2025-2027 Electric Demand Side Management (eDSM) Program Plan

In May 2023, the IESO established the Peak Perks program to turn down the thermostats of residential air-conditioners and heat pumps by up to two degrees Celsius on hot summer weekdays (not weekends and holidays) between June 1 and September 30.

Participants are paid $75 when they enroll and $20 for each additional year that they stay enrolled. These payments are equivalent to $411 per MW per business day assuming participants remain enrolled for five years.[i] That is, 76% lower than the IESO's proposed payments to build the Napanee gas-fired peaker plant.

According to the IESO, the Peak Perks program's savings are forecast to rise from 152 MW in 2026 to 183 MW in 2050.[ii] This is simply not good enough. If all of Ontario's three million homes with central air conditioning or a heat pump were enrolled in Peak Perks, the annual savings would be 2,700 MW[iii] – more than six times the maximum output of the proposed Napanee peaker plant.

The Ontario Clean Air Alliance requests the IESO to:

1. Develop a plan to ensure that 80% of Ontario's three million homes with central air conditioning or a heat pump are enrolled in the Peak Perks program by December 31, 2027; and
2. Expand the Peaks Perks program to also curtail electric water heaters during peak demand periods.

[i] According to the IESO, it assumes a peak demand reduction of 0.9 kW per device for each activation in the Peak Perks program. Email to Jack Gibbons from IESO Customer Relations, (May 22, 2024).
[ii] IESO, 2025 Annual Planning Outook, pages 28 & 29.
[iii] Emails to Jack Gibbons from IESO Customer Relations, (May 22 & 23, 2024).