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THE ONTARIO ENERGY BOARD

OEB Stakeholder Session

Consultation on the Regulatory Treatment of Local Electricity Demand-side Management (Stream 2) Programs

Stakeholder Session held virtually

On Thursday, October 9, 2025, commencing at 9:30 a.m.

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VOLUME 2

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MICHAEL MILLAR Board Counsel

MICHAEL PARKES Board Staff

PAULINE SHEN

NATALIA LIOUTAIA

RITA MIDDLETON

ANDREW MANDYAM Utilis Consulting

BILL HARPER VECC, Low-Income Energy Network (LIEN)

JAY SHEPHERD School Energy Coalition (SEC)

KATE SIEMIATYCKI Environment Defence Canada

MICHAEL LISTER Alectra Utilities

ALISON PRICE

CHRISTINE LONG

SELINA CHANG

DANIEL CARR

EVELYN LUNDHILD Independent Electricity System

Operator (IESO)

ALSO PRESENT:

TINA WONG Electricity Distributers

Association (EDA)

TOM LADANYI Energy Probe

SHELLEY GRICE Association of Major Power Consumers Ontario (AMPCO)

KAUSAR ASHRAF Power Advisory

CLEMENT LI BOMA

ALANNA ROSS Bluewater Power

PATRICK BATEMAN Energy Storage Canada (ESC)

LUKE SEEWALD London Hydro

YVONNE DI TULLIO Ministry of Energy and Energy Efficiency

MICHAEL BROPHY Pollution Probe (PP)

TAYLOR DICKIE Utilities Consulting (WG)

DENIS PERSIYANTSEV Utilities Kingston

MEET KAPADIA Halton Hills Hydro Inc.

SARA PENNY Milton Hydro Distribution Inc.

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Thursday, October 9, 2025

--- On commencing at 9:30 a.m.

M. MILLAR: Good morning, everyone. Welcome to day two of the stakeholder session on the regulatory treatment of local eDSM programs, EB-2025-0156. We are going to resume our questioning with Mr. Harper.

SESSION - LIEN/VECC

B. HARPER: Thank you very much, Mr. Millar. As noted, my name is Bill Harper. The questions I will be asking will be on behalf of LIEN and VECC. I will generally be following the written questions that we filed last week; however, some have been dropped, and others have been reframed based on the discussions that took place yesterday.

So if we could start.

Page 7 of the Working Group report attributes the lack of successful cases of distribution funded eDSM to a number of factors and lists four, and those are regulatory and financial risk, underutilization of IESO expertise and duplication concerns, incomplete benefit stacking, and infrequent filing intervals.

Are there any other key barriers that the Working Group considered in preparing its report?

M. LISTER: I think that’s a good representative list, and I wouldn’t say there were too many others. Primarily, our discussions emerged because of a keen interest in -- for LDCs to do more in the eDSM space and IESO looking to achieve deeper and broader results.

B. HARPER: Okay. So those are results you were trying to -- we were just talking about barriers. Okay. I guess -- and this has been talked about a fair bit yesterday. One of your proposals is that the approval of the eDSM applications would be streamlined using a delegated authority as opposed to via panel where possible.

I guess I was just wondering if you could explain which of these barriers you saw the delegated authority recommendation as being meant to address.

A. MANDYAM: I would say that the Working Group’s -- we talked about this, these barriers, and we developed the fast-track approach or the delegated authority approach. All of the items that we listed in the report are connected to supporting delegated authority as a remediation or a resolution to the barriers.

B. HARPER: And which specific barriers were you focusing on? I mean, I don’t see how that goes to incomplete benefit stacking or -- you know, or -- so I guess I was wondering was there a particular barrier that that was focusing -- that that was focusing on?

A. MANDYAM: I’d say, you know, in the big picture, Mr. Harper, that getting eDSM opportunities out into the marketplace was the biggest barrier, or the macro barrier, the umbrella barrier, and how do we efficiently put in a process working with the OEB that allows for LDCs to capture the opportunity. And delegated authority was deemed the primary or the -- one of the most important mechanisms to resolve that umbrella barrier.

B. HARPER: So I guess it would be fair to say that your perspective, one of the barriers was sort of the -- sort of the general barrier was the length of time it took to sort of go from point A to the end in terms of it, and the delegated authority was one way of trying to sort of speed up the process, if I can put it for want of a better word, if that’s fair.

A. MANDYAM: Yes. No, you are exactly right. As you know, and we -- in the reg, all of the people in this stakeholder in last two days’ meeting would know a rates application or an application being adjudicated is nothing short of six months, usually, on average or for the most part. A delegated authority would be kicker.

B. HARPER: Right. Okay.

And I guess were there -- I guess were there other features of your proposal besides the delegated authority of your framework that you saw as being critical to addressing these barriers? And, I mean, there is probably a lot of them, but if at the top of your mind, you had to pick two or three features of your proposal that were critical in terms of these barriers, what would they be?

A. MANDYAM: Feature one is integration and -- integration of LDC and IESO collaboration to produce the letter of confirmation.

Two, continuing the reliance and, frankly, asking of the IESO to continue their efforts to be the experts on DSM or electricity DSM measures. That’s two.

Three, basically putting forward a proposal through this consultation approach so that the OEB feels more than comfortable but feels that the regulatory process that eDSM will flow through will have rigor to it.

B. HARPER: Okay.

A. MANDYAM: And those would be three.

And then four, actually --

B. HARPER: Yeah, no, that is fine. I didn’t want to cut you off. Go ahead.

A. MANDYAM: Oh, no. Sorry, I just had a fourth one that just popped into my head, which is partly, you know, items that we heard yesterday -- I am saying now on behalf of the Working Group, we heard yesterday, which is potential collaborations with customer groups like School Energy Coalition, Consumers Council, CCIC. Those were the three that came to mind who were potential active participants in future eDSM opportunities.

B. HARPER: Okay. I guess -- and this would be from an LD perspective -- does the Working Group see any other advantages or pros, you might say, to using delegated authority for eDSM Stream 2 approvals over and above addressing the barriers we just discussed? Are there any other advantages you would ascribe to using the delegated authority?

A. MANDYAM: I don’t think so.

B. HARPER: Okay. I guess on the flip side, if you want to put it that way, you know, we talk about pros, we talk about cons. From an LDC perspective, does the Working Group see any cons or drawbacks to applying a delegated authority to a particular eDSM Stream 2 program approval?

A. MANDYAM: Well, from my own regulatory perspective, the only risk or potential con to a delegated authority is if the delegated authority process doesn’t have enough rigour to build the trust of the stakeholder group and the OEB.

