Stakeholder Feedback and IESO Response

2026 Provincial eDSM Achievable Potential Study

Following the September 16, 2025, Introduction to Provincial eDSM Achievable Potential Study webinar, the IESO invited stakeholders to provide comments and feedback on the materials presented by September 30, 2025.

The presentation materials and stakeholder feedback submissions have been posted on the 2026 Provincial eDSM Achievable Potential Study engagement webpage for this engagement. Please reference the material for specific feedback as the below information provides excerpts and/or a summary only.

Assumptions Development

Stakeholder Feedback	**IESO Response**
Inclusion of specific technologies in the study such as BESS, thermal storage, geothermal, hybrid heating, long-duration storage, V2G and other near-feasible resources. Note declining capital costs and evolving DER compensation frameworks. Emphasize defining BESS use-cases that benefit both bulk and non-bulk systems. Account for DER hosting capacity and tech advancements (AI, smart controls). Leverage CCIM (OEB's Centralized Capacity Information Map) for network hosting capacity data. Include rate structures (e.g., TOU, ULO, EVC) for BE as DSM tools.	The IESO thanks all participants for this feedback. This APS is planned to include solar PV, battery storage, thermal storage and ground source heat pumps (geothermal). In addition, IESO is considering the inclusion of hybrid systems (dual fuel) for BE. However, as detailed in this memo, given the current status of the technology and programs, the IESO does not have confidence that V2G/B could be credibly modelled in this study, and more fundamentally, does not have confidence that a program of meaningful scale could be delivered cost-effectively in the near-term. IESO agrees that the decreasing costs of technologies, AI advancements, combined with anticipated regulatory updates (e.g., OIC 802/2025), are reshaping the value proposition of DERs. As such, IESO supports incorporating updated cost curves and compensation mechanisms

Align with climate targets and consider uncertainties (carbon pricing, EV mandates, building codes).	into the study to better reflect their current and future system value. During the economic analysis phase of the study, IESO will explore use cases where DERs offer value at both bulk and non-bulk system levels. These insights will be incorporated into the study as appropriate, ensuring a comprehensive reflection of DERs' potential benefits across all customer sectors. IESO is actively working with the consultant to determine whether the network hosting capacities can be incorporated into the study at the zonal level. This includes leveraging tools such as the Centralized Capacity Information Map (CCIM), which is being developed in collaboration with Ontario's LDCs and the OEB. IESO agrees that rate design plays a critical role in influencing customer behavior and enabling load shifting. As part of the APS methodology, rate structures are considered within the cost-effectiveness screening process, which evaluates the net benefits of DSM measures. Specifically, the IESO's Cost-Effectiveness Test Guide outlines how rate impacts, including time-varying pricing, are factored into the CE tests. We'd like to confirm many uncertainties are already incorporated into our demand forecasts through the IESO's Annual Planning Outlook (APO). The APO integrates federal and provincial climate policies, including carbon pricing trajectories, transportation electrification targets, and building code evolution, into its long-term demand scenarios. These forecasts form the foundation for the APS and help ensure consistency with broader system planning efforts.

Use of Study Results

Stakeholder Feedback	**IESO Response**

Support utility planning, policy development, market design, and investment decisions. Recommend results be broken down by LDC service territories, sectoral and end-use level results.	Thank you for this feedback and providing these insights. IESO is committed to providing the results of this study on a zonal, sectoral and end-use level. However, LDC-level results cannot be provided due to data limitations, methodological complexity and resource constraints.

Scenarios & Sensitivities

Stakeholder Feedback	**IESO Response**
Provide a clear mapping between demand scenarios and system resource needs (capacity, flexibility, reliability). Explore high DER adoption, policy shifts, extreme weather, and tech disruptions. Include incentives, codes, and municipal programs.	Thank you for this feedback, the study will consider a broad range of measures that provide different contributions to addressing system needs. IESO acknowledges the importance of considering factors such as high DER adoption, policy shifts, extreme weather impacts, and technology disruptions. These elements are being monitored and reviewed as part of our APO scenario development process and will be explored through sensitivity cases. More information on the study scenarios will be shared in 2026 Q1. We'd like to confirm that current program incentives, regulatory requirements, codes, and standards are considered in the APS framework. Municipally led programs and initiatives are also being reviewed where data is available, and IESO welcomes further input from local stakeholders to ensure these efforts are appropriately captured.

General Feedback

Stakeholder Feedback	**IESO Response**
Ensure transparency and flexibility for iteration in assumptions and methodology. Highlight economic challenges of load displacement vs. net-metering.	IESO appreciates this feedback and is committed to an open and transparent process and maintaining broad engagement to capture diverse perspectives. IESO appreciates the insights shared by the LDC member. Curtailment due to grid limitations is a

New construction should enable all-electric solutions.	known barrier, particularly for smaller systems. IESO will ensure that net-metering considerations are reflected in the study's economic analysis. As part of the APS, IESO will ensure that high-efficiency, all-electric solutions are reflected in the study's assumptions; particularly where building codes and standards are driving market transformation. This includes considering the impact of code evolution on technology adoption rates and achievable potential and identifying opportunities to proactively support electrification through DSM measures.