June 27, 2025

Mr. Ritchie Murray
Registrar
Ontario Energy Board
2300 Yonge St, 27th Floor
Toronto, ON M4P 1E4

Dear Mr. Murray:

Re: **Advancing Performance-based Rate Regulations – Performance Incentive Mechanisms (PIMs); EB-2024-0129)**

The Electricity Distributors Association ("EDA") represents Ontario's local hydro utilities, the part of the electricity system closest to customers. Publicly and privately owned utilities, otherwise known as local distribution companies ("LDCs"), deliver electricity to residential, commercial, industrial, and institutional customers—powering every community in the province. The sector owns more than $33 billion in electricity system infrastructure and invests more than $3 billion annually in the electricity grid to meet system needs while providing safe and reliable electricity - that is the Power of Local Hydro.

We appreciate the opportunity to comment on the OEB Staff discussion paper, *Performance Incentive Mechanisms: Advancing Performance-Based Rate Regulation* within the context of Ontario rate regulation and look forward to continuing substantive engagement on this subject.

We support the general concept of PIMs and the cited objective to "strengthen the link between what electricity distributors earn and the achievement of outcomes customers value, such as cost effectiveness reliability and customer services, while ensuring alignment with government policy."[1]

However, we are concerned with the current PIMs proposal, as outlined in OEB staff's discussion paper, as we will elaborate below. We also believe that this proposal appears to be moving rapidly towards implementation and not providing for meaningful stakeholder input. It also appears to be missing key information needed for stakeholder comment and may ultimately **in conflict with priorities articulated by the government and OEB itself.**

LDCs are grappling with substantial investment requirements to facilitate housing and industrial development, modernize the grid to integrate distributed energy resources (DERs) and smart technologies, facilitate electrification, improve reliability, and enable economic development as directed by the government, described most recently in its June 12, 2025 report *Energy for Generations*.[2] The scope and pace of change in the electricity sector is evident from the number of consultations, directions and policies currently ongoing or recently implemented at the OEB. It is also reflected in the potential implementation of fundamental changes to the sector's regulation, most recently in the form of proposed amendments to the *Ontario Energy Board Act, 1998* that, if passed, will add a new objective

[1] OEB Performance Incentive Mechanism Discussion Paper, page 2.
[2] Ministry of Energy and Mines Report, "Energy for Generations", June 12, 2025, Executive Summary.

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for the OEB to "respect economic growth in relation to the regulation of the energy sector."[3] LDCs are being asked to balance these competing priorities, many of which make their operating landscape more complex. Under these circumstances, LDCs require regulatory stability where possible, and require material changes to be the subject of robust analysis and consultation to ensure effective outcomes for customers and their systems.

The PIMs proposal outlined in the discussion paper does not allow for the level of robust analysis required to substantiate such a significant shift in Ontario's rate-setting regime, and the planned subsequent procedure does not provide for such analysis to be conducted and assessed in an appropriate manner. **Our most notable concern is the clear disconnect between the four PIMs proposed by OEB staff and the very clear set of priorities currently articulated by the government and utility customers - informed by direct communications with their electricity distributors.** The PIMs proposed in the discussion paper were chosen absent active engagement with LDCs and other stakeholders, after receiving submissions in early 2025 which were high-level by necessity, having only received to that point a jurisdictional scan on PIMs and a five-page report. The currently proposed PIMs should have been subject to prioritization relative to clearly expressed government priorities, most notably the facilitation of economic growth through residential, commercial and industrial connections. Priorities which are not contemplated by a PIMs proposal will consequently be de-prioritized through the incentivizing of other investments. Stated differently, to ignore the facilitation of economic growth (and other prominent priorities) as the current PIMs proposal does, **will result in outcomes which are directly counter to the clearly expressed direction of the government.**

The discussion paper is missing essential details about the quantum of incentives and how they should be calculated, information which is required by LDCs and stakeholders in order to provide meaningful feedback. OEB staff have not provided a rationale for how it was determined whether particular PIMs should have rewards or incentives attached. Beyond the PIMs chosen not aligning with the objectives being promoted by the OEB and government, in certain cases the PIMs themselves appear to conflict with one another. From a procedural perspective, the consultation process to bring the sector to this point has been rushed and missing essential details that are required to properly evaluate proposals, both in the phase conducted in Q4 of 2024, and this current phase in Q2 of 2025.