B. HARPER: Okay.

Do you see any drawback in the fact that, you know -- I mean, frequently, panels weigh different issues. They can take into consideration, there is a bit of flexibility there in considering, whereas the delegated authority, as we have talked about, is pretty administrative and mechanistic and there is no, I would say, flexibility in as much as there is from a panel decision. Would you see that as being a potential drawback?

A. MANDYAM: No, I don’t. And primarily because these programs are going -- in our mind, going to be treated as mechanistic. There is -- and hopefully mechanistic to the extent that multiple LDCs will execute or offer the similar programs to their own constituent, obviously with their own constituent’s parameters being the -- driving the -- the program details.

B. HARPER: Now, the OEB objectives talk about not only sort of issues around protecting LDCs but includes protection of the interests of consumers. And so in this regard, what do you see as the advantages of using a delegated authority from a consumer perspective? Not -- we have talked about the LDC and allowing them to move ahead, but from a consumer perspective, what do you see as being the advantages of using a delegated authority for approval of these programs?

A. MANDYAM: Consumer protection is being maintained under the OEB’s rules and guidances for procedures and practices with rates applications. So delegated authority is one approach to a proceeding. Obviously panel adjudication is another approach.

I think all of the existing rules and compliance matters -- compliances pieces that the OEB has in effect for all proceedings apply to delegated authority. The -- we have, in this proposal, stated that it is the OEB’s discretion to provide delegated authority versus moving that eDSM application to a panel adjudication, panel of commissioners. We have also pointed out that the existing 10 percent rate mitigation guidance and compliance rules from the OEB exist for the eDSM programs.

So I think we are -- I think consumers are protected, if that’s where you’re going, Mr. Harper.

B. HARPER: Yeah, no.

A. MANDYAM: That’s kind of where you are leading us to --

M. LISTER: Sorry. If I can just add to that response just for a moment.

We specifically tried to design the administration of the application process so that we are only bringing forward cost-effective programs. So besides consumer protections, overall consumers benefit through this process because, number one, we are only bringing cost-effective projects forward. And, number two, consumers will benefit the more that LDCs can participate and drive meaningful results.

B. HARPER: Okay. So I guess -- and maybe going back. So in your mind, I guess you really don’t -- I would say you really don’t see any drawbacks or disadvantages from a consumer perspective using the delegated authority, I guess, where it’s identified as being, you know, permissible for these eDSM programs.

A. MANDYAM: We concur with your statement there. Because first and foremost, as Mr. Lister said, the program that would be approved under delegated authority would have a cost benefit greater than 1; therefore, positive impact to that utility’s customers.

B. HARPER: Okay.

Now, I think -- and I guess building on, I think, some of what you just said, and some of it was said yesterday, because I think we -- there was discussion yesterday in a reference to the fact that delegated authority was reserved for approvals that were primarily mechanistic and administrative. And I think you have acknowledged just now that you know that hopefully eDSM program will generally fall into this, but the Board in the end is going to have to be the one that sort of sets the ground rules, if we put it this way, as to which go Route 1 and -- as opposed to which go Route 2.

And I guess you may want to take this away as a written response, but I was trying to -- wondering if you could give me a couple of examples of an eDSM program where, in your mind, they would be eligible or appropriate for delegated authority, and a couple of examples of, perhaps, where they wouldn’t be.

A. MANDYAM: We can take that as an undertaking. So, Mr. Millar -- or, Mr. Harper, the undertaking would be for the Working Group to provide written example of one or two particular, specific eDSM programs that would flow through under delegated authority?

B. HARPER: As opposed to -- on the one hand, as opposed to those that -- and also a couple of examples of those that would -- in your mind, would not be appropriate.

A. MANDYAM: Fair enough. Which could go through panel --

B. HARPER: Right. They -- they would then go through the panel approach, if I can put it that way; right.

A. MANDYAM: Yes.

M. MILLAR: The undertaking is J2.1.

UNDERTAKING J2.1: TO PROVIDE WRITTEN EXAMPLE OF ONE OR TWO EXAMPLES OF EDSM PROGRAMS THAT WOULD BE ELIGIBLE OR APPROPRIATE FOR DELEGATED AUTHORITY AND ONE OR TWO THAT WOULD NOT BE, AND TO ADVISE WHETHER THE WORKING GROUP HAS ANY OTHER VIEWS AS TO OTHER CHARACTERISTICS OF AN EDSM APPLICATION THAT THE OEB COULD USE IN DETERMINING WHETHER AN APPLICATION IS SUITED FOR DELEGATED AUTHORITY VERSUS COMMISSIONER PANEL APPROVAL, AND TO ADVISE WHETHER ARE THERE ANY OTHER PARAMETERS THE WORKING GROUP FEELS WOULD BE USEFUL OR THE BOARD COULD OR SHOULD ESTABLISH BOUNDARIES SUCH THAT THE APPLICATION COULD PROCEED THROUGH A DELEGATED AUTHORITY

B. HARPER: Now, and maybe this is somewhat related, but I believe you noted yesterday that eDSM applications with a program savings were not taken from the MAL, that’s the -- you know, or where the DST was less than 1 would require review by an OEB panel; is that correct?

A. MANDYAM: That is correct.

B. HARPER: Okay. Does the Working Group have any other views as to other characteristics of an eDSM application that the OEB could use in determining whether an application is suited for delegated authority versus commissioner panel approval? And if you want to combine that in conjunction with the undertaking you have just given me, that’s fine. Or if you have anything off the top of your head now of other characteristics that might push it one way or the other.

A. MANDYAM: We can add that to the undertaking, Mr. Harper.

B. HARPER: Okay.

And in addition, I think you indicated yesterday that the OEB could provide boundaries that a -- program parameters might have to fall within in order to qualify for approval via delegated authority. And I think the example you cited was the OEB establishing ranges for acceptable utility benefits as one area where this could take place; was that correct?

A. MANDYAM: Specifically for the scorecard incentive mechanism and the shared savings incentive mechanism. However, I will note that I think, you know, OEB Staff pointed out that their thinking was that the scorecard mechanism was a customizable incentive mechanism. They were not -- they did not -- I am paraphrasing what I heard, that they did not believe that ranges would be appropriate for that.

B. HARPER: That’s okay.

Are there any other areas, like other parameters, that you feel it would be useful or the Board could or should establish boundaries such that the application could proceed through a delegated authority?

And, again, if you want to take this away and think about it, wrap that into the overall response, that’s fine. I don’t want to put you on the spot too much.

A. MANDYAM: We can just add to the first J2.1 undertaking, Mr. Harper.

B. HARPER: Okay. Fine. Thank you very much.

I guess at pages 16 and 17 of the Working Group report, you outline the steps the LDC would follow when developing its eDSM program design and application.

