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Ms. Nancy Marconi
Registrar
Ontario Energy Board
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Toronto, ON M4P 1E4

January 23, 2025

**EB-2024-0199 - Vulnerability Assessment and System Hardening Project**
**Pollution Probe Comments**

Dear Ms. Marconi:

The Ontario Energy Board (OEB) initiated a consultation to advance the OEB's Vulnerability Assessment and System Hardening (VASH) initiative. A draft version of the Vulnerability Assessment Report (VA Report) has been provided for comment as part of the OEB's VASH initiative. Included with the draft VA Report is the Vulnerability Assessment Toolkit (VA Toolkit) developed by Guidehouse, which includes resources designed to assist distributors in their preparation of VA analyses. The draft VA Report and VA Toolkit take into consideration feedback heard at the VASH stakeholder meetings, which Pollution Probe participated in. The document indicates that the VA Report is the first step in the OEB's approach for the VASH initiative. The origins of the VASH project can be traced to the OEB's 2023 Improving Distribution Sector Resilience, Responsiveness and Cost Efficiency report, which was prepared in response to a request from the Minister of Energy. Pollution Probe supports the importance of this initiative and the OEB's objectives to mitigate future system impacts through systematic and cost-effective best practice approaches to mitigate these risks and impacts.

Overall the approach for the VA Report and VA Toolkit is reasonable, but there are some suggestions to improve the approach. It is also well known that there is no jurisdiction that has this all solved yet and despite the jurisdictional scan, it is recommended that an annual scan be undertaken to monitor progress and best practices in leading jurisdictions. The impacts of climate change continues to increase and the regional effects are varying over time. This is expected to continue and feed into best practice evolution on a very quick pace. This is not a static issue and solutions need to be nimble to adjust. Although a high-level scan was conducted by Guidehouse, the scan is missing valuable information in jurisdictions that have made distinct choices. For example, the increase in solar and battery storage Distributed Energy Resources (DERs) in jurisdictions like Florida come with incremental benefits which include increased resiliency. This is not too distinct from the recent IESO DSM program enhancements

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to include these technologies. Examining those approaches and business cases could lead to solutions that maximise benefits in Ontario.

Overall, Pollution Probe agrees with the five key objectives identified by the OEB:

- **It should be simple** and can be repeated by any distributor with the underlying data, methodology, and outputs easily understandable.
- **It should be appropriately granular** and provide specific predictions of the susceptibility of a given set of physical assets in a given location to a range of resiliency factors for the purposes of distribution system planning.
- **It must support the efficiency of its review process**. In combination with other evidence, the Vulnerability Assessment should yield sufficient and clear analysis that generates transparency, allows for efficient and effective adjudicative processes, and drives greater focus on the outcomes of vulnerability assessments rather than on the dissection of methods used to arrive at those outcomes.
- **It must support the effectiveness** of its review process by supporting appropriate consistency and generating confidence in the robustness of planning and the reasonableness of rate consequences of any actions or investments proposed in response to the assessment. It should also appropriately balance the benefits of structuring distributors' analysis with a degree of consistency while recognizing that distributors themselves are those who bear the ultimate responsibility for managing their assets.
- **It must take into account the diversity of Ontario distributors'** size, location, and capabilities. This includes appropriately balancing the benefits of standardization while accommodating variation among distributors. [Altough this objective is important, it should not support a 'go it alone' approach that does not align with the prescribed baseline approach. Although there are differences between utilities, there are even more similarities including vulnerabilities due to extreme weather. Impacts to one utility also have the ability to impact surrounding utilities]

Pollution Probe agrees with providing a Custom Option and a Generic Option. The Generic Option should be the default with the ability for a utility to apply a customisation, as appropriate. When a Custom Option is selected, it should be required to provide a summary of where the Customer Options differs from what would have been done in the Generic Option, including reasons for the customisations. It is important to track customisations and the results from those customisations. Where customisations lead to better results than the Generic Option, the OEB should consider adding those elements to the Generic Option on the regular review cycle.

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As outlined in the draft VA Report, this is an important issue that impacts consumers and utilities across Ontario. Although there is variation geographically on the risks and impacts, the issues at play are common and a baseline collaborative approach makes sense to maximize results in the more cost-effective and efficient manner possible. Individual utilities have the ability to supplement where appropriate, but a 'go it alone approach' is not aligned with the outcomes the OEB is seeking. Benefits of a baseline common approach include:

- Draws on collective knowledge and input across utilities and stakeholders.
- Enables consistency, including in benchmarking progress and results.
- Provides flexibility to utilities, where needed.
- Is more cost-effective and efficient.
- Enables sharing of best practices.
- Enables sharing of problems and failures to avoid repetition.
- Leveraging a common VA Toolkits increases the value and effectiveness at the quickest pace. The more it is used, the quicker it is improved.

Finally, the Energy Transition has brought forward technology advancements that can reduce costs and emissions in alignment with the OEB intended outcomes. Some of these need to occur at the customer site rather the utility side of the meter. Distributed Energy Resources are one example which includes a large range of tools including energy efficiency energy storage, etc. Leveraging targeted DERs has the ability to increase system resilience compared to the old school model of generating electricity far from where it is used, which increases the likelihood of adverse (e.g. weather) events impacting the system. Overall utility competencies with including DERs into future Distribution System Plans is low, although some utilities are further ahead than others. It will be important to encourage system innovation to migrate toward modern system design and operation which is DER inclusive, leveraging benefits of behind the meter DERs that are not a direct cost to ratepayers. Unlocking the increasing benefit of these resources is directly aligned with the intent of VASH.

Similarly, municipalities across Ontario have developed energy (and emission) plans with the intent of supporting energy system development and use aligned with local needs and development objectives. Innovation in energy planning includes DERs and links end user needs (e.g. emergency heating or cooling stations). Aligning utility planning (and Regional Planning overall) with municipal (also referred to as community) planning is essential to coordinated, cost-effective infrastructure and program planning to meet consumers needs. Some work was done by the OEB via the RPPAG[1] initiative, but the direct link of benefits to VASH was not made

[1] EB-2020-0176, including several reports published by the OEB on the recommendations.

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at the time. The interplay between VASH and other relevant initiatives is important to maximise synergies and avoid potential (unintended) barriers.

Pollution Probe also reviewed the tabs and fields in the VA Toolset and has not proposed specific edits at this time. As noted above, it will be important to get user feedback through real use of the toolset in a timely manner. It is recommended that a review of the toolset use and opportunities for overall improvement be conducted no later than one year following implementation. This timing could align with an update to the best practice scan which is expected evolve regularly.

Pollution Probe appreciates participating in this important initiative and if there are any questions on the comments above, please do not hesitate to reach out to the undersigned.

Respectfully submitted on behalf of Pollution Probe.

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