

RE: ERO # 019-2132

At the end of April, 59 energy efficiency and supporting organizations signed onto a joint letter calling for the extension of Ontario's conservation and demand management (CDM) programs. In our joint letter we warned that any pause in energy efficiency program support would result in a loss of program delivery capacity and customer disruptions. We also emphasized the role energy efficiency could play in the COVID-19 recovery and contributions to cost reductions given anticipated grid constraints.

We are pleased to read the province's July 23 announcement, which addresses the issue of a gap in programming. The proposed 4-year framework is set to launch immediately after the expiration of the current interim framework on January 1, 2021. We recognize and celebrate the following aspects of the 2021-2024 Conservation and Demand Management Framework proposal:

- 1) Recognition of the need for stability and predictability in the customer and vendor community, and the need to maintain program delivery capacity in the province in the short-term.
- 2) The statement that electricity conservation "is the most cost-effective resource to help meet our province's energy needs", and that "capacity needs are expected to arise starting in 2023".
- 3) Program descriptions include those that target local/regional needs, which was emphasized as an important evolution in program strategies in our letter.
- 4) Programs for on-reserve First Nations communities, including for remote communities soon to be connected to the provincial electricity grid.
- 5) A program for income-eligible households that would provide energy saving measures and installation of measures at no cost to the participant.

These are all key ingredients in ensuring we have a comprehensive and effective energy efficiency resource that can be leveraged as we approach 2023 and need to manage capacity needs. A combination of the above principles and programs can drive customer energy savings as well as contribute to greenhouse gas reductions.

However, we are concerned about some aspects of the proposal. There are no budget and targets. The proposal implies lower budgets in the first two years. There is also

uncertainty over the consultation process moving forward to set budgets and targets. The framework also appears to preclude comprehensive program support for residential customers, instead offering “education and tools” to procure energy efficiency products on the market.

This proposed framework could be improved by including the following:

- 1) Consideration of energy efficiency’s multiple non-energy benefits to direct program strategies and overall investment levels (e.g. health benefits, productivity improvements, improved thermal comfort, job creation). This should include the benefits of programs targeting the general residential, as well as low-to-moderate income, populations.
- 2) A clear budget based on meeting minimum targets to invest in all energy efficiency opportunities that are lower cost than transmitting and generating electricity. As noted in our letter, the [2019 Achievable Potential Study](#) shows that 17 TWh and 2100 MW of energy and capacity savings are cost-effectively available by 2030, costing only 3.3 cents for every kwh saved.
- 3) Integration of electricity CDM programs with natural gas programs to promote all-fuel energy efficiency, provide streamlined services to customers, and cost savings on areas such as administration.
- 4) Strong budgets and savings goals in early years of the framework to provide consistency of service to customers and because the accumulation of energy savings from those programs will deliver capacity benefits needed in the latter years of the framework.

We are glad to see the province taking action to recognize the importance of energy efficiency and to address the expiration of the existing CDM framework. We look forward to the continued development of the framework and are excited to work with the province and other stakeholders to support energy efficiency in Ontario.

Efficiency Canada