

Implementation of the 2025-2036 Electricity Demand Side Management Framework and 2025-2027 eDSM Program Plan

April 24, 2025

Territory Acknowledgement

The IESO acknowledges the land we are delivering today's webinar from is the traditional territory of many nations including the Mississaugas of the Credit, the Anishnabeg, the Chippewa, the Haudenosaunee and the Wendat peoples and is now home to many diverse First Nations, Inuit and Métis peoples. We also acknowledge that Toronto is covered by Treaty 13 with the Mississaugas of the Credit First Nation.

As we have attendees from across Ontario, the IESO would also like to acknowledge all of the traditional territories across the province, which includes those of the Algonquin, Anishnawbe, Cree, Oji-Cree, Huron-Wendat, Haudenosaunee and Métis peoples.

MRP Readiness

- The IESO is continuing to move forward with launching the renewed market on May 1, 2025
- Thank you to those Market Participants who have participated in End-to-End Testing and cutover testing
- •Market Participants are reminded to review the [MRP Readiness Plan](#) for Market Renewal Launch, and ensure all required steps are completed
- Please contact IESOCustomerRelations@ieso.ca with any questions

Today's Discussion

- This information session will provide an overview of the 2025-2036 electricity demand side management (eDSM) framework.
- This session will also provide details on the IESO's 2025-2027 eDSM Program Plan.
- While this is an information session, we welcome your feedback and will take it into consideration for future planning.

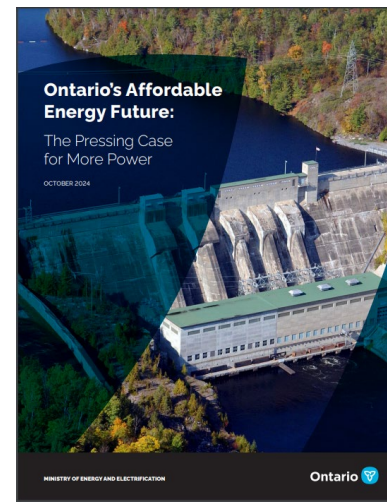
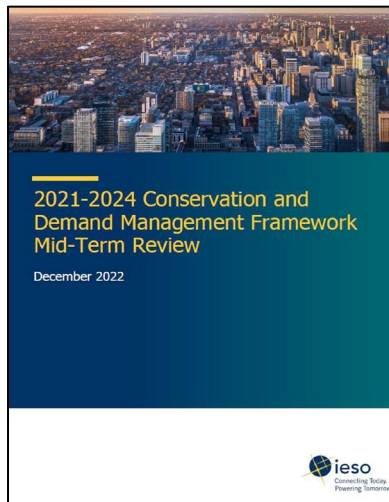
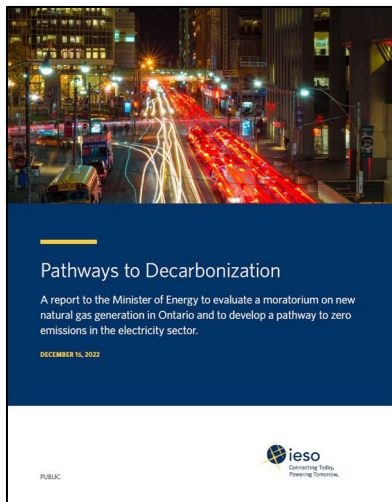
Agenda

- Background
- Overview of 2025-2036 eDSM framework
- 2025-2027 eDSM Program Plan
- Industry collaboration
- Next steps and upcoming opportunities for feedback

Background

- Electricity demand in Ontario is expected to grow more rapidly in the coming decades than in the recent past, because of both economic development and electrification of many sectors of the economy.
- Electricity demand-side management (eDSM) offers one of the lowest cost resources to address system needs, as it reduces the need for investment in new supply resources and supports grid reliability into the future.
- The IESO is continuing to lead the way in energy-efficiency programming in North America through a \$10.9 billion, 12-year funding commitment from the Ontario government that began in January 2025.