In short, we believe that the proposal requires further development, which we believe hold more downside for LDCs, customers, and the province than upside. While we believe that the general concept of PIMs has potential, and encourage the OEB to explore it further, the details of this proposal and the mode of consultation to date leave us unable to support the proposed PIMs policy in its current form.

We recommend an effective reconstitution of PIMs development in Ontario rate regulation, in a manner that begins first with prioritization of objectives, and moves incrementally in a manner that allows for critical industry engagement in the sensitive effort of translating objectives into clear, actionable, and effective incentive mechanisms. Given the critical moment of change and transition in Ontario's energy sector, along with the potential implications of PIMs, we believe that this consultation should not be rushed and encourage the OEB to consider PIMs that align with the government's directives.

Our submission is organized into two broad sections:

[3] Bill 40, Protect Ontario by Securing Affordable Energy for Generations Act, Schedule 3, subsection 1(1) of the Act.

1. A submission addressing the most pressing issues and positions relating to OEB staff's proposed PIMs from EDA members' perspective;
2. Specific answers to the questions posed by OEB Staff.

Submission addressing the most pressing issues

<u>PIMs policy must consider electricity distributors' broader regulatory context</u>

As noted, we generally support the concept of PIMs, defined in the discussion paper and associated materials as "*a revenue adjustment mechanism that ties financial rewards or penalties to the achievement of pre-defined targets.*"[4] Under a proper framework, PIMs could be an appropriate tool to align LDC behaviour with current legislative objectives without fettering the OEB's general discretion to conduct rate regulation in accordance with its core regulatory compact. If deployed properly, PIMs could empower LDCs to achieve priorities signaled by the government that are not explicitly contained in the OEB's general mandate, such as connecting new customers in an expedient manner to support housing development. All else being equal, the PIMs construct may be a more effective tool than other initiatives currently being contemplated in ongoing consultations, such as revisions to the total cost benchmarking methodology or review of electricity distributors' spending patterns, because PIMs have the potential to achieve desirable policy outcomes without being administered through overly prescriptive regulation.

However, the proposed PIMs policy as currently formulated is inflexible and insufficiently responsive to top policy priorities and LDC funding realities to incentivize productive behaviour as it is intended to. In fact, the current policy may incentivize inefficient spending on second-order objectives and lead LDCs to underspend on the top priorities that are being signaled by the government and industry stakeholders.

LDCs are currently navigating a long list of objectives that have been communicated by the government, the OEB and LDCs' customers in a relatively short period of time. LDCs are being asked to manage multiple priorities include housing expansion, load growth and capacity, electrification, improved resilience and reliability, and the facilitation of DERs, among others. Distributors are navigating these new layers of priorities in a business environment where their normal course of operations and the delivery of their obligations to customers has also been beset by high rates of inflation and supply chain shortages for essential distribution system assets, requiring them to plan increasingly far ahead to account for higher levels of business uncertainty.

The current proposed PIMs policy selects certain policy objectives that do not appear to be the highest priority for the OEB and the government, and is silent or has potentially countervailing effects on other high-priority items. For example, the proposed *System Capacity/Electrification – Load Factor* PIM, whose stated goal is to promote more efficient system utilization[5], may **disincentivize LDCs from sufficiently building out their load capacity to prepare for electrification, increased housing starts, and increased economic activity. Worse, this PIM may inadvertently reward LDCs that imprudently defer investments in new capacity**, potentially leading to a situation where grids are slow to connect and quick to fail due to low redundancy. This is in clear conflict with the government's direction to ensure capacity is made available in a timely manner to facilitate housing development and economic growth.[6]

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[4] OEB Performance Incentive Mechanism Discussion Paper, page 13.

[5] Advancing PBR – PIMs Stakeholder Meeting materials, June 3, 2025, slide 16.

[6] Ministry of Energy and Mines News Release "Ontario Securing Affordable Energy for Future Generations", June 3, 2025; Ministry of Energy Letter of Direction, December 19 2024 at page 4.

The reality is that LDCs must plan several years in advance to plan, procure, build and bring online assets like transformer stations to serve increasing load, requiring them to make decisions well in advance of load materializing, and potentially penalizing LDCs that prudently do so. It is not clear whether the second-order impacts of this PIM were considered in preparation of the discussion paper, or how the potential upsides and downsides of this PIM were weighted against each other and broader priorities. Government policy direction indicates that LDCs should be focused on building capacity to facilitate societal objectives, while the *System Capacity/Electrification* PIM would suggest that LDCs should operate on a "just in time" capacity building basis.