I guess I was kind of curious, can you explain why the steps do not seem to include any mandatory or even suggested consultations that the LDC should undertake in terms of going through and developing and designing its program?

A. MANDYAM: What type of consultations would you be considering?

B. HARPER: Well, it could be consultations with who they think might be the target audience or just generally with their customers in terms of what they think -- what they think of this as a program. It could be very specific related to the program, or it could be more general in terms of maybe areas where their customers think they should be undertaking specific -- you know, opportunities exist, either way. There just didn’t seem to be any customer consultation which, you know, the OEB is quite -- is quite in favour of when it comes to things like rate applications.

E. LUNDHILD: I think that it falls into the nature of good program design and understanding the rationale for your program. It wasn’t something that we thought was the subject of this particular exercise, which was really to design the framework under which the LDC could undertake program design. So I guess simplistically our view was that how we operationalize this was something we would work on later once we got the regulatory framework in place.

B. HARPER: Right. And I guess in your view, you would consider such consultations as being just good utility practice when they are designing a program?

E. LUNDHILD: That’s right.

B. HARPER: Okay. Fine. Thank you.

A. MANDYAM: I will just add, the Working Group did not preclude themselves. I remember conversations on customer engagement. I mean, fair point, Mr. Harper, that maybe the report did not denote that in it. I did not get an impression from the Working Group in my discussions with them that customer consultation was precluded and not going to be performed.

B. HARPER: Fine. Thank you.

At page 17 of the Working Group report, it states the needs are substantiated through public available sources such as distribution system plans -- that’s DSPs -- capacity maps or regional planning documents.

First, can you clarify what you mean by "regional planning documents"? Would this -- would this just be the IESO’s published regional plans?

A. MANDYAM: That’s correct.

B. HARPER: Okay. Now, personally I haven’t been involved in the development of any regional plans, so I may be totally off base on this. But I understand that the regional plans don’t really look at the needs inside at the distribution level. They are really more looking at regional transmission needs; is this correct? And maybe that’s a question for the IESO representative on the panel.

E. LUNDHILD: They do. They don’t look at the distribution level needs, but the distributor participates actively in the technical Working Group and has to provide their load forecast in order to create that transmission forecast. So it might be part of the supporting documentation that the distributor has uncovered needs. That was, I think, really all we were thinking about. And, plus, if the -- some of what is uncovered in the regional plan points to needs that exist at both the distributor and transmitter level, they may be relevant to support a program.

B. HARPER: I guess as I understand it, you know, all of that supporting documentation, supporting forecasts, they aren’t -- they aren’t really published with the regional plan itself. I mean, the regional plan is really a compilation of all of that. And so if that was to be relied on as a need, I guess, that would have to be provided separately by the LDC as part of their application for the -- for the program in order to support the need; would that be correct?

E. LUNDHILD: That’s right.

B. HARPER: Okay.

I guess with respect to distribution plans, what do you see as being required to be included in an LDC’s distribution plan in order for it to substantiate the need for a particular -- you know, for a particular capacity increase which might trigger, then, the alternative of a need for an eDSM program?

M. LISTER: I think that’s a pretty broad question that I am not sure we can answer specifically here today. But sort of broadly speaking, the DSP would speak to, as you just indicated, areas of constraint, capacity, reliability, vulnerability. And when we were designing this, that’s specifically what we were thinking about, the reference that would be brought forward to help substantiate the need for an eDSM program.

Did that answer your question?

B. HARPER: I guess so. You see it would identify the constraint. Would you see it also as identifying what was the, for a better word, the wires solution that it was proposing that -- you know, it was thinking about -- let’s put it that way -- to address that -- address that constraint?

M. LISTER: That may -- that may be the case from time to time. We had some discussion about this yesterday. To the extent that it -- that there is such a clear line, then the eDSM proposal could talk about that. If the eDSM proposal is more broad-based, it could impact some of those constraints. Again, it’s -- maybe it’s a little bit of cart before the horse.

We need to just see these plans start to roll out, and then -- and then hopefully, presumably what we would expect to see is in future iterations of DSPs, they could -- they could begin to proactively start to plan out those things. But, you know, where we are today is we don’t have any eDSM programs on the go, so, of course, you’re not going to see that in DSPs today.

B. HARPER: And I think actually you foreshadowed my next question, if I can put it that way, because I think -- you know, I think you talked earlier about the DSPs not being approved, and I think -- and maybe going forward, would it be reasonable to require LDCs to identify in their DSPs those investments that may or could be considered for replacement by an eDSM program so as to ensure that both the need and the alternative you are looking at is tested in some way within the context of the DSP, and does -- and, therefore, the need has been clearly demonstrated?

M. LISTER: Well, that could be a -- the short answer is, yeah, maybe. It seems like a good idea that as we evolve our processes and our experience here, that that would start to find its way into DSPs. As you know, the utilities already have an obligation now, recent obligation, fairly recent, to explore non-wires solutions. So I think the Working Group really sees this as an extension or furtherance of non-wires solutions available to it.

So I think that answers your question. We need to mandate the framework or something that sort of moves this forward, and then we will start to see that arise through planning as well.

B. HARPER: Now, I guess --

J. SHEPHERD: Bill -- Bill. Jay. Can I jump in and ask a follow-up?

B. HARPER: Sure, sure. Just jump in whenever you want, Jay.

J. SHEPHERD: You are talking, Mike, about the evolution of the program learning from the initial applications, and I get that. That makes a lot of sense.

Does it make sense for the OEB’s policy to say, for the first applications, the first few, we are going to have panels look at them and have a more thorough review because we are going to be learning as we go, and as we get experience with it, we can start to hive off the ones that are obviously more mechanistic and move them to delegated authority? Does that make sense?

And I -- I mean, you can answer the question now, but I also would be happy if you want to undertake to give a more thorough answer to that.

M. LISTER: We prefer not to go that route. In fact, we -- when Mr. Harper began his questioning, we started with what are the barriers we face today? So the framework that we have proposed, we see that as addressing the barriers today. And the suggestion that you make, Jay, I think would necessarily stunt, stall, or thwart what we are aiming to achieve here, which is to arrive in the marketplace sooner than later, if I can put it that way.

E. LUNDHILD: Can I also jump --

M. LISTER: Yeah, please, go ahead.

E. LUNDHILD: -- jump in? I would suggest that a lot of that policy direction already exists in the non-wires solutions and the BCA framework on how the LDCs should be substantiating the need.

J. SHEPHERD: Yeah, but I wasn’t just talking about substantiation documents, Evelyn. You are going to learn from the first LDC applications a lot about what the LDCs have an appetite for and how they’re approaching it, how mechanistic the applications actually are.

