

DECISION ON COST ELIGIBILITY

EB-2025-0102

Total Cost Benchmarking Update

By Delegation Before: Theodore Antonopoulos Vice President **Major Applications**

April 23, 2025

INTRODUCTION AND SUMMARY

On April 1, 2025, the Ontario Energy Board (OEB) issued a <u>letter</u> to initiate a consultation to engage stakeholders in a review of the use of Total Cost Benchmarking (TCB), including Total Factor Productivity (TFP), in the assessment of overall cost performance of rate regulated electricity distributors. The letter indicated that cost awards would be available to eligible participants under section 30 of the <u>Ontario</u> <u>Energy Board Act. 1998</u>, and that costs awarded will be recovered from all rate regulated electricity distributors. The letter made provision for stakeholders to apply for cost award eligibility and for any objections from rate regulated electricity distributors.

The following organizations applied to participate in the consultation and requested cost award eligibility:

- Association of Major Power Consumers in Ontario (AMPCO)
- Consumers Council of Canada (CCC)
- Energy Probe
- Hydro 2000 Inc.
- Pollution Probe
- Quinte Manufacturers Association (QMA)
- School Energy Coalition (SEC)
- Smart Grid Innovation Network Canada (SGIN)
- Vulnerable Energy Consumers Coalition (VECC)

No objections were received in relation to these requests for cost award eligibility.

This cost eligibility decision is being issued by delegated authority under section 6 of the *Ontario Energy Board Act, 1998*.

In addition to the organizations noted above, the following organizations applied to participate in the consultation:

- Alectra Utilities Corporation
- Bluewater Power Distribution Corporation
- Canadian Niagara Power Inc.
- Cornerstone Hydro Electric Concepts Association
- Electricity Distributors Association
- Elexicon Energy Inc.
- Enbridge Gas Inc.
- Enova Power

- Entegrus Powerlines Inc.
- ENWIN Utilities Ltd.
- Essex Powerlines Corporation
- Festival Hydro Inc.
- Greater Sudbury Utilities
- GrandBridge Energy Inc.
- Halton Hills Hydro Inc.
- Hydro One Networks Inc.
- Hydro Ottawa Limited
- InnPower Corporation
- London Hydro Inc.
- Oakville Hydro Electricity Distribution Inc.
- Orangeville Hydro Limited
- Power Workers' Union
- PUC Distribution Inc.
- Toronto Hydro-Electric System Limited
- Utilis Consulting Inc.
- Wellington North Power Inc.

By correspondence, dated April 14, 2025, the Ministry of Energy and Mines advised that it wished to be an observer in this consultation.

OEB FINDINGS

The OEB finds that AMCO, CCC, Energy Probe, Pollution Probe, QMA, SEC, and VECC are eligible to apply for an award of costs under the OEB's <u>*Practice Direction on Cost Awards*</u>.

The OEB notes that, in its registration email, Hydro 2000 indicated that a representative (consultant) would attend the consultation, and it requested that the consultant be remunerated for cost recovery. Hydro 2000 is added to the list of participants for this consultation. However, Hydro 2000 is a licensed electricity distributor, and is therefore not eligible for costs per section 3.05 of the OEB's Practice Direction. And while the OEB may, under section 3.06 and 3.07 consider to depart from Rule 3.05 in specific and special circumstances, it has not been the OEB's practice to award cost eligibility to representatives of utilities and the OEB will not do so in this case

Likewise, SGIN is added as a participant to this consultation. However, its request for cost eligibility is denied. In its registration email, SGIN provided no further explanation

as to how it qualifies for cost award eligibility. According to its website, SGIN's membership appears to be comprised of a range of interests from small businesses developing new generating solutions or enabling technologies to utilities and multinational corporations. As per section 3.04 of the Practice Direction, among other potential reasons outlined in section 3.04, it does not appear that individual members would qualify for cost eligibility.

As indicated in Appendix A to the OEB's April 1, 2025, <u>letter</u>, the OEB expects that groups representing the same interests or class of persons will make every effort to communicate and co-ordinate their participation in this process. The OEB reminds participants that those efforts will be taken into account by the OEB in making a decision on the award of costs.

The OEB reminds parties that activities for which cost award-eligible participants may claim costs are outlined in Appendix A of the April 1, 2025 <u>letter</u>, and that details on any further potential activities for which cost-eligible participants may claim costs in the consultation may be provided in future communication(s), as required.

DATED at Toronto April 23, 2025

ONTARIO ENERGY BOARD

Theodore Antonopoulos Vice President, Major Applications