

VIA RESS

August 29, 2025

Ritchie Murray
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario M4P 1E4

Dear Ritchie Murray:

**Re: Ontario Energy Board
Vulnerability Assessment and System Hardening Project
Consumers Council of Canada (CCC) Comments on the Draft Complete
Vulnerability Assessment and System Hardening Report
OEB File No. EB-2024-0199**

In accordance with the OEB's letter, dated July 31, 2025, please find attached CCC's comments on the draft complete Vulnerability Assessment and System Hardening Report.

Yours truly,



Lawrie Gluck
Consultant for the Consumers Council of Canada

Background

The OEB issued a draft version of the complete Vulnerability Assessment and System Hardening Report (draft complete VASH Report) and Toolkit on July 31, 2025, for stakeholder comment.

The VASH Report forms part of the OEB's response to the Ontario Minister of Energy's 2023 Letter of Direction and a recent, June 11, 2025, Minister Directive to the OEB to support implementation of Ontario's Integrated Energy Plan. Specifically, the draft complete VASH Report responds to the Minister of Energy's direction for the OEB to develop and implement policies that require electricity distribution companies to: (a) incorporate climate resiliency in asset and investment planning; (b) engage in regular assessment of system vulnerabilities and operations in the context of severe weather; and (c) prioritize value for customers when investing in the system for resilience purposes.

The Consumers Council of Canada (CCC) sets out its comments below in two broad categories: (a) general comments on system hardening-related investments in the context of the OEB's overall review of distribution system plans (DSP) and rate applications; and (b) specific comments on the approach to vulnerability assessment and system hardening set out in the draft complete VASH Report.

VASH in a Rate Application

CCC generally has no concerns with the proposed requirement for electricity distributors to undertake vulnerability assessments and to actively consider whether system hardening investments are warranted (and to provide that analysis in a rate application). However, in alignment with our comments provided in response to the draft Vulnerability Assessment (VA) Report and Toolkit issued on December 17, 2024, CCC submits that any potential system hardening-related investment must be properly considered in the context of the overall DSP and the other proposals in a rate application.¹

In our comments on the previous draft VA Report, CCC stated that:

“A comprehensive and properly designed DSP must balance planned spending on many competing priorities (e.g., growth, renewal, etc.). System

¹ [CCC Comments](#) on December 17, 2024 Draft VA Report and Toolkit, pp. 1-2.

hardening spending in response to vulnerabilities discovered through VA is just one of those categories of costs...

It cannot be that the VA highlights that there is an area of vulnerability risk on a distributor's system and spending to address that risk is automatically expected to occur. There must be an appropriate balance across all areas of distributor spending in terms of determining which category of spending is best prioritized."²

To address this concern, CCC submits that the OEB should include an explicit statement in the final VASH Report that speaks to the need for distributors to carefully balance competing spending priorities (including potential system hardening-related investments) with due consideration given to the overall bill impact resulting from an application.

Comments on the Draft Complete VASH Report

Overall, CCC supports the proposed approach, which would allow a distributor to file either a custom or generic VA and benefit-cost analysis (BCA) as part of its DSP.

With respect to the VA in the generic option, we believe that the OEB's plan to provide climate peril projections for use in the vulnerability assessment³ is a step in the right direction towards standardization of the inputs. However, we reiterate that more comprehensive standardization of the VA in the generic option (i.e., mandatory use of certain inputs (or, at least, standards and sources of data)) will provide significant benefits in terms of comparability of VAs across distributors and result in a more streamlined regulatory process.⁴

With respect to the BCA in the generic option, we are generally supportive of the approach. However, we have a few comments on the value of lost load (VoLL), which appears to drive the majority of the benefits related to system hardening investments in the BCA.⁵ We accept the use of the ICE Calculator for the determination of VoLL for the reasons set out in the draft complete VASH Report⁶ and acknowledge the significant cost associated with developing an Ontario-specific VoLL.⁷ However, we support the School Energy Coalition's

² Ibid.

³ [OEB Draft Complete VASH Report](#), July 31, 2025, p. 21.

⁴ [CCC Comments](#) on December 17, 2024 Draft VA Report and Toolkit, pp. 2-3.

⁵ See VASH Toolkit examples provided along with the OEB draft complete VASH Report.

⁶ [OEB Draft Complete VASH Report](#), July 31, 2025, p. 26.

⁷ [VASH April Meeting Materials](#), April 11, 2025, p. 12.

(SEC) comments that the OEB should require the use of the ICE Calculator version 2.0 in the BCA. First, it reflects the most up-to-date information available, which shows a decline in customer interruption costs.⁸ Second, allowing distributors to choose between version 1.0 and 2.0 introduces unnecessary inconsistencies in the generic BCAs as between distributors, which can easily be avoided.

CCC also submits that the value of lost load is properly considered a high-level estimate, particularly, when the underpinning data is not even from Ontario. Therefore, benefit to cost ratios that are close to, but above, 1.0 may provide, on an actual basis, no net benefits to customers. In this regard, the OEB should consider setting a minimum BCA ratio that is above 1.0 for system hardening investments to even be considered a beneficial investment as part of a distributor's DSP. This would operate to reduce the risk that non-beneficial system hardening-related investments move forward as part of a distributor's investment plan.

Finally, we note that there may be some system hardening-related investments where the benefit (mainly the VoLL) is being disproportionately driven by large, non-residential customers. In the case of a project of this nature, it is the large non-residential customers that would accrue the expected benefits resulting from the project. However, the OEB's standard cost allocation approach would not allocate the cost of the project on the basis of the division of those benefits between customer classes. This is clearly unfair to residential customers. Therefore, the OEB should note, in the final report, that alternative cost allocation approaches may be necessary for certain system hardening investments. These alternative approaches can be considered directly in rate applications if this issue arises.

⁸ SEC Comments on OEB draft complete VASH Report.