In addition to conflicting with other policy objectives, the details of the *System Capacity/Electrification* PIM may also put it in conflict with the proposed *Efficient Connections – DER Connection Time* PIM to incentivize efficient connection of DERs, which requires LDCs to have sufficient capacity available to connect DERs in a timely manner.[7] While the *System Capacity/Electrification* PIM is intended to encourage the use of DER solutions to reduce peak load as a strategy to improve load factor, the PIM as it is currently formulated may lead to underspending to improve load congested feeders, making it more difficult to connect intermittent renewables that require sufficient grid capacity to operate.[8] We agree that managing peak demand is a valuable objective; however the broad system-wide nature of the *System Capacity/Electrification* PIM will have quite obvious downside effects, and it is unclear to us whether such impacts were considered in the development of the discussion paper.

In addition to the impacts of the specific PIMs proposed in the discussion paper, we are concerned about the impacts of the whole proposed PIMs package on LDCs' incentives. It is currently unclear how these PIMs would stack, how they would operate in conjunction with existing financial incentives for LDCs like the stretch factor, and how they would impact LDCs' deployment of their rate funded spending (in combination with the ROE impacts of OEB staff's proposed new Total Factor Productivity per OEB Consultation EB-2025-0102).

The application of PIMs to some priorities and not others does not hold non-PIM objectives neutral; it will actively de-prioritize objectives that are not the subject of mandatory incentives. The purpose of PIMs is to tie financial rewards or penalties to the achievement of specific targets, and the OEB must anticipate that LDCs will respond as rational economic actors to these incentives. We are very concerned that the proposed PIMs may incentivize LDCs to make investments that are misaligned with the current policy priorities for LDCs, or the specific needs presented in their service territories. For example, the proposed penalty-only reliability PIMs will incentivize LDCs to increase their spending on reliability, and it is reasonable to expect that LDCs will respond to new mandatory penalties by bringing forward increased reliability budgets for OEB approval. In practice, LDCs do not have unlimited budgets, and thus a likely outcome is that they will be required to reallocate spending towards reliability and away from other priorities that may be of greater consequence to the OEB and the government, such as housing expansion and the facilitation of economic growth. As a result, the implementation of this PIMs policy may push LDCs away from desirable objectives and generate unintended consequences that produce negative outcomes for customers and for policy objectives.

We strongly believe **that LDCs should be able to propose their own custom PIMs at their rebasing applications for adjudication by the OEB**, and that generic mandatory PIMs are not the appropriate policy instrument. However, to the extent that the OEB imposes a mandatory or generic PIM, **the**

[7] Advancing PBR – PIMs Stakeholder Meeting materials, June 3, 2025, slide 21.
[8] OEB Performance Incentive Mechanism Discussion Paper, page 17.

selection process should first begin by identifying government, regulator, stakeholders and customers' top objectives and ensuring that proposed PIMs are aligned with these objectives, instead of potentially supporting lower-level objectives at the expense of top priorities. Ultimately, many of the government and OEB's current policy objectives require trade-offs because they direct LDCs to focus on certain priorities that require capital investment, to be achieved within a limited envelope of rate funding. The PIM structure cannot resolve these conflicts and enable LDCs to achieve all objectives without trade-offs; the proposed PIMs must be aligned with the most important objectives and aligned with each other.

<u>The current process for implementing a PIMs policy does not provide for sufficient procedural consideration</u>

The implementation of a PIMs policy is consequential to LDCs, making it important that the policy is developed with sufficient procedural consideration and with sufficient consideration of other ongoing consultations' policy impacts on LDCs. LDCs are concerned that the PIMs proposal has been rushed and is being moved forward too quickly, and that insufficient detail has been provided at this stage for us or other stakeholders to properly evaluate it alone, or alongside other policy development. Meaningful assessment and engagement are required to enable the OEB to take an informed view on this critical policy development, and to date, we don't believe that the process has facilitated this outcome.

The consultation materials and OEB staff June 3 stakeholder meeting indicated that the methodologies and quantum of proposed penalties or rewards for proposed PIMs have not yet been determined, with plans for these to be decided **after** PIMs have been selected for implementation. OEB staff discussed convening a new working group or commissioning an existing one to determine certain details, but no information was provided about how the group would be selected, how it would operate, or the level of influence that different LDCs could expect to have over the process of how LDCs not on the working group could provide input into the process. LDCs must have this vital information, including a detailed understanding of a given PIM's potential financial impact and an LDC's ability to opt out of specific PIMs, to meaningfully participate in a conversation about their approval or disapproval. **These details must be assessed before the PIMs are selected and not afterwards in working groups as proposed**.