And I -- so, Mike, I guess my follow-up question to that is -- to your answer is, is it the timing that matters or the cost barrier of making a full application or the risk of not getting approval? I -- what is it that is the barrier there that’s pushing you towards delegated authority?

M. LISTER: Well, one of the barriers in which we discussed is in our report, which we discussed just a few minutes ago with Mr. Harper, is the length of time that it takes. So time is one -- one material condition. So it’s -- it’s not very efficient to create a DSM plan every five years and then wait until the next rebasing case. If there were more efficient cadence with which to bring applications forward, have them heard, tested, and approved, that could work. In our minds, that was the solution. There was the -- is the delegated authority path.

So time is one issue. I would say less so -- I don’t remember what the other conditions you raised were --

J. SHEPHERD: Cost and risk of non-approval.

M. LISTER: Cost, I think, is less of an issue. I mean, the cost is going to be based on what is the perceived opportunity or constraint being dealt with and how effectively can it be addressed, so I don’t -- I think cost is sort of a -- is a case-by-case issue.

And risk of non-approval, was that your question?

J. SHEPHERD: Yeah.

M. LISTER: Again, we’ve tried to design the proposed framework to minimize the risk of non-approval by, first and foremost, only bringing forward cost-effective programs and having the IESO review prior to bringing an application forward to -- we necessarily wanted to or explicitly are building -- trying to build into the process, capitalizing on the expertise and credibility of IESO as a -- as -- as a government agency overseeing energy efficiency.

So I think those are -- are sort of lower priority items, but timing is a critical one.

J. SHEPHERD: I understand your comment. I guess I am concerned that you don’t appear to be looking at it as a rate increase issue, that this is -- this is utilities coming in and asking for a rate increase. And it doesn’t matter whether it’s cost-effective if the rate increase is too big. The ratepayers still don’t want to pay it. Cost-effective is good, but big rate increases are bad. And it doesn’t sound like the Working Group took any account of that.

A. MANDYAM: No. I think we did. We did with the -- ensuring that the 10 percent rule --

J. SHEPHERD: It’s 10 percent total bill. That’s about --

A. MANDYAM: Correct.

J. SHEPHERD: -- 50 percent distribution. And that’s a big rate increase.

A. MANDYAM: Fair enough.

I think the element that was within the proposal that allows for -- which we thought would allow for full inspection of any large increases to rates would be that the OEB would be able to push that -- put that particular eDSM application through the panel review. You know, we just talked through --

J. SHEPHERD: Okay.

A. MANDYAM: We talked through what are the barriers, and you brought -- Mike pointed out that cost and -- is of issue, of course, cost to the ratepayers, but that would go through panel review if it was so substantive upon the face of it -- of the application.

J. SHEPHERD: Okay. So that identifies, then, as Bill was asking about, that’s one of the reasons why the OEB might push it to panel review, is --

A. MANDYAM: Yeah.

J. SHEPHERD: -- the distribution rate increase is too high.

A. MANDYAM: Fair point.

J. SHEPHERD: Is unusually high relative to other things.

A. MANDYAM: Yes.

J. SHEPHERD: Okay. Thanks.

Go ahead, Bill.

B. HARPER: Thanks, Jay.

I guess the other question I had around this issue of need and use of regional plans and DSPs is, as you’re aware, regional plans are only prepared periodically, and DSPs are generally prepared once every five years, or maybe the interval is even longer if there was a delayed rebasing or if there was some MAADs application that has taken place.

So I guess does the Working Group have any views or recommendations as to how current such plans would need to be in order for them to reliably demonstrate that there is a distribution system need? Like, if I am relying on a distribution plan that was prepared six years ago, is that really a credible piece of evidence to demonstrate there is a need -- there is a need now? Or how recent does the -- how current does the information have to be in order for it to be relied on as a -- to demonstrate need?

A. MANDYAM: So as we contemplated -- thank you for sending these questions in advance. As the Working Group contemplated responses to this, on the DSP and the current nature of it, our thought was, looking back at OEB guidances here, that the furthest out that you would ever be from the most current DSP would be the fifth year, the final year of a rate term.

Even for particular MAADs, recent MAADs-approved consolidations, the OEB has asked those entities to produce a consolidated DSP one or two years out of their effective date of the consolidation. The OEB has also, I believe, asked them to produce another DSP after five years, even while they are in the deferred rebasing term.

So we do not see that the current nature of a DSP would ever be beyond five years. So that -- from our perspective, that would be deemed sufficient for use if it -- if an eDSM program actually did rely on it for some substantiation.

B. HARPER: Okay. Fine. No, I just wanted your opinion on that. That’s useful. Thank you very much.

The Working Group report states at page 17, again, that the design may involve leveraging known measures from the IESO’s MAL, validated pilot programs, or evaluated initiatives from analogous jurisdictions.

The report also goes on to state at page 24 that under the proposed streamlined mechanism, the IESO acts as the primary reviewer of program design, benefit and cost allocation and duplication criteria.

So with respect to the reference to the validated pilot programs and evaluated initiatives from analogous jurisdictions, I think you maybe touched on this, but maybe you can expand it more, what types of supporting documentation does the Working Group would expect should be required an LDC to provide in order for the -- I guess, the IESO to offer an opinion? And I guess that may actually have to be a qualified opinion because obviously they may read a report, but they may not -- they may not -- the report may not give them sufficient comfort, let’s put it that way.

So I guess what types of information does the IESO see is needed if it isn’t something coming off the MAL?

E. LUNDHILD: It would probably be a third party evaluation report by a recognized evaluation consultant. Likely an engineering analysis of the savings that would be analogous to the substantiation sheets that we require for measures that are on the MAL.

B. HARPER: And with that, would the IESO feel comfortable giving the same -- have the same confidence in being able to provide a confirmation as it would in a measure coming off the MAL? Or might it have to say, this -- you know, this looks reasonable, but we have some -- but we have some reservation, if I can put it that way?

E. LUNDHILD: That will probably be -- happen on a case-by-case basis. Yeah, that could potentially be the case, or it could be that we accept the result.

B. HARPER: Okay.

I guess, in the Working Group’s view, are there going to be circumstances where the savings estimates for participating as documented in the MAL, or in these other methods we have talked about, would need to be adjusted in order to account for local issues such as expected differences in local heating and cooling degree days relative to what -- I assume the MAL has got some generic number assumption underlying it.

Or maybe with respect to the fact that the timing of the critical local peaks isn’t the same as the timing of the system peaks that were -- that are probably more the focus of the MAL. Did you see some of those -- some of these assumptions having to be adjusted for things like that with respect to a specific eDSM program?

