



August 22nd, 2020

Ministry of Energy, Northern Development & Mines
c/o: Conservation & Renewable Energy Division
77 Grenville Street
Toronto, Ontario M7A 2C1

Subject: ERO #019-2132 – 2021-2024 Conservation & Demand Management Framework

Background & Recommendations

Thank you for the opportunity to comment on the proposed 2021-2024 Conservation & Demand Management (“CDM”) framework that is proposed to launch January 1st, 2021. Local Distribution Companies (“LDCs”) like Essex Powerlines, have been successfully delivering cost-effective CDM programs to their respective customers for well over a decade. As indicated in the chart below, CDM is the lowest cost solution for electricity procurement, as projected by the Independent Electricity System Operator (“IESO”). Essex Powerlines is also proud that during the most recent 2015-2019 CDM framework, it successfully reached its allocated CDM targets early at mid-term review and worked jointly with its customers to reduce their respective energy costs, help the environment and do our part to help reduce the steep electricity pricing curve in Ontario. LDCs are trusted advisors and partners to electricity users across Ontario and Essex Power is excited to continue delivering on its track record of success.

Conservation is the lowest cost solution

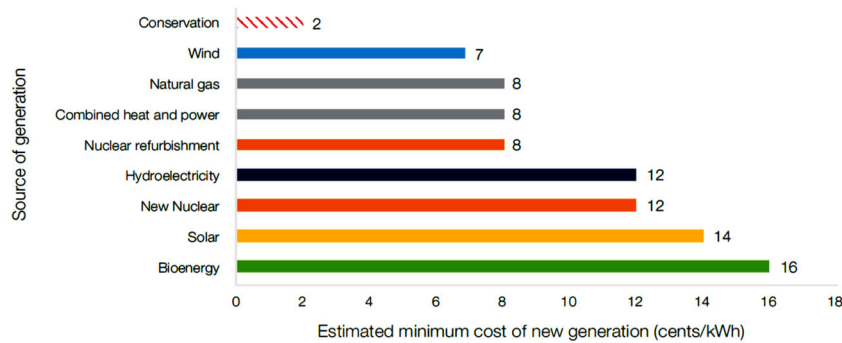


Figure 19.3. Minimum cost estimates of new electricity generation in Ontario, 2016.
Source: Independent Electricity System Operator, information provided in response to ECO inquiry (31 January 2018).

The Ministry of Energy, Northern Development & Mines’ (“ENDM”) ERO #019 2132 regarding the 2021-2025 CDM Framework is an excellent opportunity to re-engage Ontario LDCs and in turn, the respective residences and businesses in their communities to continue on the successes of the past. As a result, Essex Power Corporation (“EPC”) would like to support the following concepts:

- An open, fair and transparent process for CDM program intake and proposals;



- Local funding for targeted CDM programs in electricity constrained areas;
- Separate funding/budgets for IESO central programs, LDC focused capacity needs/constraint programs, LDC educational programs and IESO/LDC targeted small/mid-size business direct install programs;
- The continuation of consistent, predictable CDM programs across Ontario, with limited start/stop events;
- Centralized funding and administration for consistent whole-building provincial programs with a priority given to voluntary LDC program delivery or where the LDC does not wish to participate, other delivery providers that have a history of successful program delivery;

We trust this information is helpful and as always, if you have any additional questions, concerns or require any clarifications whatsoever, please do not hesitate to contact us anytime.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Kristopher Taylor', is written over a faint, light blue rectangular background.

Kristopher Taylor, *CEM, MBA*
Director of Corporate Strategy
Essex Power Corporation

Cc: Steve Ray, Essex Power Corporation
Joe Barile, Essex Powerlines Corporation