Demand Side Management in the Energy Future



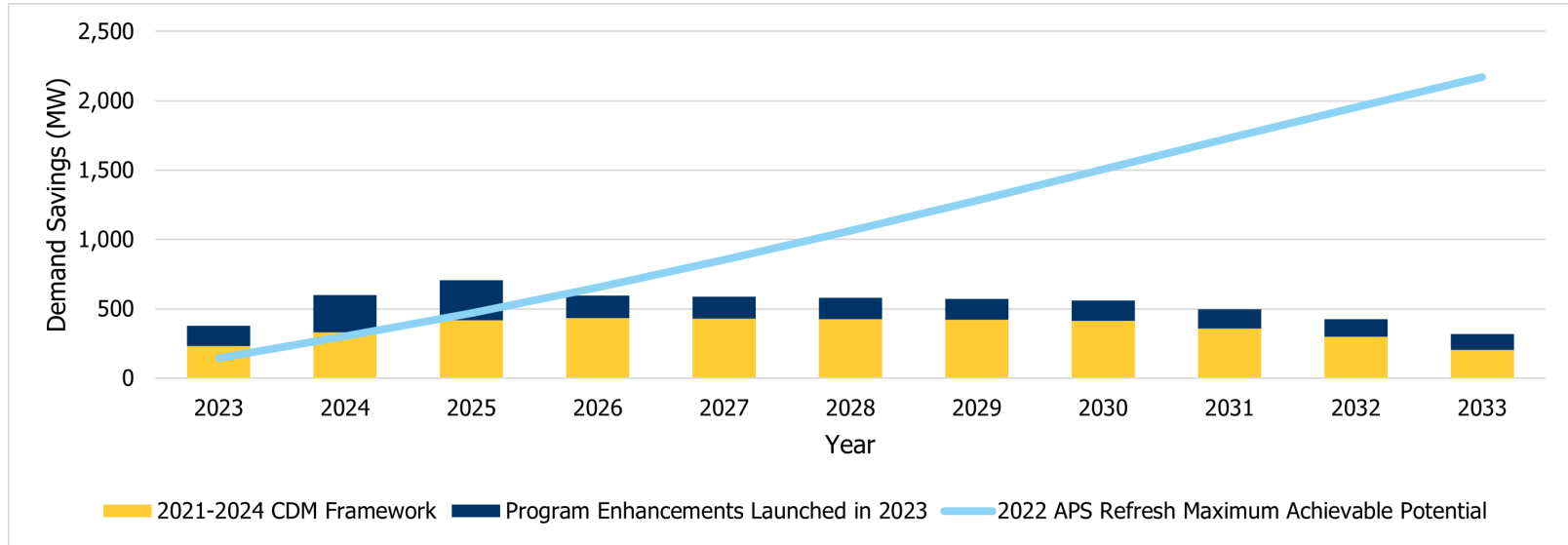
A series of IESO and Ministry of Energy reports highlight progress made to prepare the electricity system of the future and the work needed to address the challenges ahead, including the importance of Demand Side Management (DSM), among other resources, to cost-effectively meet both system and customer needs, and reduce emissions.

DSM in Provincial Power System Planning

The Annual Planning Outlook's long-term electricity demand forecast is reduced by energy efficiency delivered through DSM programs, in turn reducing the energy and capacity needs which must be met through the resource procurements (Capacity Auction, RFPs) and other policy actions.



