

Feedback Form

eDSM Commercial HVAC DR Program: Design Updates & Next Steps – October 16, 2025

Feedback Provided by:

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Date: November 5, 2025

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

- ☐ **Yes – there is confidential information, do not post**
- ☒ **No – comfortable to publish to the IESO web page**

Following the eDSM Commercial HVAC DR Program: Design Updates & Next Steps (October 16, 2025), engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the items discussed. The presentation and recording can be accessed from the [Electricity Demand Side Management \(eDSM\) Framework](#) engagement webpage.

Note: The IESO will accept additional materials where it may be required to support your rationale provided below. When sending additional materials please indicate if they are confidential.

Please submit feedback to engagement@ieso.ca by November 5, 2025.

General Comments/Feedback

Recognition of LDCs' role in demand response

The EDA thanks the IESO's HVAC DR team for responding to our July 22, 2025 feedback in the IESO's feedback response document dated August 8, 2025, and for integrating the same into the program's recommended design, as presented on October 16, 2025.

We are pleased to see that the recommended design clarifies LDCs' role as key partners for coordination and delivery of the HVAC Demand Response (DR) program, while recognizing the importance of LDC visibility. LDCs look forward to the recognition of local value through dispatch sharing and the use of local incentive adders, which will better reflect benefits of DERs at the distribution level. LDCs would welcome the opportunity to collaborate with the IESO to develop a mutually beneficial platform and dispatch protocol for the 2026 season where an LDC (with the appropriate regulatory approvals) and IESO can both recognize the value at the local and bulk systems, respectively, of the same participating resources and facilities.

Cross-zonal aggregations and the need for granular data

While our recommendation to restrict aggregations to LDC service areas or zones was not accepted, we appreciate that the IESO acknowledges our concern. We note the IESO's pledges to explore providing relevant visibility information to LDCs, and to consider how to balance regional representation and administrative simplicity.

In a slide presented to LDC members of the eDSM Governance Committee on September 25, 2025, the IESO notes that "aggregated HVAC DR capacity" would be conveyed, to provide visibility of enrolled resources to LDCs. However, the EDA continues to advocate for LDCs' visibility in the form of access to granular performance data, specifically, knowing where resources are planned to be activated on an LDC's system (including contributor level DR capacity vs. aggregated). Such granularity (i.e., asset level performance impacts on stations, feeders, transformers) is critical for LDCs to use DR as a resource for the distribution system, particularly for facility aggregations.

For example, in the case of a cross-zonal aggregation that includes facilities outside of its service territory, an LDC would not be able to provide an incentive adder for DR performance for the facilities in its service territory, if it cannot access granular asset-level performance data from the IESO or from the aggregator.

Additional recommendations

- The EDA recommends that the IESO include a Transmission adder payment, akin to the IESO's Grid Innovation Fund pilot. Doing so would enable LDC customers who are already committed to their LDC's local demand response program to be fairly compensated through program stacking. Supporting coordination between LDC and IESO DR programs in this way

prevents the risk of undermining local DR participation, rather than forcing customers to choose between the two programs. It also recognizes local customer value at the bulk system level.

- The EDA suggests that the IESO consider adding a review of the HVAC DR program, aligned with the current eDSM Plan, to ensure consistency with the evolving and complementary policy developments at the IESO and OEB.

Ongoing IESO-LDC collaboration

While we recognize the IESO's responsibility to develop DSM programs, the EDA reiterates the long-standing recommendation of the eDSM Governance Committee (formerly known as the eDSM Operations Working Group), namely for the IESO to utilize LDCs' offer of consultation in program development soonest in its program designs.

A refrain that is frequently shared with LDCs' customers is "engage your LDC early and often" with respect to establishing or upgrading their connections. Similarly, the EDA believes early involvement of, and collaboration with, LDCs in the IESO's program design process would meaningfully contribute to successful provincewide programs. With the anticipated proliferation of DERs, doing so could enable programs to address local and bulk system needs with increasing speed and effectiveness—while providing a streamlined customer experience.