E. LUNDHILD: Yes. That would be part of our review of the assumptions used for the program. If --

B. HARPER: And in your -- in your perspective, the IESO would have sufficient expertise -- and I am not -- you know, there’s -- you know, and I am saying this really because, you know, there are certain things the IESO is good in and obviously certain things where, you know, it doesn’t work in those areas, and so in those sand pits, maybe doesn’t have the same expertise.

But you feel in this area, the IESO would be in a position to have sufficient expertise to sort of opine on the appropriateness of the adjustments that were being made?

E. LUNDHILD: Yes. This is something we do all the time in our current programs.

B. HARPER: Okay. Great.

J. SHEPHERD: Can I just ask a follow up on that, Bill.

Did I understand you correctly, Evelyn, that -- that -- I had understood earlier that if a measure that a local LDC wants to use is in the MAL, then they have to use your numbers and your assumptions. And now, are you saying, no, they can use basically whatever numbers they want as long as they justify them?

E. LUNDHILD: Not whatever they want, but whatever is sound engineering. I think, generally, when we publish numbers in the MAL for the province, we often have in the background the information on a regional basis, and we have taken a weighted average, for example.

And so maybe if a LDC is in a northern territory where the province-wide average assumptions don’t hold, we might suggest to them that they modify it to something closer to reflecting their local conditions. I don’t think that would be something out of scope.

J. SHEPHERD: And the Working Group’s view is that where an LDC does that and the IESO approves it, that’s no longer something the OEB has to be concerned with in its approval process?

E. LUNDHILD: Yes.

J. SHEPHERD: Thanks.

B. HARPER: I guess staying on page 17 of the Working Group’s report, it also states that:

"Following these steps, the LDC prepares preliminary budgets, energy savings forecasts and projected program participation rates."[as read]

And these data points serve as inputs into the IESO’s province-wide online cost-effectiveness calculator.

Now, would you agree that key to establishing the expected participation in a proposed eDSM program would be assumptions regarding the eligible pool of customers, you know, which would in turn be based on the program’s design and eligibility requirements, et cetera?

M. LISTER: Yes.

B. HARPER: Yeah. I guess -- and in the Working Group’s view, are these assumptions that the LDC will have to develop itself?

M. LISTER: Yes. So if you recall in our presentation made yesterday morning, we had the diagram on the screen, and the first box there was exactly this activity. So it’s expected, you know, utilities would have to understand their customer mix and -- not just their customer mix, but the -- the potential appetite for different kinds of measures or what the opportunities might be. That might include customer surveying, it might include customer promotions or communications to gauge interest and start to build the plan from the ground up.

But that is essential work.

B. HARPER: And, again, I guess I would ask is this an area where the IESO can be expected to provide confirmation? I mean, we are talking about, you know, pretty detailed -- detailed stuff at the distribution level, so I would -- and so guess, again, I ask you is this an area where the IESO could be expected to provide confirmation that the assumptions that they are using are reasonable? Or is this an area where parties are going to have to rely on -- parties being the OEB, I guess, and even the IESO -- still have to rely on the LDC and the substantiation that it brings forward to substantiate the assumptions that it’s made?

M. LISTER: Yeah, I think that is a really necessary part of the IESO’s role in preparing, ultimately, the confirmation -- I think we called it the confirmation letter -- is to assess and validate that the assumptions are reasonable and make sense.

B. HARPER: And I guess, again, I ask, since we are dealing with stuff that is very much at the distribution level, is this an area where the IESO has sufficient expertise in order to do that? Or is it just saying, yeah, that looks reasonable?

E. LUNDHILD: I think it’s more a function of appropriate program design --

M. LISTER: Yeah.

E. LUNDHILD: -- and the range of parameters that are normally considered in designing an effective program, which the IESO has many years of experience doing at the provincial level and also has access to information about programs being delivered across North America.

B. HARPER: I guess maybe this brings an interesting question which I hadn’t thought about, but if you have a range of parameters, and we are talking about EST and DST tests, in those areas, would it be reasonable for a utility to perhaps do some sensitivity analysis around their EST or DST results if there are critical parameters? Like, maybe level of participation, which seems to me is probably a pretty critical one, that there may be some uncertainty about or, you know, range of reasonableness, if I can put it that way. Would that be something that would be -- might be expected for a utility to do as part of its application?

E. LUNDHILD: If it was close to the line, absolutely, it would be. But this is all sort of good general program design practice.

B. HARPER: Okay. Fine.

I guess the other area where I was wondering about, and I will -- and sorry, but I just -- because we seem to be relying so much on the IESO’s confirmation letter. I just want to sort of test and make sure I feel comfortable with, you know, the expertise the IESO is going to be able to bring to the table in these areas.

Another area where it struck me was with respect to the benefit that’s associated with the avoided cost of the wires solution that’s being displaced by the eDSM program. You know, again, it seems to me this is -- in the first place, this is an input that is going to have to come from the LDC. They are the one that is going to know how much the -- how much the capacity would cost and how much they might be saving from a deferral from three years or five years. At a first step, is that a fair comment?

E. LUNDHILD: I think we were clear in our report that the IESO was not intending to comment on the distribution benefit --

B. HARPER: Okay.

E. LUNDHILD: -- but on the bulk system benefits.

B. HARPER: Okay. So the -- so that your confirmation letter would not then involve any confirmation of the inputs used to the DST?

E. LUNDHILD: That’s right.

B. HARPER: Okay. Fine. I think that -- and so in that regard, I guess, if the -- you know, then -- I guess then it’s a matter of what level of substantiation the LDC can provide to that. And I guess it seems to me this idea of what’s the avoided cost is a pretty critical component of the DST.

And is there some degree of substantiation that you considered the LDC would be expected to provide? For example, a cost estimate meeting a certain class level rating for the AACEI? And that’s the Association of -- for the Advancement of Cost Engineering International. And I think it’s a fairly common -- understood there is different classifications they have for different quality of cost estimates.

M. LISTER: Sorry. Your question, Mr. Harper, is would the IESO validate some of those assumptions?

B. HARPER: No. I think Evelyn has just said they won’t. And so I guess they won’t. And so I guess I was wondering in that case, clearly the LDC is going to have to provide some substantiation of the values they are providing, and I guess I was just wondering if you had any idea what that substantiation might consist of or what one might require it. One suggestion I was making is could it be a particular AACEI class rating cost estimate that they would have to provide. I mean, there may be other bases, but I was just wondering if you had given any thought to that.

