

August 21, 2020

**Melanie Torrie**

Ministry of Energy, Northern Development  
and Mines, Conservation and Renewable Energy Division  
77 Grenville St.  
5th Floor  
Toronto, ON M7A 2C1

Dear Ms. Torrie,

**Re: ERO – 019-2132**

Summerhill is pleased to provide comments on the proposed 2021-2024 Conservation and Demand Management Framework.

Summerhill is an energy efficiency services company that helps people and businesses use energy efficiently. Summerhill has extensive experience delivering residential and commercial conservation programs in Ontario. We are a privately held, 100% Canadian owned and operated company with head offices in Toronto who have been in business for over 25 years. [www.summerhill.com](http://www.summerhill.com)

We have aligned our comments against the format provided in the ERO posting as follows:

**Term:** We believe a four year term is appropriate and should provide necessary certainty to the market.

**Delivery:** Summerhill would like to stress the importance of retaining a centrally-managed conservation portfolio through the IESO. The energy efficiency message has been fractured in Ontario because of a lack of centralized management and oversight. We would also encourage a centralized and robust procurement process that would allow customers, LDC's and program delivery companies to bid on delivery opportunities under this new framework.

**Objectives and customers served:** Summerhill supports the focus on providing education and tools for residential customers to empower them to improve their energy efficiency. In 2017 Summerhill conducted research with the Canadian Energy Efficiency Alliance on attracting

millennials to adopt a culture of conservation. The findings were very enlightening. We learned that no LDC in Ontario had ever conducted consumer research on the best conservation/energy efficiency messaging to resonate with this demographic. Therefore, most programs were designed in the absence of that critical information on messaging and useful platforms. We also learned that millennial consumers wanted more information about how to best care for their households but had no idea where to turn for help.

To be successful it will be critical to assign dedicated funding to this objective. We would suggest that the greatest impact on outcomes and sustained customer behaviour change would come through targeted marketing and promotions of the proposed Conservation Framework programs including contests and promotions for limited time offers.

To be more specific, if you do not anchor Education and Awareness to specific actions, it will be difficult to measure any impact. Additionally, while there may be no cost or low cost actions that can be promoted, you will need to invest, at a minimum, in digital platforms or tools to track awareness and facilitate the ongoing engagement in a cost-effective way.

Ontarians spend over \$13,500 on home renovations annually. Our goal should be to reprofile that household spend to focus on adaptations that will promote resiliency, energy efficiency and conservation.

**Program Types:** Summerhill supports the program types outlined in the ERO. However, without any indication of proposed funding over a four year period, it is difficult to comment on relative impact of any one program type.

In regards to programs for on-reserve First Nations communities and a program for income-eligible households, we ask that you consider designing these programs without the traditional total resource cost (TRC) tests applied. These programs offer benefits far beyond the system benefits typically applied. In addition, we recommend a consolidation of programs targeted to income qualified homes including the existing Home Assistance Program, Affordability Fund Trust, Low Income Energy Assistance Program, Ontario Electricity Support Program and Enbridge's Home Winterproofing Program.

Overall, Summerhill is supportive of the Province of Ontario committing to a four year Conservation Framework, centrally managed by the IESO and deployed through third party program delivery providers.

The only real gap identified is the lack of programming targeted to the residential sector (outside of First Nations and Income Qualified customers). Summerhill, recommends including a program targeted directly to single family residential homes in Ontario.

A recent study by ECO Canada highlighted that the construction sector makes up the biggest number of jobs (66%) in a growing **energy efficiency sector**. This includes highly skilled and trained contractors, electricians, gas fitters and plumbers. In response to increasing extreme weather events, Ontarians and insurance companies are looking for more resilient homes that can better adapt.

Summerhill understands the Government of Ontario's commitment to **creating local skilled jobs and attracting investment**. Ontario homeowners plan to spend on average \$13,500 annually on home renovations. Weather-related catastrophic losses cost insurers over \$1.8 billion annually which has increased 300% in the last three years (i.e. fires, flooding, tornadoes, etc.). There is an opportunity to reprofile Ontarian's spend in home renovations to areas that will increase energy efficiency, climate resiliency and create more attractive jobs in the trades sector.

In order to design and deliver an effective Residential Program that works for Ontarians, Summerhill suggests that the following be considered:

- Establish a consortium of experts – **Ontario Resiliency Council** – to advise on eligible products and capacity (Insurance Bureau, contractor trades associations such as HRAI, NAIMA, CUFCA as well as Ontario Home Builders, etc.)
- Insurance industry provide an insurance premium for those who invest in their home's resiliency versus its appearance
- Suggested **labour tax credit of 15%** on eligible product installations coupled with promotion from insurance sector and government
- Important to manage a list of eligible products but tax credit should be applied to qualified installations by **approved contractors** (eliminates underground economy – more tax revenue back in Ontario; these jobs will be SME jobs across the province, in every postal code)
- Track both **energy savings** (kWh and m<sup>3</sup>) and the resulting **bill reductions** that occur from installation of eligible products and report back to the public
- Successful design and delivery will require a trusted administrator to ensure:
  - Up-to-date list of qualified products;
  - Up-to-date roster of trained, accredited and approved contractors; and
  - Quality assurance testing done on select number of renovations/projects.
- The full infrastructure and service capability already exists within the energy efficiency services delivery market in Ontario through companies like Summerhill

We would be happy to discuss these comments further if desired.

Sincerely,

**Ersilia Serafini**

**President & CEO**

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