

Feedback Form

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

Feedback Provided by:

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Date: 11-05-2025

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

Edgecom Submission – IESO HVAC Demand Response Program

Edgecom strongly supports the development of the HVAC demand response (DR) market in Ontario, recognizing its potential to enhance grid flexibility, reduce peak demand, and provide value to participating customers. However, we have concerns regarding financial viability, program timelines, and program design that must be addressed to ensure meaningful participation and market success.

While we support the use of a weather-adjusted baseline to measure performance, the specifics of this adjustment are critical. There should be no cap on adjustments, particularly in months such as June, where recent weather patterns show sudden and dramatic temperature swings between late May and early June. Without accurate baseline adjustments, customers may be unfairly compensated for curtailment performance, undermining trust and participation.

Edgecom is concerned that the proposed incentive of \$350/MW-bus day is insufficient to attract meaningful participation, particularly from smaller commercial customers. Based on experience in other DR markets a minimum payment of \$700/MW-bus day is more likely to generate sustainable engagement.

Edgecom supports the inclusion of a first-year enabling incentive to offset the upfront costs and effort associated with controls installation, customer onboarding, and reporting requirements. This incentive is critical to ensure that aggregators and participating customers can implement the necessary monitoring and automation infrastructure, establish reliable measurement and verification processes, and achieve consistent performance from the outset. Without this initial support, the program risks low participation and delayed realization of DR capacity targets.

The program, as currently described, appears administratively intensive. Requirements such as audits, verification of nameplate ratings, and reporting obligations introduce significant complexity. Combined with the program's ambitious target of achieving 100 MW by May 2026, these factors pose substantial barriers to entry. Customer acquisition and onboarding for DR participation is time-consuming: aggregators must engage customers, secure agreements, and install controls and monitoring equipment. With the program details not fully published until 2026, there is limited time to meet participation targets, which may hinder program success.

Recommendations for Registration and Measurement & Verification

Registration Requirements

To minimize administrative burden while maintaining program integrity, we recommend the following information be required at registration:

- Basic customer information: site name, address, contact person, and utility account number.
- HVAC equipment inventory: make, model, nameplate rating, and control type (thermostat, building automation, etc.). This allows IESO to confirm load potential without requiring detailed engineering drawings or audit-level data.
- Maximum curtailable load estimate: based on equipment capacity or historical consumption, rather than requiring verification at the service entrance meter.

Measurement & Verification (M&V)

To reduce program complexity and encourage participation:

- IoT-enabled devices should be required for participation. These devices provide accurate, near real-time load monitoring and control.
- Event verification can rely on aggregated IoT data, weather-adjusted baseline calculations, and periodic spot checks rather than full metering.
- Flexible baseline methodology: allow for dynamic weather adjustments without rigid caps, especially for volatile months like June, to avoid penalizing participants due to uncontrollable weather variability.

Administrative Simplification Recommendations

- Streamlined verification through software tools or automated reporting from IoT/BAS devices.

Minimum aggregation requirement: Edgecom supports a 500 kW minimum aggregation threshold to ensure program efficiency, reduce administrative overhead, and focus on aggregations that are operationally meaningful for DR performance.