We have observed significant gaps in the PIMs proposal, reinforcing the need to re-orient the currently planned process for PIMs finalization and implementation. For example, the materials from the June 3 stakeholder meeting noted that the SAIDI and SAIFI PIMs are poised to rely on Value of Lost Load ("VoLL") for the purpose of establishing penalties. VoLL as a concept is relatively new to Ontario, and the current methodology relied upon was brought in to inform vulnerability assessments and storm hardening[9], and potentially to include in benefit-cost assessments to support non-wires solutions assessments. It is not appropriate to translate VoLL methodologies from these contexts directly into a firm and mechanistic incentive mechanism for reliability without proper, Ontario-specific analysis that has not to date been completed.

Concerningly, OEB staff agreed that the use of VoLL for this purpose required further exploration during the June 3rd stakeholder consultation; however no second-choice methodology has been presented or proposed, despite the current recommendation that SAIDI and SAIFI PIMs will be implemented. The implication left with LDCs is that such details can be determined at a later date, after SAIDI and SAIFI

[9] EB-2024-0199 "Vulnerability Assessment and System Hardening Project", June 27, 2024 background letter at page 2.

PIMs have been solidified in policy. We believe that this approach is inappropriate; important details like these must be settled for each individual PIM and for the complete set of PIMs before they can be fairly chosen and implemented.

There are currently no broadly used PIMs in place in Ontario, aside from the broader incentives of multi-year rate-setting and assigned stretch factors incentivizing cost management, incentives which will in effect be modified by a new set of objective-specific PIMs. We believe it is unnecessary to move from the current state to a state in which all LDCs are subject to four mandatory PIMs. As discussed above, we strongly believe that the OEB's PIMs policy should enable LDCs to propose their own custom PIMs with appropriate objectives, incentives and methodologies, for adjudication in their rebasing applications.

To the extent that the OEB imposes mandatory PIMs, these should be completed in a paced and voluntary manner which prioritizes fewer, more detail designed, and more important PIMs reflecting current priorities, over numerous, generic PIMs.

PIMs must be voluntary and structured as asymmetrical rewards

PIMs should be voluntary to account for the different circumstances, priorities and operating capabilities of LDCs. LDCs have a wide range of attributes, ranging in size and makeup of service territory, customer numbers and priorities, technology adoption and more. The proposal to make a static set of PIMs mandatory for all LDCs inaccurately assumes that they share the same objectives, equally weighted in importance. In fact, generic PIMs may push LDCs to make investments that they otherwise would not have made, in pursuit of objectives which are lower in priority to the most pressing needs of their system, given that failure to do so would result in direct financial penalty.

While some LDCs may be well positioned to incorporate reliability PIMs into their investment planning and operations, many are not. Imposing mandatory reliability PIMs could shift investment priorities in a way that is sub-optimal, particularly given the competing demands on capital, e.g., investments in system capacity to support economic growth and meet government objectives. **A uniform approach to reliability PIMs risks distorting planning in ways that may misalign with both customer preferences and broader system goals.**

Notably, LDCs are already subject to reliability performance expectations under the Reliability and Power Quality Review (RPQR) framework, which includes benchmarking and improvement targets for SAIDI and SAIFI. LDCs regularly communicate progress on these metrics through customer engagement during Cost of Service applications, yearly scorecard benchmarking, and other touchpoints. Historical and ongoing consultations, including OEB-led initiatives and LDC customer surveys conducted as part of distribution system plans, consistently show that customers generally prefer to maintain current levels of reliability and are unwilling to pay higher rates for further improvements. Affordability remains a more pressing concern. Only when survey questions explore specific project-level trade-offs—such as investments in asset renewal or smart switches—do customers express limited support for reliability-related expenditures. The following point was made in a Pollara survey in 2010, and it is still relevant today.

> "Although there are improvements to be made, for Ontario's electrical customers, overall satisfaction levels are strong and customers are unwilling to increase rates to support increased reliability."

