Feedback Form

2026 Provincial eDSM Achievable Potential Study – September 16, 2025

Feedback Provided by:

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Date: October 7, 2025, extended from September 30, 2025.

To promote transparency, feedback submitted will be posted on the "insert engagement webpage" unless otherwise requested by the sender.

Following the 2026 Provincial eDSM Achievable Potential Study introductory webinar held on September 16, 2025, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on draft assumptions development, use of study results, and study scenarios and sensitivities. Broader feedback is also welcome, including on the draft objectives, scope, approach, timing, and high-level engagement activities. The webinar presentation and recording can be accessed from the engagement web page.

Please submit feedback to engagement@ieso.ca by **September 30, 2025**. If you wish to provide confidential feedback, please submit as a separate document, marked "Confidential". Otherwise, to promote transparency, feedback that is not marked "Confidential" will be posted on the engagement webpage.

Assumptions development

Topic	Feedback
Are there any policy/market/technology considerations IESO and Cadmus should be aware of to inform the development of draft assumptions?	• The EDA recommends that the IESO and Cadmus clarify the assumptions that will be used for the study, in forthcoming presentations/engagements. • The EDA recommends that rate structures be included in the Beneficial Electrification part of the study's scope, if it is not already being addressed as part of the proposed study or considered separately. In previous studies, during which TOU rates were mandatory, rate impacts were assessed independently and prior to the APS. However, with more customer choice in rate options today, there is potential for innovative rate structures (e.g., ULO, EVC rate) to encourage off-peak consumption. Recognizing and including rate structures as a DSM tool in the 2026 eDSM APS would support distributors to encourage their customers to shift peak accordingly, and permit them to be a viable and useful tool towards future DSM targets or incentive models. • Policy: Ensure alignment with federal and provincial climate targets, electrification strategies, and regulatory frameworks. Uncertainty around carbon pricing, building codes, and EV mandates should be explicitly reflected in assumptions. • Market: Account for evolving dynamics in DER participation, energy efficiency programs, and demand-side resources. Market signals related to capacity, flexibility, and ancillary services may significantly shape adoption trends. For behind the meter DERs, consideration for distribution system hosting capacity should be considered at the achievable potential level. • Technology: Rapid advancements in electrification-enabling technology (EVs, heat pumps), storage, smart controls, and AI-driven energy management are accelerating adoption. Assumptions should incorporate technology cost curves, asset lifespans, and interoperability challenges, while also addressing cybersecurity and resilience. • Beneficial electrification for space and water heating should also consider replacing natural gas as a primary heat source, in addition to wood, propane and fuel oil. • Is geothermal a consideration for space and water heating?

Use of Study Results

Topic	Feedback
Do stakeholders envision using the APS results for additional purposes, and if so, how?	• Utility planning: Informing distribution system investments and local capacity planning, as well as in designing Stream 2 programs and non-wires solutions (NWS) as mandated by the OEB. • Policy development: Supporting program design and updates to codes and standards. • Market design: Evaluating new products and services to enhance reliability and flexibility. • Investment decisions: Guiding developers, manufacturers, and financiers as they assess Ontario market opportunities • Currently estimates will be produced by transmission zone, sector, subsector, and end-use category. Results broken down by LDC service territories would be helpful for LDCs.

Scenarios and sensitivities

Topic	Feedback
Beyond the three identified demand scenarios, are there additional sensitivities IESO should consider exploring in further analysis?	• High DER adoption / prosumer growth: Strong uptake of rooftop solar, storage, and vehicle-to-grid technologies. • Policy shift: More ambitious or delayed drivers, such as EV mandates or carbon pricing. • Extreme weather / resilience: Increased frequency and severity of climate events affecting demand and flexibility needs. • Technology disruption: Breakthroughs in hydrogen, long duration storage, or small modular reactors that change the supply options. • Will the scenarios include current program incentives, regulatory requirements, codes and standards? • Do any of the scenarios take into account municipally-led programs and initiatives?

General Comments/Feedback

- Ensure transparency in methodology and assumptions to build stakeholder confidence.
- Provide a clear mapping between demand scenarios and system resource needs (capacity, flexibility, reliability).
- Build flexibility for iteration, with regular updates as policies, markets, and technologies evolve.
- Maintain broad engagement to capture diverse perspectives, particularly from LDCs, large customers, and technology providers.

