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May 20, 2025

To: All Rate-Regulated Electricity Distributors Independent Electricity System Operator All Participants in EB-2025-0060
All Other Interested Parties

Re: EB-2025-0060: Distribution System Operator Capabilities – Stakeholder Consultation

In a <u>letter</u> dated January 28, 2025, the Ontario Energy Board (OEB) launched a consultation to consider and define a policy framework to set expectations for electricity distributors regarding the development of Distribution System Operator (DSO) capabilities. The purpose of this letter is to provide interested stakeholders with details on the meeting to be held beginning June 23, 2025, and how they may participate, including the opportunity to make a presentation.

To support the consultation, the OEB is releasing the following reports:

- 1. **DNV Energy Insights Report:** This report focuses on the core drivers behind the implementation of DSOs, use cases, DSO functionality and architecture.
- 2. **OEB Staff Discussion Paper:** Based on the research that OEB staff has undertaken, the paper sets out DSO opportunities and policy objectives, discusses the core regulatory considerations that DSO capabilities give rise to, and proposes an approach for moving forward.

Stakeholder Symposium:

A hybrid (in-person/virtual) stakeholder meeting will be held to provide an opportunity to discuss the reports and hear stakeholder views on developing a policy framework for DSO capabilities.

Agenda:

- Presentation of Reports: DNV Energy Insights and OEB staff will present their conclusions and proposed way forward.
- Stakeholder Presentations: Interested stakeholders are invited to deliver presentations on DSO capabilities, critical success factors, policy objectives and regulatory considerations. Presentations will be limited to 20 minutes.
- Open Discussion: Time will be allocated for open discussion to gather perspectives and insights.

Discussion Questions:

To ensure that this work leads to the development of a robust DSO framework, the OEB is seeking stakeholder feedback at the meeting, and in subsequent written comments, on the following key questions:

Defining Opportunities and Objectives

- What are your views on the opportunity and policy objectives for DSO capabilities?
- What are your views on the use cases and value of DSO capabilities for Ontario, including the importance of DSO capabilities in capturing more of the benefits DERs can provide?
- How should the OEB's objectives (as set out in section 1 of the <u>OEB Act</u>) be balanced and reflected in the development of a DSO policy framework for Ontario?

Evaluating Proposals and Approaches

- Is an evolutionary approach to developing DSO capabilities appropriate for Ontario to pursue in order to achieve the policy objectives set out in the Staff Discussion Paper?
- What are your views on each of the three proposals presented in the Staff Discussion Paper?

Balancing Standardization and Flexibility

 How should the OEB best balance the benefits of a standard approach relative to the innovation and insights that could be gleaned from enabling greater flexibility and diversity through experimentation? Addressing these questions with stakeholders will help ensure that the introduction of DSO capabilities is carefully paced and aligned with the broader goals of grid modernization. Introducing DSO capabilities in Ontario can support the province's broader efforts to adapt to evolving energy needs, integrate DERs and ensure that the distribution network is equipped to meet future challenges while maintaining reliability and affordability.

Stakeholder Symposium Details:

The stakeholder meeting will be held starting on June 23, 2025, from 9:30 a.m. to 4:30 p.m, and continuing on June 24 if additional time is needed for presentations. It will be a hybrid event with in-person and virtual attendance. The in-person location is the OEB's North Hearing Room, 25th floor, 2300 Yonge St., Toronto. Details for virtual attendance will follow for those selecting this option.

Written Comments:

Following the stakeholder meeting, stakeholders are invited to submit written comments. Written comments will be due on July 15, 2025. Filing Guidelines for written comments are included in the appendix.

Participation:

Stakeholders who wish to participate in the meeting are asked to email notice of their intention to registrar@oeb.ca by June 3, 2025. Emails should include "EB-2025-0060 Distribution System Operator Capabilities" in the subject line and provide the following information:

- Participant/organization name
- Name(s) of attendees to be registered
- Whether the participant intends to attend in person or virtually
- Whether the participant intends to make a presentation and, if so, a brief description of the presentation (up to 250 words). The OEB strongly prefers that presenters attend in-person
- A contact name, telephone number and email address

The OEB encourages parties with similar views or interests to work together on a joint presentation to make efficient use of limited meeting time. This is consistent with the approach taken in rate applications and other proceedings.

Cost Awards

As set out in the letter issued in January, cost awards will be available under section 30 of *the OEB Act, 1998*, in respect of this consultation.

Cost awards will be available to eligible participants in relation to the consultation activities described in this letter, as follows:

Activity Eligible for Cost Awards	Max. Number of Hours
Preparation for, attendance at and reporting on, the stakeholder meeting (for eligible participants and/or their consultants)	Actual meeting time + 4 hours
Preparation of presentation for stakeholder meeting	10 hours
Preparation of Written Comments	10 hours

Today, the OEB also issued its Decision on Cost Eligibility in relation to cost eligibility requests.

Thank you in advance for your participation. The OEB looks forward to your feedback.

For any inquiries regarding this letter, please reach out to DSOcapabilities@oeb.ca. The OEB's toll-free number is 1-888-632-6273.

The OEB recommends interested stakeholders register to the <u>Distribution System</u> Operator Capabilities Engage with Us page for future updates.

Yours truly,

Brian Hewson Vice President, Consumer Protection & Industry Performance

Appendix: Filing Guidelines

Please quote file number **EB-2025-0060** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the OEB's online filing portal.

- Filings should clearly state the sender's name, postal address, telephone number and email address.
- Please use the document naming conventions and document submission standards outlined in the Regulatory Electronic Submission System (RESS) Document Guidelines found at the File documents online page on the OEB's website.
- Stakeholders are encouraged to use RESS. Those who have not yet set up an
 account or require assistance using the online filing portal can contact
 registrar@oeb.ca for assistance.
- Cost claims are filed through the OEB's online filing portal. Please visit the File
 documents online page of the OEB's website for more information. All
 participants shall download a copy of their submitted cost claim and serve it on
 all required parties as per the Practice Direction on Cost Awards.

All communications should be directed to the attention of the Registrar and be received by end of business, 4:45 p.m., on the required date.