While electricity usage patterns have evolved since 2010, the principle remains - customer support for improved reliability must be demonstrated, **not presumed.**

The combination of LDC-specific circumstances, and a broad set of objectives for the sector with different applicability to each distributor, establishes voluntary PIMs as the appropriate policy. Voluntary PIMs also facilitate some LDCs to implement custom PIMs that are responsive to their specific context and incentivize appropriate outcomes for their customers.

To the extent the OEB determines generic PIMs should be applied to all LDCs, PIMs should be structured as asymmetrical rewards. A symmetrical or penalty-only system would require action from all LDCs, even where prudence and good management otherwise dictate that the LDC should prioritize other objectives. Penalty or symmetrical PIMs may also result in a downward spiral of underfunding that disproportionately forces lower-performing LDCs to reduce investment to account for PIM penalties, further impeding their ability to meet PIM targets, resulting in still more PIM penalties and reduced funding.

Conversely, under an asymmetrical reward-only structure LDCs that are well positioned to advance the objectives put forward by PIMs can do so in a manner that does not compromise their ability to meet other important (or more important) objectives. To the degree an LDC must prioritize other objectives such as capacity expansion or new housing connections, this utility may seek to respond to PIM incentives at a later date, to manage higher order priorities today. A reward-only system accomplishes this positive result.

<u>PIMs must be responsive to ongoing customer feedback</u>

The PIMs initiative has been positioned as incentivizing priorities that customers have identified they are prioritizing; however it is unclear to us whether this is the case with respect to the proposed PIMs. The proposed PIMs have not been subject to customer feedback, with customer priorities instead inferred from research focused on jurisdictions outside of Ontario and cost of service consultations conducted by individual LDCs for a different purpose. System utilization, for example, is not a metric that has been surveyed or identified as a customer priority to our knowledge, while other objectives such as new housing connections that are not considered by the proposed PIM policy have been identified as relevant objectives.[10] Some of the proposed PIMs, such as the proposed penalty-only reliability PIM, may actually work against specific customer priorities, by requiring LDCs to invest more in reliability, placing new pressures on rates and/or forcing other priorities, e.g., capacity expansion for economic growth, to be given lesser consideration.

PIM selection and design should be informed by direct and specific customer feedback, and should be tailored to the Ontario and utility context. PIMs must not only be aligned with customer priorities, but must also be balanced with one another to ensure that a) the appropriate priorities are subject to incentives, and b) incentives put in place are not conflicting with other, more important customer priorities. Customers should be empowered to understand these trade-offs and provide their views, rather than inferring outcomes from other existing research and engagement.

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[10] Ministry of Energy and Mines News Release "Ontario Securing Affordable Energy for Future Generations", June 3, 2025; Ministry of Energy Letter of Direction, December 19 2024, page 4.

Answers to Specific Questions Posed by OEB Staff[11]

The following section provides answers to the specific questions posed by OEB staff. We have responded to the questions included in the June 3 stakeholder presentation, as these questions provide a more condensed set of inquiries covering the same content as questions outlined in the May 14 discussion paper.

Objectives: Which outcomes that customers value, if any, are missing?
We believe that the consultation process for any generic PIM should begin with an ordering of priorities communicated by the government, customers and other stakeholders to determine which outcomes should be incentivized using a PIM. The current PIMs do not appear to have been conceived under this approach, and we believe numerous outcomes valued by customers may be excluded from the current proposal. At a minimum, the current PIMs proposal ignores and actively disincentivizes the outcome of expedient capacity expansion to facilitate new housing development, economic growth, and electrification.

PIM Definition and Design Criteria: Is the definition of a PIM employed in the Discussion Paper fit for purpose? If not, why not?
We do not take issue with the broad definition of a PIM proposed in the discussion paper.

Are you supportive of applying a standard set of PIMs to all electricity distributors in Ontario? If not, why not?
We are not supportive of applying a set of mandatory, generic PIMs to distributors in Ontario. As further described in our submission above, LDCs are best positioned to propose custom PIMs in their rebasing applications that are tailored to their priorities and business circumstances for adjudication by the OEB. To the extent that the OEB imposes generic PIMs, they should be voluntary and reward-only.

Are the criteria used to evaluate the proposed PIMs appropriate? If not, why not?
No. A fundamental change to the incentives applied to LDCs requires a clear articulation of why such a change is necessary, namely identification of the top priority driving the need for explicit incentive mechanisms. We do not have insight into the manner in which the criteria were applied to potential PIMs, or the weighting each may have been assigned. The present proposal appears to present items such as "Existing Data" or "Consistency" as comparable in importance to "Policy Alignment" and "Ratepayer Benefits". We encourage a more thorough prioritization of objectives before second-order criteria on the functionality or expediency of PIMs implementation be given weight.