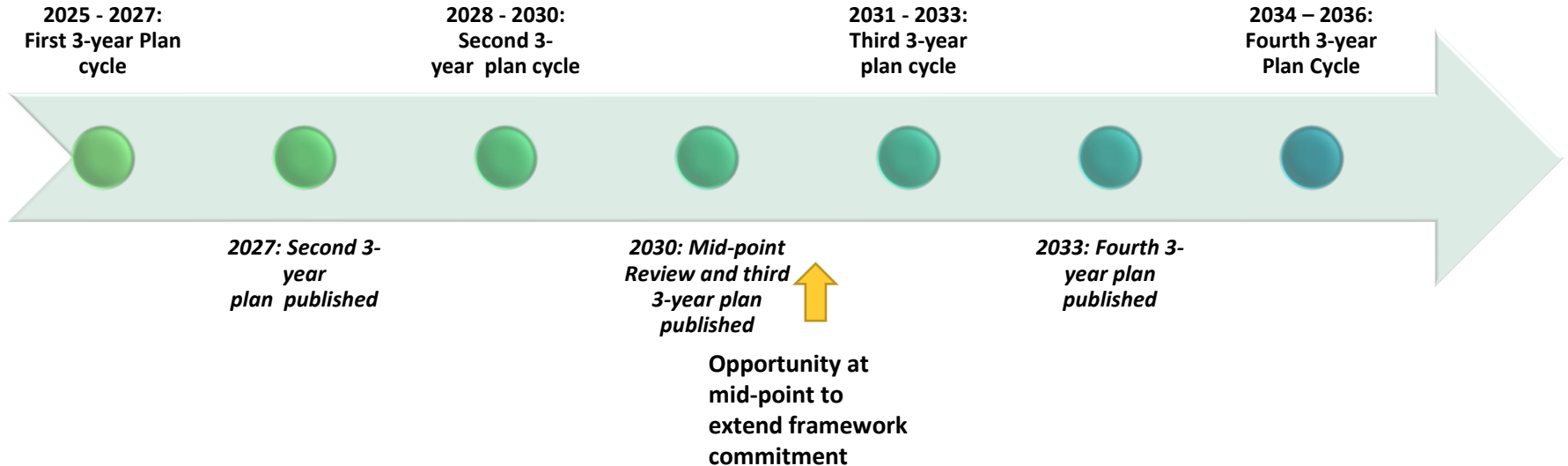
Significant Untapped Energy Efficiency Opportunity



eDSM Framework for 2025 - 2036

- The Minister announced a new 12-year electricity DSM framework in January 2025, with a budget ceiling for the 12-year term of \$10.9 billion.
- The framework will be implemented through a series of three-year Program Plans, with a midpoint review in year six; this gives additional flexibility to adapt programming as customer and system needs change.
- Scope and scale of the framework reflects recognition of the key role of DSM in supporting economic growth with a continued strategic focus on reducing demand on the grid.

eDSM Framework Key Milestones



Key Policy Elements of the Framework

- Expanded mandate for DSM to include all sectors including residential and to expand the scope to include behind-the-meter DER.
- New added focus on beneficial electrification.
- Continued support for vulnerable consumers, on-reserve First Nations, and commitment to affordability as an objective of DSM.
- Strong commitment to collaboration across the sector, including closer collaboration with Enbridge, a new role for LDCs, and the intersection with federal funding opportunities offered by NRCan.

Maintaining Rigour of Reported Results

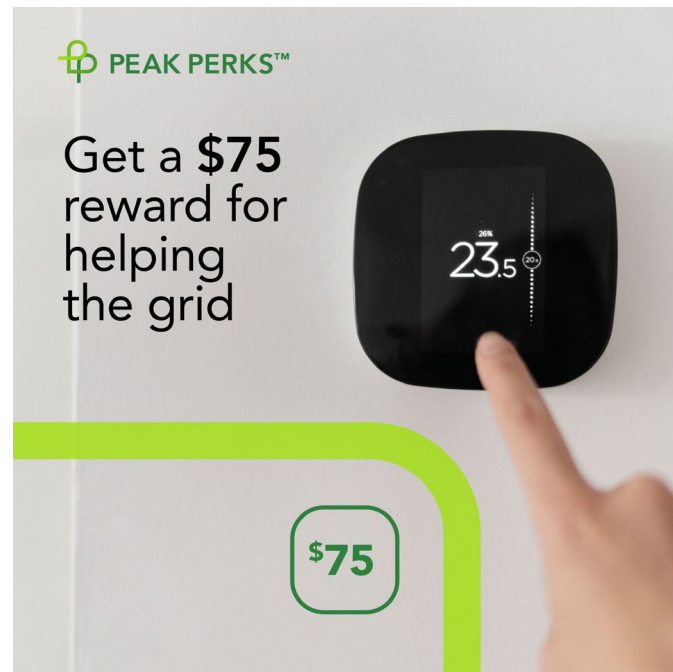
- The income-eligible residential program, Indigenous energy efficiency programs and the beneficial electrification measures are exempted from being cost-effective. All other programs are forecasted to be cost effective in accordance with the IESO Cost Effectiveness Guide and Evaluation, Measurement and Verification Protocols, as required in the Minister's directive to the IESO.
- Third-party evaluations of programs are undertaken on an annual basis and reports published on the IESO website detailing key findings and recommendations.
- The IESO will continue to publish an annual report detailing spending and savings achievement against the Program Plan.