M. LISTER: Just one second. We are just caucusing here for a minute.

B. HARPER: Sure.

A. MANDYAM: The short answer after this long deliberation, Mr. Harper, is that our -- the Working Group’s perspective is that the -- we are not proposing that a mandatory level of class estimate is the -- the -- is proposed -- or is required for substantiation. It is what the -- what’s put -- the LDC has the -- has the obligation to provide the flex -- for the -- LDC has the obligation, sorry, to provide the substantiation from the sources, whether it be the DSP, whether it be their own actual costs which were recently procured through appropriate procurement cycles.

But we are not saying that there should be a mandatory level. It is the onus -- the onus is on the LDC, as part of that substantiation of an avoided cost, to bring forth the best information and the highest level of accuracy that that avoided cost is representative what’s out in the industry at that point in time.

Once that application is filed with the OEB, again, the OEB has the right to -- if upon a completeness check, it sees that we need to do further inspection on that, they can push that to panel authority -- panel review. If they see that the substantiation is -- is strong enough, if I can use those -- that phrase, then they could pursue, continue with delegated authority.

J. SHEPHERD: Bill, let me jump in here for a second, please.

B. HARPER: Sure.

J. SHEPHERD: Sorry. Stop me if I am jumping in too much.

B. HARPER: No, no. Go ahead. I am reducing your time from my time estimate.

J. SHEPHERD: Ah.

I don’t understand how -- if the only adjudication of the evidence of distribution system benefits is by the OEB, how is that a mechanistic process? How could you ever have delegated authority if distribution system benefits must be determined by the OEB? They must assess them. I guess I missed the fact that IESO wasn’t going to do that. And I just looked, and it is in the report for sure. But you’re saying the OEB has to make that decision of approving the distribution system benefits as part of the cost-effective analysis. If that’s the case, that’s just obviously not a delegated authority category, isn’t it? Am I missing something there?

You’re on mute, Andrew.

A. MANDYAM: So that’s where the Working Group’s proposal of substantiated costs comes to being reviewed by the OEB. And because the substantiated costs have been reviewed in a previous application or scrutinized before and gone through that review process, that prior review allows for the recognition that that information is accurate, and therefore the delegated authority can be --

J. SHEPHERD: And how are the costs of the facilities alternative -- how are they substantiated?

A. MANDYAM: The DSP is reviewed as the capital programs are reviewed at a cost of service application. If the utility puts forward actuals, then -- and those are on the record, then those are already reviewed and -- through a cost of service proceeding.

J. SHEPHERD: So a Staff member should go and look at the last cost of service application and see whether the Board put its mind to approving unit costs that are similar to the ones in your distribution system’s calculation?

A. MANDYAM: Well, I would expect the utility to file all that on the record as part of the application. I don’t think we would force Staff to go hunting and searching.

J. SHEPHERD: Okay. Thanks.

B. HARPER: Okay.

Now, and maybe just to close off this area of questioning, I think, yesterday there was an undertaking -- I believe it was J1.6 -- for the Working Group to define -- to identify those input assumptions where the LDC would be the party being relied on to provide the values.

And I think in some cases -- and we will get into this a little bit later on. In some cases, those may be distribution values. In some cases, those may be things related to the bulk system, and I will get into those examples later on.

But I was wondering, as part of that response, could you also indicate for each of those inputs what level of support the Working Group would consider the LDC should be providing in order to substantiate the assumption and whether, I guess, as we just discussed, the IESO will be expected to be able to confirm if the assumption is reasonable or not?

A. MANDYAM: Mr. Harper, can we just -- I am just going to -- we are going to just take a look at that undertaking just to --

B. HARPER: Sure.

A. MANDYAM: -- refresh our brain about what that is and then respond.

B. HARPER: I think it was J1.6, I believe.

A. MANDYAM: Okay. Thank you.

M. LISTER: So, Bill, we can add that to the undertaking if -- would you mind reading it back to us so we are sure we are clear?

B. HARPER: That’s fine.

You are going to be identifying a number of inputs, you know, where the LDC -- sort of where the LDC -- the part to be relied on, to provide the values. I think that was the undertaking.

M. LISTER: Okay.

B. HARPER: And so I was wondering, you know, just in a table as you list that, you could indicate for each of them what support the Working Group considers the LDC should be providing to substantiate the value they are providing and whether the IESO is going to be expected to be able to confirm that value or not.

M. LISTER: D. Ferreira is unmuted.

We can add that to -- I -- Mr. Millar, what is the best way to proceed here? Do we add that to 1.6, or is this a new undertaking?

M. MILLAR: Whatever is most convenient for the parties, I think. If you can conveniently add it to J1.6, that’s fine.

M. LISTER: We will add it.

M. MILLAR: Yeah.

M. LISTER: Yeah, we will add it to 1.6.

M. MILLAR: And I don’t think we need to go back and reword that undertaking unless you feel differently. I think it’s understood what is expected here.

M. LISTER: Yeah. And we have got the transcript available, so that’s fine.

M. MILLAR: Okay. That works. Thank you.

B. HARPER: Fine. Thank you very much.

I guess in light of all that, in the Working Group’s view, I mean, the statement is the IESO is going to be providing a confirmation letter. Would it be reasonable if in that letter, the IESO also identified any elements of the application where it was not in a position to confirm the inputs or the assumptions used? I mean, to be able to directly confirm the inputs or assumptions used, would that be a reasonable expectation as well so the Board could see, you know, if there are any areas that were -- you know, that were not being confirmed by the IESO?

E. LUNDHILD: I think the expectation would be if we felt that there were material aspects that we couldn’t confirm and weren’t comfortable with, we would not provide a confirmation letter.

B. HARPER: Okay. Because I guess -- that’s interesting. Because I guess it seems to me if there were areas you were uncomfortable, or, like, in the DST test, you didn’t confirm, then I guess it seems to me that either you don’t provide a letter or you provide a qualified letter. It seems to me if you don’t provide a letter, the process is the LDC doesn’t make an application. That’s the -- that’s the end of their trip, if I could put it that way.

I guess if there was a qualified letter, I guess the LDC could still make an application with the -- with the expectation and the understanding that that would probably have to be pushed to a panel to make -- to make those judgments, if I can -- if I can put -- if I can put it that way. Excuse me.

E. LUNDHILD: But I think from the IESO’s perspective, we wouldn’t want to do that because we would not be willing to commit the global adjustment portion of the funding. An LDC can always proceed under the Non-Wires Solutions Guidelines to apply without the bulk system funding, but that’s not what this process is addressing.

B. HARPER: Okay. That’s fair. I just wanted to understand sort of the role and how the IESO confirmation letter fit into the whole -- fit into the whole process, if I can put it that way. So that’s great. Thank you very much.

At page 10, the Working Group report states:

"Following the OEB approval, LDCs implement the program, track costs and benefits, and report progress annually."[as read]

I guess, so I just want to understand, what is the anticipated timing for the LDC’s annual reports?