Are you supportive of implementing a PIM related to system utilization/reliability/DER connection time, and are there any specific characteristics of the PIMs as presented that you have issues with? If so, which characteristics? Which of these additional PIMs deserve further consideration, if any?
No, we do not support the **currently proposed** PIMs, for the reasons explained in this submission. Before supporting any of the currently proposed PIMs or providing them further consideration, we believe that it is important to have more information and discussion about their details, how to resolve any conflicts between them, and how they align with ongoing policy priorities and other consultation work undertaken by the OEB.

[11] Advancing PBR – PIMs Stakeholder Meeting materials, June 3, 2025, slides 11, 15, 20, 23, 25, 30

Are there any other PIMs that we have not considered that you would like to discuss?
At this time, we recommend a policy which enables LDCs to propose custom PIMs at their rebasing applications for adjudication by the OEB. The need to identify all potential PIMs arises only from a policy that requires mandatory implementation of PIMs for all distributors. Utility-specific PIMs would allow LDCs to bring forward thoughtful proposals which are specific to the priorities observed in their service territories, which in time is anticipated to populate a robust and effective selection of PIMs.

Have the most appropriate target setting methodologies been proposed for each of the PIMs? If not, which target setting methodologies would you recommend?
Two of the four PIMs are proposed to rely on target setting methodologies previously developed in an OEB consultation (i.e. SAIDI/SAIFI). No information has been provided regarding the translation of such targets into financial incentives, and as such we cannot comment whether the proposed methodologies are the most appropriate without this critical information. The remaining two PIMs (System Utilization and DER Connection Time) explicitly do not have target setting methodologies at this time, with the discussion paper noting that they are to be developed in working groups. Despite no articulated target setting methodology for two of four PIMs, and no quantified financial implications for any of the four PIMs, the currently articulated process identifies this submission as the last formal opportunity for engagement on PIMs aside from working groups, prior to the issuance of a Final PIMs Framework and implementation process.[12] We submit this approach does not provide for sufficient procedural consideration, and may lead to negative outcomes for LDCs, customers and the Province.

Do you agree with the high-level methodology presented for setting the incentive levels for the PIMs? If not, why?
In our view, no methodology has been proposed in the discussion paper or related materials for setting incentive levels for PIMs. Section 5.2 of the paper articulates that the marginal benefits of a PIM should exceed the resulting marginal costs. We naturally agree with this statement. Respectfully, the basic principle that any policy or activity should yield more good than harm is not a methodology, highlighting the need for a re-orientation of the current process to establish PIMs for rate regulated utilities in Ontario.

Please provide feedback on the proposed process for administering the PIMs; Are you supportive of the use of working groups to further develop the PIMs targets and incentives?
We are supportive of greater LDC participation in the end-to-end process of choosing objectives for any generic PIM and exploring appropriate incentive structure and methodologies before proceeding with any implementation. Working groups may prove to be one element of a comprehensive and effective procedure. However, working groups are not a substitute for publicly available submissions from industry participants on the basis of comprehensive details. We do not support the currently outlined approach, which appears to delegate substantial authority to working groups to finalize all material details of PIMs (e.g. which PIMs are included/excluded, target-setting, financial implications) without providing any further public consultation. In the event that the OEB elects to proceed with PIMs in the current format, we highly encourage that the OEB allow LDCs the flexibility to reasonably determine their own implementation date in case they are not able to incorporate them in a rebasing application within the next year or two. Of course, this is following an acceptable and comprehensive set of criteria, and not to be rushed into.

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[12] Discussion Paper, page 37

Thank you once again for the opportunity to provide feedback on the OEB staff discussion paper related to the implementation of PIMs. **We wish to emphasize that we support the general concept of PIMs.** There are potential benefits to incorporating them. Our concerns lie with the specific recommendations contained within the discussion paper itself, as the PIMs as currently presented could result in investments that do not align with the government's objectives, and could have long-term consequences for current and future customers.

Should you have any questions on this submission or require clarification, please do not hesitate to contact Brittany Ashby, Senior Regulatory Affairs Advisor, at bashby@eda-on.ca or at 416.886.4420.

Sincerely,

Ted Wigdor
Vice President, Policy, Government & Corporate Affairs