

JANUARY 7, 2026

2026 APS Advisory Group Meeting #2

Integrated Conservation Planning

Agenda

1. Project status update
2. Data sources for historic DER and DR uptake
3. Perspectives on recent, planned, or expected policy, regulatory, and markets developments that could impact achievable potential
4. Distribution system capacity data for DER
5. Feedback on proposed scenarios/sensitivities
6. Cost-effectiveness testing

Status Update

Second [public webinar](#) was held on Dec 9, 2025

- Methodology Overview
- Draft measure lists
- Data sources & inputs
- Feedback due on Jan 9, 2026

2. Customer-cited DER/DR uptake data sources

Data source	Organization	Contains
Electricity Reporting & Record Keeping Requirements (RRR) Section 2.1.14	OEB	Installed capacity (kW) of net-metered generation by fuel type, storage paired with net-metered generation, and embedded generation
Save on Energy program participation data	IESO	Volume of DER applications, DER installed capacity, solar-storage attachment rate, DR program enrollments, etc.
U.S. Distributed Solar and Storage Data	Lawrence Berkely National Labs	Volume of DER projects, DER installed capacity, solar-storage attachment rate, etc. <i>Note: may be useful as secondary source to support interpretation of IESO program data given relative recency of programs</i>
Small group meeting(s) with Ontario DER/DR community	DER developers and DR aggregators	TBC

2. Data sources for Ontario DER/DR uptake

- Discussion question: What additional datasets provide Ontario-specific, recent signals of uptake and can be shared?

3. Developments impacting achievable potential

Area	Identified Developments
Market	<ul style="list-style-type: none">• Continuing cost declines for solar and storage measures• Continuing increase in penetration of central air conditioning and smart thermostats• Maturation of lighting market (i.e. LED becoming baseline)• Growing awareness/acceptance of "smart" controls• <i>Other?</i>
Policy and Regulatory	<ul style="list-style-type: none">• Changes to the OEB's <i>DER Connections Procedure</i> to help address barriers for DER adoption, particularly small projects <12 kW• Evolution of federal EV sales policy• <i>Other?</i>

3. Perspectives and Data

- Discussion question: are there additional policy, regulatory, or market developments that could impact achievable potential relative to historic conditions that should be considered?

4. Available Distribution System Capacity

- Feedback from LDC stakeholders and IESO program experience has affirmed importance of considering distribution system hosting capacity in assessing DER achievable potential
- Which capacity data (hosting capacity maps, feeder headroom, congestion) exist across LDCs, and at what granularity?
- OEB's CCIM (Centralized Capacity Information Map)
 - Includes both DER hosting and load customer capacity information (launched?)
 - It is expected to help customers, developers and planners identify where new generation facilities can connect and support more informed discussions with distributors about connection feasibility.

5. Proposed scenarios

- The Minister's *Integrated Energy Plan* implementation directive establishes that IESO planning products should feature three scenarios: reference demand, high demand, low demand
- This establishes the foundation for the 2026 APS' first three scenarios
- Additionally, under IESO contract with Cadmus, the consultant will also produce a fourth scenario
- Following the completion of the 2026 APO, the IESO expects to conduct additional more exploratory scenarios/sensitivities for research purposes and to build internal capability with the APS tool

2. Proposed scenario parameters

Scenario	Demand Forecast	Incentive Cap	Economic Screen	Avoided Costs
1.Reference Demand	APO Reference	100% of incr. cost	PAC \geq 1	Latest APO
2. High Demand	APO High	100% of incr. cost	PAC \geq 1	Latest APO
3. Low Demand	APO Low	100% of incr. cost	PAC \geq 1	Latest APO
4. High Avoided Capacity Value	APO Reference	100% of incr. cost	PAC \geq 1	Latest APO for avoided energy, higher value for avoided capacity

5. Proposed scenarios

- Proposed scenario parameters informed by internal IESO discussion on greatest value in context of intended APS results use (i.e. informing eDSM target- and budget-setting, informing non-wires analysis), the flexibility of the current Framework (e.g. less interest in budget-constrained scenarios than in past APS due to ability to seek additional funding if cost-effective potential), and desire for consistency across the three demand scenarios
- Advisory Committee and stakeholders have expressed strong interest in considering impacts of transmission/distribution avoided costs on achievable potential while recognizing significant regional variation

5. Proposed scenarios

- The proposed fourth scenario would be aligned with the reference demand scenario except for featuring a higher avoided capacity value
- This scenario would:
 1. Explore the impact of material avoided transmission/distribution capacity costs (or higher generation capacity costs) on eDSM achievable potential
 2. Reveal measures on the margins of cost-effectiveness with current avoided costs

5. Proposed scenarios

- Discussion questions:
 - Does the group have thoughts on the four proposed scenarios or scenario parameters?
 - Should the IESO consider adjustments or alternatives?
 - If supportive of the proposal for the fourth scenario, are there any points of reference the IESO should consider for the higher avoided capacity cost value?
 - Are there particular scenarios/sensitivities the IESO should explore as part of planned research following completion of the core 2026 APS?

6. Proposed Cost-Effectiveness screen

- Program Administrative Cost (PAC) Test will be used:
 - Compares the net cost of incentives/programs the IESO pays versus the electricity system's avoided energy and generation capacity costs for the energy saved over a project's life, ensuring programs offer fair value for ratepayers.
 - The primary cost-effectiveness test used by IESO
 - Screening test value set to 1 in alignment with practice for IESO program design
 - Proposed fourth scenario acts, to some extent, as proxy for using relaxed PAC test threshold
 - Discussion question: any comments or concerns with planned approach?

Next Steps

- Confirm meeting action items and timelines
- Circulate meeting notes
- Schedule the next meeting

Thank You

ieso.ca

1.888.448.7777

customer.relations@ieso.ca

engagement@ieso.ca



[@IESO Tweets](https://twitter.com/IESO)



[linkedin.com/company/IESO](https://www.linkedin.com/company/IESO)