

Power Workers' Union Comments on Vulnerability Assessment and System Hardening Consultation (EB-2024-0199)

A. Background

By a letter dated October 21, 2022, the Ministry of Energy directed the Ontario Energy board (OEB or “the Board”) to provide advice and proposals to improve resiliency, responsiveness, and cost efficiency in the distribution sector. In response to the Minister’s directive, the OEB provided its recommendations in its *Distribution Sector Resilience, Responsiveness and Cost Efficiency Report* (DRRCE Report) which was published on June 29, 2023.

On November 29, 2023, the Ministry issued a subsequent letter of direction in which it endorsed several recommendations of the DRRCE report and asked the OEB to develop and implement relevant policies. The OEB indicates that this direction was further reinforced by the Minister’s Integrated Energy Plan Directive (IEP Directive) to the OEB issued on June 11, 2025.¹

On June 27, 2024, the OEB launched the Vulnerability Assessment and System Hardening (VASH) project in relation to its DRRCE initiative. According to the OEB², the VASH project was being launched to address the following three electricity distributor activities identified in the 2023 Letter of Direction:

- Incorporate climate resiliency into their asset and investment planning activities.
- Engage in a regular assessment of the vulnerabilities in their distribution system and operations in the event of severe weather.

¹ VASH Report, Page 1

² OEB, Letter launching Vulnerability Assessment and System Hardening Project, page 1

- Prioritize value for customers when investing in system enhancements for resilience purposes.

The OEB retained Guidehouse Canada Ltd. as a consultant to assist the OEB and stakeholders held a series of consultation meetings and filed written submissions.

On July 31, 2025, the OEB released for comment the draft version of the complete VASH Report. The release includes a draft version of the VASH Toolkit as well, which provides resources to help electricity distributors identify parts of their system most vulnerable to extreme weather and assess system hardening options using an objective benefit-cost framework. According to the OEB, both documents incorporate feedback from stakeholder meetings and written comments received on the draft VASH Report issued on December 17, 2024.

B. PWU Comments on the VASH Report:

In the Report, the OEB proposes an approach that offers the following two options for distributors to conduct vulnerability assessments (VA) and benefit-cost analyses (BCA):

- i. **Custom Option:** which permits distributors to file a customized VA and BCA as part of their distribution system plan (DSP) and in which applicants are free to specify and develop their VASH Framework as they see fit, provided it adheres to principles and criteria outlined by the OEB.
- ii. **Generic Option:** which allows distributors to use the structured VASH Framework developed by the OEB with the accompanying VASH Toolkit. The OEB believes the generic option would simplify the process of analysis through the provision of generic VA and BCA methodologies embedded into the VASH Toolkit, which enables the development of asset class and location-specific climate peril vulnerability expressed as the annual probability that a climate event will exceed an asset's expected failure threshold.

The PWU supports the proposed dual-path approach as it helps to accommodate the difference among distributors such as in size, resource, geography, and historical

experience in VA. The PWU agrees that the Generic Option, which provides an OEB-designed VA and BCA framework, would appeal to distributors who lack the resources that would be needed to develop customized modeling in-house or to procure from external sources. The PWU also believes the OEB-outlined principles and criteria that distributors opting for the Custom Option must adhere to help guide decision-making by distributors such that the VA framework produces the intended outcomes. The PWU hopes these criteria will be assessed, reassessed and updated as needed based on the experience gained in the first year of implementation.

With respect to the inputs that the VA Toolkit requires, the PWU would like to highlight further two important issues addressed in the VASH Report:

Selection of inputs for VA:

The Report states:

Distributors may use their discretion to determine and specify the inputs used in their VA; a distributor is expected to explain and justify its selection of asset classes, climate perils, and other inputs used in its VA process. If a distributor takes a conspicuously narrow or otherwise exceptional approach to its VA – for example, by excluding certain conventionally relevant asset classes or climate perils from its analysis – the distributor will be expected to provide a detailed rationale for its selected approach.³

The PWU appreciates the requirement to provide a detailed rationale in the event that a distributor excludes a certain input in its VA. However, it would be helpful if the Board provides a list of inputs that it deems are conventionally relevant and mandatory as a guideline. Alternatively, a distributor's previously filed plans should be used as a reference for inputs (for example, a certain asset class) that it must use in its VA. In the event that a distributor decides to exclude an input that it has been using in previous VAs, the distributor's decision must be subjected to a serious scrutiny.

Data used for Climate Peril Probabilities:

The Report states that while distributors may take advantage of historical data to inform, for example, their understanding of the system impacts of extreme weather, the OEB expects distributors to employ projection data rather than historical actuals to populate the climate peril probability inputs in VAs.⁴

³ VASH Report, page 16

⁴ Ibid., page 23

The PWU agrees with the OEB. The very reason why this initiative was launched is the concern that historical extreme weather impacts and the status quo approach to address them is not sufficient to address future extreme weather impacts because extreme weather impacts are projected to be more frequent and more severe. As the OEB points out, this is further supported by the IEP Directive, which emphasizes the importance of planning for infrastructure resilience in light of increasingly frequent and severe weather events.⁵

All of which is submitted respectfully on behalf of the PWU

⁵ Ibid.