For example, for 2028 results of an eDSM Stream 2 program, when presumably -- and it might be some -- probably sometime in 2009 [sic] -- might they be expected to report, and to whom would their report be submitted?

A. MANDYAM: I didn’t catch the years you threw out in your question.

B. HARPER: Well, I was just trying to provide --

A. MANDYAM: Oh, I can respond, then. I will just respond in general here.

B. HARPER: Yeah.

A. MANDYAM: The Working Group’s perspective or proposal is that the annual reporting, which will be part -- would be part of that utility’s IRM application, so January filers -- sorry -- January effective date LDCs would file in August of the prior year, and that would be the opportunity for that LDC to file for a new eDSM program or file their updates to a previously approved and already in execution mode eDSM program.

For May effective date utilities, I think it’s October or November when their deadline would be for filing.

B. HARPER: And so let’s say I am filing in -- because I recognize programs aren’t going to be introduced for a couple years. We talked about that last time. But, you know, if I am filing in August or October 2029 for 2030 rates, I would be expected, then, to provide my annual report for 2028 results?

A. MANDYAM: That’s correct. You’d be using --

B. HARPER: Okay. Fine. I just wanted to get the timing of that because I want --

A. MANDYAM: Yeah, you would be using the most recent EM&V available -- EM&V being from the IESO -- available in your eDSM program application or program update.

B. HARPER: Well, I guess -- and that was the second question I had because I was wondering if -- and maybe it’s on the IESO’s standpoint because they are going to be doing annual EM&V reviews of these programs, as I understand it; correct?

E. LUNDHILD: That’s right. We do that today for the province-wide programs, and we publish our results usually around October.

B. HARPER: Okay. So --

E. LUNDHILD: We are just getting ready to send those out now.

B. HARPER: So that -- similarly, you publish your results in October for programs undertaken in the previous year?

E. LUNDHILD: That’s right.

B. HARPER: So I just want -- so your EM&V assessment would be completed in time for it to be included in this annual report that the -- that the LDC will be expected to file in October, maybe not the August ones, but maybe the October ones, I guess, is -- I am just wondering how the timing all fits together.

E. LUNDHILD: Yeah, it may -- it may catch the right point in the cycle, or it may be a year behind. It depends.

B. HARPER: May be a year behind, depending upon when they’re filing -- what month of the year they are filing it?

E. LUNDHILD: Um-hmm.

B. HARPER: Okay. Fine. I think I understand that. Okay.

Okay. At page 28 of the Working Group report, it states:

"Unless the LDC proposes a material program change or early closure, the LDC is expected to proceed under its existing approval. Should such a significant revision be necessary, the LDC would be expected to file an updated application to obtain OEB approval for the change."[as read].

Now, in terms -- and, like, the examples you gave were exceeding the approved budget or fundamentally altering the scope. And I guess in terms of exceeding the budget, I believe the proposal that was talked about yesterday was to use the materiality threshold of 15 percent?

A. MANDYAM: That’s -- 15 percent over the approved budget --

B. HARPER: Budget. Right.

A. MANDYAM: -- for that eDSM program is the threshold.

B. HARPER: Apart from exceeding the budget by this amount, can you provide examples of what else might be considered a material change in the eDSM? We talked about material changes, and the one example was the budget, I guess. What might else be a material change in the -- in the program such that the approval would be required?

A. MANDYAM: So another example is if the program had two years of poor performance and remediation plan or a change to the program design was -- was worked through with the IESO and re -- would be reapplied for with the OEB, that would be a material change.

In fact, any -- any proposal where -- any program that’s already in execution mode that then has a redesign of substance would also probably qualify for reapproval.

B. HARPER: But I guess you wouldn’t see -- so it’s only if they are coming forward with a redesign because of some material change? And I guess --

A. MANDYAM: The other situation is basic -- and I think we -- when we walked through the scenarios with the Working Group or the Working Group walked through the scenarios, Mr. Harper, we saw a path of an approved program that is in full execution mode and working as expected. The deviation from that is only where there were programs that were not functioning as expected for various conditions; so, therefore, we would have to do some redesign or adjustments on the negative side where they weren’t working as expected or they were working better than expected; and, therefore, additional funds potentially could be required.

B. HARPER: Right. And I guess -- I guess -- because I was struggling because I can think of areas whereby, you know, both the LDC and the IESO have sort of come to the conclusion there has to be a redesign, but I guess there could be programs that are not performing as expected. And there is no proposal for a redesign.

Would -- I guess those would be flagged somewhat through their annual reports that are being made to the OEB because they would see the -- they would see the performance that is being done to date, and I guess -- I guess I am just wondering, in that situation, I guess it would be up to the OEB to say if they felt, gee whiz, maybe you guys should go away and think about this; things don’t seem to be going too well?

A. MANDYAM: Well, I think -- you know, let’s back the train up, if I could say this. The LDC is managing the program. It’s not like the LDC is just lapsing its -- the managers in the utility are watching the program on a weekly, monthly basis to see the effectiveness of it hitting the forecast.

So I -- I -- I mean, I don’t know what the people on this work -- in the call think of an LDC, but in the ones that I have dealt with, they are all due diligent and looking to get the best outcomes here for the -- for the dollars that are spent.

So I suspect, before the OEB even has to, in your illustration, make a call to the LDC through the rates application or rate update process, that the LDC needs to perform some remediation. The LDC would already be on top of it and proposing it in that update application. That’s what we expect.

B. HARPER: That’s fair. I wasn’t meant to suggest they weren’t being prudent. I just -- I just wanted to understand how the process was going to work.

C. LI: Excuse me. Can I -- it’s Clement Li from BOMA. Can I have a quick follow-up question on the same topic? Is it okay, Bill?

B. HARPER: Yeah, sure. Go ahead. That’s fine.

C. LI: Okay. Okay. It’s along the same topic here, this annual reporting or, you know, checking or evaluation. What if the program -- I am just thinking about this scenario. What if the program is performing and everything is good, but within that 15 percent budget, the threshold you are talking about, but there is a substantial change when it comes to the split between the bulk benefit versus the distribution benefit, and that’s how you use to adjust the funding, the GA versus the distribution rates? If there is a change there, the program is performing, but when you look at it, you say, oh, wait a minute, it’s not 70/30 -- just picking -- if it’s not -- if it’s not 70/30 split, it’s now -- it’s actually only 50/50, that kind of thing.

Is that -- would that trigger a change when it comes to the funding? Because, of course, that’s going to trigger funding, right, when it comes to GA versus the DX rate? That is my question. Is that -- how does that work, if that’s the case?

