

Stakeholder Feedback and IESO Response

2026 Provincial eDSM Achievable Potential Study

Following the April 22nd 2026 Provincial eDSM Achievable Potential Study public engagement webinar on the study's measure and modelling assumptions, the IESO invited stakeholders to provide comments and feedback on the materials presented by May 7, 2026.

The presentation materials and stakeholder feedback submissions have been posted on the 2026 Provincial eDSM Achievable Potential Study engagement webpage for this engagement. Please reference the material for specific feedback as the below information provides excerpts and/or a summary only.

Measure Modelling Assumptions

Stakeholder Feedback	IESO Response
Thermacity Energy recommended modelling Borehole Thermal Energy Storage (BTES) as a separate technology in the 2026 eDSM APS, recognizing its unique characteristics as a long asset life, long-duration storage technology that can address both summer and winter peaks, improve customer resiliency, and provide other benefits. Thermacity Energy also provided recommendations concerning consideration of BTES in broader IESO planning, program, and procurement activities.	The IESO and Cadmus stakeholdered draft measure lists for the 2026 eDSM APS, including ground source heat pump and Thermal Energy Storage measures in December 2025, and did not receive any feedback regarding BTES at that time. As a result, the 2026 eDSM APS does not include BTES While BTES will not be modelled as a separate measure in the 2026 study, it can be considered for inclusion as a measure in the next APS, expected to commence in 2028. ThermaCity's broader comments have been shared internally for consideration

Energy Storage Canada (ESC) has provided the following feedback on the Input Assumptions workbooks: Behind-the-Meter Solar and Battery Storage: ESC reiterated that APS modelling should ensure commercial and industrial battery storage is fully captured and not excluded, reflecting its dominant role in current market development and its use as a multi-service asset (e.g., peak management, demand response, and backup power). They recommend including a range of battery durations (2-, 3-, and 4-hour) to better match real-world C&I applications and cost profiles. ESC questioned the assumption of program incentives for commercial and industrial behind-the-meter battery storage given these are not currently available in Ontario, and alternatively recommended modelling a scenario where behind-the-meter storage is permitted to export to the grid. ESC recommended that the study consider the role of third-party aggregators, noting that in many jurisdictions, aggregators are permitted to own and operate customer-sited system enabling them to bring private capital into programs and access certain tax credits, reducing costs. Demand Response: ESC highlights that demand response potential from electric vehicles is increasingly tied to integration with behind-the-meter storage, and recommends that APS modelling reflect	The IESO thanks Energy Storage Canada for its detailed feedback. Behind-the-Meter Solar and Battery Storage: For certainty, commercial and industrial battery storage is included in the 2026 APS. While the 2026 eDSM APS's four core scenarios assume a four-hour duration for battery storage measures, this may be reconsidered for the IESO-led secondary sensitivity/scenarios that will follow the Cadmus-led core scenarios. While the IESO's eDSM programs currently only offer incentives for behind-the-meter storage to residential customers, the APS is intended to explore measures beyond the current program offerings, to inform potential program expansion or enhancements within the scope of the 2025-2036 eDSM directive. The IESO is not planning on modelling a scenario where behind-the-meter battery storage is enabled to export to the grid as this would fall outside the scope of electricity Demand Side Management. Reflecting that one of the primary objectives of the 2026 eDSM APS is informing the IESO's 2028-2030 program plan, the study's four core scenarios are premised on homeowner or business, rather than third-party, ownership of residential battery storage measures, reflecting current program rules. However; third-party ownership may be considered as part of the secondary sensitivities/scenarios, either as an explicit scenario or part of broader sensitivity analysis around measure cost assumptions (reflecting the federal Investment Tax Credit) . The 2026 eDSM APS will model EV charging management, building load curtailment, and behind-the-meter storage measures, however, as separate measures. The IESO may consider modelling combined EV charging management plus
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coordinated EV charging and battery systems to capture deeper and more reliable peak reductions. Similarly ESC recommends including a “curtailment + storage” hybrid profile to capture the growing number of sites using batteries to firm up DR commitments. ESC also suggest that the assumed five-year ramp-up period may be too conservative for DR products that rely on automated technologies rather than behavioural change. Thermal Energy Storage: ESC supports the inclusion of thermal energy storage (TES) but recommends that APS modelling clearly distinguish it from battery storage in terms of flexibility, dispatchability, and seasonal use, and avoid treating it as a direct substitute in all applications. In particular, ESC notes that thermal energy storage (TES) for industrial heating is highly application-specific and generally cannot replace battery storage in most use cases. They recommend that modelling clearly reflect these limitations and avoid overstating TES’s broader system-wide applicability. ESC also suggested that current adoption assumptions may be conservative and should reflect higher uptake as electrification drives integration with building systems. ESC acknowledged that 75% peak load shift assumption for commercial sector ice water phase change storage measures is appropriate for optimized systems but recommended reducing to to 40-60% to reflect the variability observed in retrofit applications	battery storage or load curtailment plus battery storage measures in future APS. After consideration, IESO and Cadmus believe that a five-year ramp up period is appropriate for programs given it is intended to represent the diffusion of customer awareness as the program is marketed to customers, and eventual enrollment of willing residential and business customers. This assumption may be updated in future studies should program evaluation data demonstrate programs achieving maturity faster. For certainty, modelling of Thermal Energy Storage will be informed by the end-use level modelling, limiting applicability to specific appropriate end uses such as commercial heating and cooling and industrial process heat. The impact of electrification on the opportunity for TES will be captured by the 2026 eDSM APS use of three demand scenarios (reference, low, and high), each assuming different levels of electrification through the forecast period. <i>Thank you for the recommendation – the peak load shift assumption for commercial sector ice water phase change storage will be updated accordingly</i>
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Broader developments and trends and macro input assumptions

Stakeholder Feedback	IESO Response
Energy Storage Canada provided a variety of broader feedback beyond their measure-specific feedback, concerning the broader development and trends relevant to potential modelling and the study's "macro input" assumptions, notably... 1.) That the study should consider the impact of recent and underway Distributed Energy Resource integration developments, such as the OEB's recent updates to interconnection requirements, in reducing barriers for new behind-the-meter solar and battery storage. 2.) Supporting the inclusion in the 2026 eDSM APS of an escalated avoided capacity cost scenario but recommending that the IESO consider even higher avoided capacity costs (beyond the proposed 50% adder) given tightening capacity conditions and recent capacity auction outcomes. 3.) That the study should model storage being compensated for firm capacity 4.) The importance of resiliency/reliability benefit of behind-the-meter storage for customers	1.) Recent Ontario development removing/reducing historical barriers to DER development will be considered in the 2026 eDSM APS's adoption modelling parameters at the Achievable Potential stage. 2.) Upon discussion with the study's external Advisory Group and consideration of recent IESO supply resource procurement outcomes, the 2026 eDSM APS's elevated avoided capacity cost scenario will proceed with using a 50% adder to the standard avoided capacity costs. The impact of different avoided costs on achievable potential are likely to be explored further as part of the secondary scenario/sensitivity work following the publication of the four core scenarios. 3.) Behind-the-meter storage measures will be modelled like other eDSM measures in the 2026 eDSM APs – i.e. receiving an upfront incentive informed by expected capacity contribution. 4.) The APS will seek to reflect the role of behind-the-meter storage as a reliability/resiliency solution for customers, particularly those in less reliable areas, through adjustment to measure adoption modelling parameters at the Achievable Potential stage.