Stakeholder Feedback and IESO Response

Electricity Demand Side Management (eDSM) Framework – April 24, 2025

Following the April 24, 2025, Electricity Demand Side Management (eDSM) Framework stakeholder engagement webinar, the IESO invited stakeholders to provide comments and feedback on the materials presented by May 8, 2025.

The IESO received written feedback submissions from:

Whitefish River First Nation

Schneider Electric

Matawa First Nations Chiefs Council

Shawanaga First Nation

Region of Peel

Electricity Distributors Association (EDA)

Hydro One Networks Inc.

Ontario Greenhouse Vegetable Growers (OGVG)

Town of Caledon

Ontario Clean Air Alliance

Energy Storage Canada (ESC)

Otter Energy

Notes on Feedback Summary

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

Considerations for Implementing the 2025–2027 Program Plan

Feedback	
Stakeholders were encouraged by the enduring commitment to DSM and the recognition of the value of DSM programming as a tool to addressing long term system needs.	
Stakeholders identified that LDCs should be consulted about program design and delivery, especially where behind-the-meter DERs and dispatchable assets are involved. Coordination with LDCs is vital to maintain system reliability, avoid operational risks, and ensure visibility into local grid conditions. Alignment on DER dispatch protocols and integration of LDC expertise during program planning are seen as critical.	The IESO understands the need for greater visibility into DSM participation, particularly for behind the meter DERs and dispatchable resources and will work together with LDCs to develop appropriate mechanisms for information sharing and coordination.
Municipal and sector collaboration is also important. The IESO should support Green Development Standards, GHG targets, and retrofits in public service sectors such as affordable housing. Programs should align with local planning and provide incentives for upgrades such as windows, doors, building envelopes, heat pumps, BAS systems, and submetering.	The IESO recognizes the importance of municipal and sector collaboration. Demand side management programs offered by the IESO through Save on Energy support retrofits in public sectors such as affordable housing and include a wide range of cost-effective energy efficiency technologies. As the 2025-2036 eDSM framework evolves, the IESO will provide continued and expanded opportunities that will enable greater municipal and sector collaboration.
Stakeholders also recommended expanding eligibility to include standalone energy storage (e.g., batteries, thermal storage), recognizing their value in reducing peak demand and enhancing flexibility.	The IESO is exploring the capabilities that technologies such as thermal and battery storage provide in reducing peak demand and enhancing grid flexibility. We are investigating the potential for inclusion of these systems in our programs in the future.
LDCs should be empowered to lead localized solutions, with upfront funding for market analysis and design. Province-wide and local programs must be well coordinated to avoid overlap and ensure efficient DER and DSM deployment.	
To enhance participation, stakeholders proposed developing information guides for customers, streamlining technical review processes, and supporting energy-efficient new construction. Cross-agency alignment between the IESO, LDCs, and OEB	The IESO will consider these opportunities to enhance program offerings.

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is essential to resolve issues such as net metering conflicts and program eligibility inconsistencies.	

Opportunities for the Next 3–6 Years

Feedback	
Stakeholders identified several opportunities to expand DSM's reach and impact. Deep retrofits and electrification upgrades in aging MURBs and affordable housing should be supported through targeted incentives. Municipalities need help achieving their emissions and electrification goals, including capacity upgrades and education for developers. The Peak Perks program should be expanded to cover more homes and devices (e.g., electric water heaters) to better manage peak demand. Incentivizing smart home technology adoption through discounts and community-based training was also recommended. Greater marketing and public education, alongside easier access to federal and provincial incentives, are necessary to increase awareness and participation. Funding local energy champions and administrative capacity in underserved communities is key to enabling microgrids and community-scale renewables that offset local demand.	The 2025-2036 eDSM framework has been designed to provide flexibility to pursue continued and expanded opportunities for residential and business electricity consumers across the province to more directly contribute to a reliable, affordable and sustainable electricity system. The scope and scale of Save on Energy eDSM programs under this framework will support economic growth in communities across the province, with a strategic focus on reducing demand on the grid and broadening the types of incentives over time to meet changing customer needs. The IESO will enable greater consumer engagement on a regional level as part of this framework and support LDCs to develop programs to help address local distribution system needs, while providing sector partners, including LDCs, Enbridge gas, delivery partners and trade allies, increased opportunities to collaborate with the IESO on Save on Energy programming. Deep Retrofits and upgrades are supported through the Save on Energy Retrofit program for MURBs and affordable housing. Affordable housing projects are eligible for Social Housing Adders in the Retrofit program. The IESO continues to grow participation in Peak Perks by residents and small businesses and is looking at expanding the program to include additional technologies where appropriate. The IESO has placed renewed emphasis on increasing the promotion of the Save on Energy

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	suite of programs and providing greater access to its eDSM educational and training resources. A multi- layered, multi-channel approach that includes paid digital, traditional, and out of home across Ontario marketing tactics will be leveraged to ensure maximum reach of residential, business consumers, as well as First Nations communities across Ontario.

Preferred Engagement Forum and Future Topics

Feedback	
Stakeholders want ongoing involvement through working groups, networking events, and regular touchpoints with the IESO. Areas of interest include DER and storage integration, new program design, beneficial electrification, dispatchable demand response coordination, and electrification in the commercial, industrial, and agricultural sectors. Many are also interested in sharing lessons from DSM pilots.	The IESO values the feedback from the marketplace as it enhances existing Save on Energy eDSM programs and designs and implements new ones. The IESO will continue to use both informal feedback from one-on-one discussions, involvement in working groups or industry committees as well as formal engagement tactics to gather feedback. Some upcoming opportunities for feedback include the updates to the industrial program offering as well as the design for a new HVAC demand response program for the commercial sector.

General Comments

Feedback	
Stakeholders asked the IESO to identify and share barriers to eDSM and DER deployment to inform future decisions. There's concern that the Peak Perks program is underutilized; many urged the IESO to target higher enrollment (e.g., 80% of eligible homes by 2027) and expand its scope. Finally, DSM should be used not only to defer infrastructure but to support community ownership,	The Peak Perks program has achieved over 250k participants by June 2025. The IESO continues to promote and grow the program. The 2025-2036 eDSM has been designed to provide continued and expanded opportunities for residential and business electricity consumers across the province to more directly contribute to a reliable,

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environmental sustainability, and long-term system resilience.	affordable and sustainable electricity system. It will also empower Ontarians, through programming and educational opportunities, to take actions that will collectively make a difference and help Ontario achieve a sustainable energy future. The Ontario government has also directed the IESO to include beneficial electrification measures under the 2025-2036 eDSM framework to promote the use of electricity to improve energy affordability, expand customer choice and reduce emissions in Ontario, while minimizing impacts to the electricity system.