eDSM Program Plan - Business

- All core Save on Energy programs for business customers are continuing in 2025: Retrofit, Instant Discounts, Existing Building Commissioning, Energy Performance, Strategic Energy Management, Industrial Energy Efficiency and the Small Business program.
- Enhancements are planned over the term of the plan, such as the addition of a solar PV measure to the Retrofit program in January, and regular updates to incentive amounts and program requirements as needed to address market conditions and customer feedback.
- Local initiatives that drive greater uptake in transmission constrained areas are continuing.

eDSM Program Plan - Residential

- The Energy Affordability Program and the First Nations Community Building Retrofit Program are continuing.
- The Peak Perks® residential demand response program is continuing.
- The IESO launched the Home Renovation Savings program in January, a new residential “one-window” program delivered in collaboration with Enbridge.



New Initiatives in This Three-Year Plan

- The IESO plans to launch a new commercial HVAC demand response program in 2026, building on the success of Peak Perks.
- The IESO is exploring opportunities to pursue energy efficiency in the new construction sector in the longer term, with programming expected to launch in 2027.

Beneficial Electrification

- The government expanded the IESO's mandate under the framework to include beneficial electrification programming that will reduce GHG emissions in the province.
- The initial focus will be to extend the eligibility for the residential programs to enable incentives for consumers whose homes are currently heated with non-regulated fuels (such as heating oil) to install electric heat pumps.



Industry Collaboration – Enbridge

- The IESO and Enbridge continue to collaborate on joint delivery of the Energy Affordability Program and Home Winterproofing Program with a common, “one-window” delivery approach, cross promotion of programs, and shared support for various capability building and training initiatives.
- Deeper collaboration is underway with the co-delivery of the Home Renovation Savings program launched in January 2025.
- The IESO continues to explore opportunities to further enhance this collaboration and to expand to other programs/sectors.



Funding from Natural Resources Canada

- The IESO secured nearly \$20 million in federal funding from the Green Industrial Facilities and Manufacturing Program, through to March 2027.
- This funding, offered as the Expanded Energy Management program, will improve energy management opportunities for industrial facilities in four areas:
 - Training energy practitioners
 - Hiring energy managers
 - Enhancing Strategic Energy Management
 - Investing in energy management information systems
- The IESO continues to explore other opportunities to coordinate with NRCan funding.



New Role for LDCs

- A key element of the new framework is an expanded role for local distribution companies (LDCs) in supporting the participation of their customers in energy efficiency programs.
- Funding will be made available on an opt-in basis to enable LDCs to support province-wide programs by undertaking customer engagement activities.
- The IESO is also working with the EDA/OEA/LDCs to develop a proposal for a future shared funding model that could support local energy efficiency programs delivered by LDCs that address distribution system needs and also provide bulk system value.

Next Steps and Upcoming Opportunities for Feedback

- The IESO will continue to promote and deliver Save on Energy programming and will continue to enhance programs based on market insights and feedback to better serve Ontarians and drive increased electricity savings.
- An upcoming engagement this spring will provide opportunities to comment on the proposed design of the commercial HVAC DR program, as well as proposed program enhancements to the Industrial Energy Efficiency Program.
- The IESO expects to initiate an Achievable Potential Study in the fall of 2025 to inform future programming; this will inform the development of the next three-year plan to be published in late 2027.

Discussion Questions

What considerations should the IESO keep in mind as we implement the 2025-2027 Program Plan?

The IESO intends to increase the scope and scale of its DSM programming over this longer-term framework – where do you see opportunities that should be considered in the next three to six years?

How would you like to be involved? Are there specific topics or initiatives related to DSM that you would like to provide feedback on in future?

Request for Feedback

- The IESO will consider all input on this engagement and a feedback form is posted on the [engagement webpage](#)
- Feedback is due by May 8, 2025
- If you have any questions, please contact engagement@ieso.ca

Thank You

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