On an eDSM-related note, the EDA's LDC members are concerned that recent changes to program design closes the door on beneficial electrification by excluding hybrid heat pump systems and denying cooling savings. This approach undermines provincial climate objectives, creates market confusion, and limits LDCs' ability to work with their municipalities on developing local efficiency standards. **At minimum, cooling savings from heat pumps should be recognized, while the Achievable Potential Study should also consider hybrids to ensure multiple pathways remain open**. More broadly, energy policies should keep as many pathways open as possible, rather than prematurely closing off options for electrification.

The EDA believes that maintaining eligibility is also critical to ensure visibility into installations and equipment performance, which supports accurate forecasting and long-term system planning. If current program restrictions are maintained, some LDCs lose both that visibility and the opportunity to collaborate with Enbridge, which was an intended goal of program design.

Looking ahead, new construction should enable all-electric solutions, to enable more customer choice. Federal and provincial building codes and other standards (e.g., the Toronto Green Standards) are increasingly taking into account electrification of buildings. Being able to be proactive in driving high-efficient solutions should be considered.

On Thursday, September 25, the IESO's eDSM APS Team provided LDC members of the eDSM Governance Committee with three additional questions. Please find the EDA's responses below.

1. **Are there any specific EE, DR, or behind-the-meter DER measures of particular interest to LDCs?**

- Some of EDA's LDC members have noted that BTM solar and battery storage are DER measures of particular interest to them.
- Inclusion of demand response (DR) in the APS should be broken out by sector and end-use, including behavioural DR. DER measures with flexibility capabilities should be separated to show the potential incremental demand and energy savings from utility dispatch.

2. **Based on LDC experience with net-metering and other programs, are there practical factors that should be considered to ensure that behind-the-meter DER**

potential estimates are realistic (e.g. distribution hosting capacity constraints, minimum size for rooftop solar PV installations to be viable)?

- Distribution system hosting capacity should be considered for BTM DERs at the achievable potential level. Ontario's LDCs and the EDA have been working very closely with the OEB's Centralized Capacity Information Map (CCIM) team, to launch a map by December 2025 to show both load and hosting capacities at the distribution level. The CCIM could be a resource to leverage when considering hosting capacity as part of the achievable potential level.
- One LDC member with extensive experience in modelling and developing solar PV generators since 2009 has found that **load displacement is difficult to justify in the majority of the applications it has assessed**. Specifically, "the amount of curtailment under Load Displacement is often quite significant. When modelling a facility's hourly interval load data vs. the expected hourly PV generation, [this LDC has] seen many instances where **curtailment of the solar PV system (to avoid exports to the grid) are too significant to justify, even when incentives are accounted for**. Curtailment levels of 30-60% are not uncommon, **which renders many potential projects economically unfeasible.** In many cases that [this LDC has] assessed, a **net-metered system is the better investment, but still not attractive enough** to motivate the Participant. Smaller systems serving smaller loads are particularly impacted.

3. **Recognizing the study cannot accommodate producing LDC-level results, are there thoughts on how study data can be presented to be of greatest value for LDC eDSM teams?**

- While the EDA recognizes that the IESO's eDSM APS team has made clear on Sep. 25 that the forthcoming 2026 study cannot accommodate producing LDC-level results, this remains a way that the data could be of greatest value to LDCs' eDSM teams. It is the EDA's hope for its member LDCs that future iterations of the eDSM APS would be able to do so, particularly given the IESO's new APS approach (presented on September 16), includes a new, sophisticated long-term demand forecasting tool with an eDSM potential module.
- As mentioned in our response to the feedback form's first question re: assumptions development, any assumptions the APS is relying on for the potential of DERs need to be clearly stated so that LDCs can weigh all factors accordingly for their particular distribution system.
- Ability to work with LDCs to show results tied to bulk system infrastructure at more granular levels than Transmission Planning zone would aid LDCs in development of Stream 2 programs and NWS. One example would be showing the potential energy savings from different end-uses (e.g., building profiles).