficiency projects through the Retrofit program that will cover up to 50 per cent of the cost of approved projects, allowing businesses to install energy-saving equipment that best meet their specific needs. Businesses now receive an incentive based on overall energy savings rather than set rebates for pre-approved equipment options.

- **Retrofit for Greenhouses:** This program is available for commonly used lighting, controls and other equipment used by Ontario's rapidly growing greenhouse sector. This program is designed to help manage agricultural electricity demand, which in the southwest is expected to grow from roughly 500 MW today to about 2,000 MW by 2035.
- **Local Initiatives Program:** Double incentives for local **Retrofit** projects, with the exception of lighting, in areas of the province where the transmission grid is congested: Niagara Region, Kingston, South Huron Perth, Pembroke and Kenora. These adders are available between April 3 and Oct. 3, 2023, with additional target areas to be announced summer 2023.