

eDSM Commercial HVAC DR Program - June 24, 2025

Feedback Provided by:

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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 June 24, 2025 engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the new Commercial HVAC DR Program. The webinar presentation and recording can be accessed from the [engagement webpage](#).

Please submit feedback to engagement@ieso.ca by **July 8, 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>Program Enrollment:</p> <p>How can we best ensure that facilities demonstrate their readiness for effective participation, particularly regarding the potential HVAC DR capacity, operational parameters, and metering readiness. What additional factors should be considered?</p>	
Topic	Feedback
<p>Incentive Structure:</p> <p>What is your perspective on the proposed standard payment incentive structure and payment timelines? Do you see any challenges or opportunities with this approach?</p>	<p>A simple and easily understood incentive structure for the program is important and a \$/MW-season incentive value accomplishes this. The challenge to highlight with this approach is that there is a waiting period for customers to receive any value from participation. Given expectations explained around facility/equipment monitoring during events, and the expected role of aggregators, it may be reasonable and possible to expect customers to understand their performance impact in a timely fashion.</p> <p>Additionally, IESO should consider additional incentives for customers located in identified areas of system constraints, just as has been done with the Retrofit program and Regional Retrofit Adders. Related, IESO should ensure LDCs have the capability to stack an additional local incentive adder on top of a provincial incentive payment to help address distribution system need. More feedback on the coordination of dispatch between LDCs and IESO is provided in the general comments.</p>
Topic	Feedback

<p>Eligibility Requirement – Program Participants:</p> <p>What would be a reasonable minimum DR threshold for the Program to consider; what other eligibility elements should be considered?</p>	
Topic	Feedback
<p>Eligibility Requirement – Program Contributors</p> <p>Are there any additional factors or considerations we should take into account?</p>	<p>As mentioned previously, consideration should be given to the additional system value that can be provided by customers located in/or connected to areas of constraint/needs.</p>
Topic	Feedback
<p>Events Parameters:</p> <p>Are there any additional factors or considerations we should take into account? Is the notification period adequate, or would a different notification period better suit your needs and why?</p>	<p>IESO needs to inform local distribution companies of all program participants within each utility's service territory, as well as notification of events. We would recommend that advanced notice be provided to LDCs a day ahead of the event to ensure distribution grid operations are not negatively impacted. Additional considerations around IESO-LDC program coordination and collaboration are found in the general comments below.</p>
Topic	Feedback
<p>Performance Parameters:</p> <p>Are there any additional factors or considerations we should take into account? Would using the Capacity Auction baseline methodology with a weather adjustment factor pose any concerns?</p>	

General Comments/Feedback

Hydro Ottawa is supportive of programs that are capable of dispatching flexible resources in a coordinated and collaborative manner to address both local and bulk system needs. However, Hydro Ottawa believes that a successful implementation of this program hinges on addressing critical issues: LDC involvement and operational protocols. Both of these issues have been thoroughly discussed and documented by the Transmission-Distribution Working Group (TDWG) and that work is essential to ensure seamless integration and effectiveness of flexible resources like this program. To truly optimize the program's benefits for both local and bulk systems, the platform should prioritize distribution system needs and provide LDCs with the capability to dispatch resources enrolled within their service territories. This approach would safeguard local system safety, reliability, and efficiency, while still delivering upstream bulk system benefit. Presently, there is a lack of available detail as to whether LDCs, within the IESO's program as proposed, will have a meaningful role in operationalizing the dispatch of assets on the distribution system to meet the operational needs of both entities, and whether recommendations and protocols outlined by the TDWG have been included.

It is also of concern that the currently established timeline for procurement will not allow for the coordination and collaboration opportunities outlined above. Therefore, Hydro Ottawa respectfully recommends that the IESO prioritize collaboration with LDCs before the program's launch to consider how TDWG recommendations can be integrated, believing this is essential for the program's ultimate success.