

VIA E-MAIL

July 22, 2025

Ontario Energy Board
Attn: Ms. N. Marconi, OEB Registrar
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RE: EB-2025-0060 DSO Symposium - FRPO Comments

Introduction

The Federation of Rental-housing Providers of Ontario (FRPO) appreciates the opportunity to participate in the DSO Symposium. We requested participation due to our interest in Integrated Resource Planning (IRP) creating the potential for energy transition and convergence opportunities to create “pockets” of increased demand which could be met with distributed generation in lieu of traditional electricity infrastructure. We were impressed with the sharing of knowledge and experience by the presenting organizations and those in attendance. Given our focus on serving the Board in the natural gas sector, we had a limited amount to contribute but a lot to learn.

We attended the Symposium and reviewed a number of the presentations made available after. We recognize the complexity but do not find ourselves with sufficient knowledge or experience to contribute helpful perspectives on the questions raised by staff. As such, we are choosing to limit our submissions to encouragement for staff to continue the good work that has been started by taking measured steps with industry stakeholders. To assist the process to some degree, we are learning from our experience in the natural gas sector.

Contemplation of Critical Success Factors Ahead of Next Steps

We encourage staff to develop an understanding of critical success factors that are necessary to support the anticipated next steps at pre-defined milestones. By identifying these factors such as, public interest protections, in advance, the Board can allow measured steps to proceed reducing the risks of significant unintended consequences for parties, especially customers. In our experience, ensuring conditions are right before advancing to the next step is crucial to ensure market success for all.

The natural gas industry took its initial steps of deregulation in Canada in 1985. However, in the pursuit of expected market efficiencies, insufficient consumer protection allowed some initial Ontario providers to persuade and, in some cases, pressure under-informed customers to sign long-term contracts with unfavourable economic terms and conditions. The result was many customers, who were “promised” savings were paying more for their natural gas than the default option of system gas.

To counter this, one utility, Kitchener Utilities, developed a disclosure information sheet that required marketers to put their contract terms into simpler words, divulge their lack of affiliation with the utility and provide an apples-to-apples comparison of the marketer offer price with current utility price. This disclosure allowed customers to make an informed decision and reduced the misinformation used by some marketers. The success of the approach was eventually translated by the Ontario Energy Board in their production of Disclosure Statements and price templates for use across all natural gas utilities.

In addition, the Board enhanced with its licensing regime requirements of marketers and used its rulemaking authority to create the Gas Distribution Access Rule (GDAR). The licensing requirements stipulated the posting of financial assurances while GDAR codified rules of engagement and strengthened cost consequences including administrative penalties for remaining bad actors. The combination of steps enhanced consumer protection while allowing customer choice. Had some these unintended consequences been foreseen, some actions could have been taken, potentially avoiding negative results for some customers.

This description provides an example of the consideration of the opportunity to engage stakeholders in the conception of unintended consequences ahead of the next steps. That consideration could allow for the examination of current conditions for sufficiency and potentially the addition of some regulatory provisions to become conditions precedent to the next step coming into force.

Conclusion

FRPO appreciates the opportunity to participate in the Symposium and process. As this initiative moves forward, we hope to gain further understanding that would allow more significant contribution not only to DSO, but also merging with IRP to facilitate energy transition in an effective way that serves all stakeholders.

Respectfully Submitted on Behalf of FRPO,

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