

# Feedback Form

## eDSM Industrial Program Evolution - May 22, 2025

### Feedback Provided by:

Name: Tina Wong

Title: Senior Policy Advisor

Organization: Electricity Distributors Association (EDA)

Email: [REDACTED]

Date: June 19, 2025, per extension issued by IESO on June 4, 2025

To promote transparency, feedback submitted will be posted on the [Electricity Demand Side Management \(eDSM\) Framework](#) webpage unless otherwise requested by the sender.

Following the May 22, 2025 engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the current industrial program (Industrial Energy Efficiency Program). The webinar presentation and recording can be accessed from the [engagement webpage](#).

**Please submit feedback to [engagement@ieso.ca](mailto:engagement@ieso.ca) by **June 5, 2025**.** If you wish to provide confidential feedback, please submit as a separate document, marked "Confidential". Otherwise, to promote transparency, feedback that is not marked "Confidential" will be posted on the engagement webpage.

Topic	Feedback
<p>Would a first-come, first-served model with a single sign-off better support your project planning - and are there any risks or challenges you foresee with this approach?</p>	<p>The EDA supports a first-come, first-served model to better support industrial customers' participation in an industrial energy efficiency program.</p> <p>Some risks/challenges:</p> <ul style="list-style-type: none"> <li>• A first-come, first-served model may generate high interest and commensurate volume of applications, potentially leading to processing and approval delays.</li> <li>• Ease of application through a first-come, first-served model could result in oversubscription (i.e., all funds allocated to awardees) before some customers have the opportunity to participate, thus discouraging applicants in future rounds.</li> <li>• To prevent stalled applications, the IESO could set some initial criteria to screen for how serious applicants are in installing a project. Targeted education and outreach to potential applicants on the application process could increase quality applications.</li> <li>• Importance of balancing addressing applications received vs. applications addressing highly constrained areas</li> <li>• LDCs should be informed of any anticipated load increases or reductions. A current challenge is the lack of visibility into the current capabilities and readiness of industrial customers, due to limited LDC involvement.</li> </ul> <p>The EDA supports the use of a single sign-off approach. Removing extra administrative steps would allow businesses to operate on their own timelines, without being beholden to arbitrary program constructs (e.g., waiting for program funding to be approved before ordering long-lead items). Reducing overly complex and burdensome processes can help to encourage more participation.</p> <p>The EDA notes that sharing appropriate and relevant participant program information with LDCs would increase awareness of CI&amp;I energy efficiency projects in their service territory, thus better informing their distribution system planning.</p>
Topic	Feedback

Topic	Feedback
Would a tiered, standard-offer incentive – like \$/MWh, with potential adders for grid-constrained areas or large projects – make it easier for you to pursue projects? What is your desired incentive ie. \$/MWh?	<p>The EDA supports a standard-offer incentive, e.g., \$/MWh or \$/kW plus incentive adders to grid-constrained areas. Doing so could accommodate different project types while prioritizing investments with faster returns. It also reduces risk from the participants’ perspective, by making incentives predictable and calculable upfront.</p> <p>Program tiers could address factors of a project that benefit the distribution and transmission systems, customer savings, and constrained areas. Doing so would increase the strategic value of an investment by directly aligning system needs by encouraging action in high-impact areas (e.g., offering higher incentive in grid constrained areas).</p> <p>The EDA would like the IESO to provide additional information on the benefits of a tiered incentive based on project size to understand the rationale for this approach. Given that a \$/MWh or \$/kW incentive already inherently benefits projects with higher energy savings, it is important for the IESO to work closely with LDCs to ensure tiered incentives align with local system priorities that deliver tangible value.</p> <p>To increase practicality and flexibility, tiers can offer varying options based on a customer’s level of commitment, akin to the Retrofit Program.</p>
Topic	Feedback
What minimum threshold would align with your projects? What types of projects or facility areas could you see benefitting from a broader eligibility criteria?	<p>The EDA supports a minimum threshold of 500 MWh (or 0.1 MW). Such a threshold would allow for targeted outreach to projects with potential without including low-impact cases. Types of customers meeting this threshold can include hotels, data centres, research laboratories, healthcare facilities, MUSH, and mid-sized commercial/manufacturing facilities.</p> <p>The EDA suggests broadening eligibility criteria by business types or NAICS codes. Combining this suggestion with the reduced minimum threshold may enable participation for smaller manufacturers currently struggling to invest in operations due to ongoing trade issues.</p>
Topic	Feedback

Topic	Feedback
Would access to audits and feasibility studies help you identify and advance more energy-savings projects? How should it be structured to ensure early assessment lead to real, completed projects?	<p>The EDA supports including access to audits and feasibility studies for program participants. At a minimum, doing so helps de-risk barriers to participation and help to advance more projects with greater potential (and accuracy) of energy savings. In some cases, funding for early-stage studies is critical to enabling customers' exploration of their facilities' ability to participate in EE programs. Importantly, such studies provide a starting point for projects that LDCs may not yet be aware of and provide earlier visibility to potential grid impacts.</p> <p>To maximize impact and accelerate project delivery, the EDA suggests that the IESO work closely with LDCs to structure these supports in ways that directly address local system needs and customer priorities, ensuring early-stage funding translates into completed and impactful projects whether through IEEP or Retrofit or any future programs.</p> <p>To better align participants' level of commitment to project completion and relevance of the project's outcome to a business, the EDA suggests that the IESO partially fund the studies to unlock project identification, with balances being reimbursed upon a project proceeding and/or completing. A go/no-go clause should be incorporated into funded studies to determine whether the study's results justify moving forward with the project.</p>
Topic	Feedback
What type of support or coordination would make it easier for you to complete projects and access incentives with greater confidence?	<p>The EDA supports enhanced measurement and verification (M&amp;V) support to promote the success of industrial energy efficiency projects. This would help smaller projects avoid disproportionate overhead, while ensuring large/complex projects are rigorously validated—balancing the efficient use of resources while maintaining accountability. Some program participants might benefit from a dedicated industry M&amp;V resource to serve as a consistent point of contact, helping to improve accuracy and reduce administrative friction. Other program participants may benefit from a comprehensive engagement plan between the technical reviewer, customer and project implementer(s) that would be tailored to the customer's needs.</p> <p>Industrial participants could benefit from user-friendly reporting tools, such as dynamic dashboards and easy-to-digest summaries. Static Excel files and PDFs make it challenging for customers to interpret operational outcomes and identify areas for performance improvement.</p> <p>Importantly, albeit not directly related to this question, robust M&amp;V protocols increase a project's ability to access financing, which is key to unlocking additional capital to keep their operations up-to-date and competitive.</p>
Topic	Feedback

Topic	Feedback
<p>Are you considering new construction projects? How should the program evolve to better support energy-efficient new construction projects?</p>	<p>The EDA supports the development of a pathway for new construction projects in a new industrial energy efficiency program that includes new industrial facilities, major repurposing of existing facilities, as well as the electrification of new or existing plant processes. The EDA applauds the IESO's forward-thinking in recognizing deep retrofits and fuel switching's equivalent complexity and benefit to new construction, thus supporting decarbonization goals.</p> <p>The EDA offers the following suggestions for improved support of new construction projects:</p> <ul style="list-style-type: none"> <li>• Early engagement with LDCs to ensure program design includes consideration of LDC planning cycles, thus aligning IEEP support with evolving grid needs to unlock additional value</li> <li>• Incenting projects to exceed building code requirements</li> </ul>

## General Comments/Feedback

Stacked funding clauses should be clearly articulated: it allows flexibility while protecting against over-subsidization and is considered valuable by participants.