A. MANDYAM: Give us a second, Clement. We will just hypothesize your scenario that you put out for us. One second.

C. LI: Thank you.

E. LUNDHILD: Can you maybe give us an example of how you think we would come to that conclusion that the funding split was not appropriate?

C. LI: Well, maybe this -- maybe the system peak has changed because of the ongoing energy transition. I don’t know. I am just thinking that, you know, it shifted more to the system peak versus the distribution peak --

J. SHEPHERD: I can give you an example, Clement.

C. LI: Yeah.

J. SHEPHERD: What if the facility’s need goes away because some big customers decide not to open their new facilities, and so you don’t have to build new wires or substations that you were avoiding with your eDSM. That’s just one example.

C. LI: Yeah. Like, load shift --

J. SHEPHERD: Or --

C. LI: Load shift has changed. Yeah, yeah.

E. LUNDHILD: Then I think that the utility would need to consider whether they need to continue offering the program or not at that point. Like, maybe then the conclusion is that they would shut it down.

J. SHEPHERD: The benefits are trued up at the end; right?

E. LUNDHILD: Yes.

J. SHEPHERD: So if it turns out that you had a 70/30 split, but the -- it was really 50/50 when you actually calculate it at the end, then you true up to the GA and the rate rider accordingly; right?

E. LUNDHILD: Right.

J. SHEPHERD: So it always comes out in the wash.

C. LI: Sorry, Jay. I guess I missed that. So you are saying that at the end, it’s always true up between GA and the benefit?

A. MANDYAM: Correct. Yeah, we said that yesterday, Clement.

C. LI: Okay. Sorry.

A. MANDYAM: And it’s in the report, actually. Sorry. More importantly, it’s in the report.

C. LI: Okay, okay. So it’s all captured, then. That’s okay. It’s okay.

A. MANDYAM: I would just echo what Evelyn just pointed out. If the -- in Jay’s illustration, the utility would likely look at why their -- that need is disappearing, and therefore they would not probably continue that program. And that would be in the update that would be filed at the next IRM.

C. LI: Okay. All right, then. No, that -- appreciate that. Thank you. Sorry about that, Bill.

B. HARPER: No, no, that’s fine.

As I understand it, the Working Group report calls for the LDC’s eDSM application to include the results of both the EST, that’s the energy system test, and the BST -- excuse me the DST, excuse me, that being the distribution system test. And the OEB’s benefit cost analysis framework identifies various bulk system costs and benefits for inclusion in the EST, you know. And also calls for inclusion of the DST, but also includes for inclusion of various bulk system costs and benefits in the EST.

Now, as I -- as I read the Board’s BCA framework, in some instances, the determination of these bulk system costs and benefits relies on inputs that will come from the IESO, and that will be things like the avoided energy cost, avoid generation capacity costs.

However, in other areas, it seems that the EST inputs are values that are not necessarily published by the IESO, and, furthermore, the BCA identifies a number of additional benefit and cost categories that the LDCs are permitted to include in the EST, which means they may or they may not, let’s put it that way.

So for those bulk system costs and benefits in the BCA framework where the values are not regularly provided or published by the IESO, will the IESO be in a position to confirm the reasonableness of the inputs used by the LDC, or better still, provide the LDC with appropriate values to use?

E. LUNDHILD: The expectation is that the IESO would provide the values that would be used for that bulk system calculation, yes.

B. HARPER: Great. Okay.

And I guess given the discretion that the LDCs under the BCA framework have as to whether or not to include certain benefits and costs -- like, if you look at their tables there, a number are permitted, if I can put it that way, which seems to give the LDC some discretion.

In order to ensure consistency in how these DST calculations are being done, would it be useful if the OEB was to specify those bulk system benefits and cost categories that were to be included in the EST? I mean, so that some people are picking some, some people are picking others, and -- because that’s what the BCA framework allows, should there be greater specification in terms of what benefits and costs on the bulk system are to be included in the EST and which are not?

M. LISTER: So our first priority in designing the framework was to comply with the various other frameworks and policies, BCA being one of them, in responding to IRs, we proposed building a base eDSM model to help to address this specific issue to try to limit the -- or to make more standard the applications that would be going to the OEB for delegated authority and try to limit the number of discretionary changes, I guess, or sort of the breadth or width of the kind of responses that might require adjudication.

So I would expect your answer to be addressed -- or I would expect your question to be addressed to the building of the base eDSM model so as to limit the amount of, I guess, disparity in the -- in those -- some of those choices.

B. HARPER: Okay. I believe I asked --

A. MANDYAM: I think the other thing --

E. LUNDHILD: We are -- we are also proposing that the IESO’s cost effectiveness tool be modified to be used for this purpose, for calculating the bulk system benefit. So we would expect to, you know, work with the OEB to define those bulk system inputs.

B. HARPER: Maybe -- because the reason I ask the question --

A. MANDYAM: The last thing I will say --

B. HARPER: Excuse me --

A. MANDYAM: Just -- I just wanted to add one more point, Mr. Harper.

B. HARPER: Okay.

A. MANDYAM: Which is I believe that this is all -- the category definitions is also part of the Phase 2 of the BCA consultation that the OEB is undertaking right now. So I think they will -- you talked about specifying categories. I think that process is actually underway to define the categories.

B. HARPER: Part of the reason I asked the question was when I read your response to the Staff questions and talking about the base eDSM model, my understanding was that it -- the model, if I remember the wording correctly, was talking about distribution benefits. The model was focusing on providing distribution benefits. And I was talking about benefits not at the distribution level, but at the -- but at the bulk system level, which I didn’t understand the eDSM model would be -- would be addressing. And so that’s where I wasn’t too sure whether Mike’s response to me that the eDSM model is going to solve this problem is necessarily the case.

E. LUNDHILD: It’s in combination with the IESO’s cost effectiveness model.

B. HARPER: Okay. But --

E. LUNDHILD: The two would work together.

B. HARPER: But what you see at the end of the day is there being a clear specification as to what costs and benefits are to be included -- and I am talking about the calculation. We recognize after the --

E. LUNDHILD: Yeah.

B. HARPER: -- there would be qualitative considerations. But which costs and benefits are specifically to be quantified and included at both the DST and the EST level? That is something that there would be little discretion provided. They would have to be included, or they wouldn’t be allowed to be included in the cost calculation; is that correct?

E. LUNDHILD: Yes.

A. MANDYAM: Well, I do -- I just want to qualify that there should be -- there is a -- the report in our responses to the -- Staff’s questions stated that there would be specified categories, as you’re noting, Mr. Harper.

There would also be the opportunity for the flexibility of new categories being brought forward by the LDC in that base eDSM model. Because at any one time, there could be a set of categories that the OEB has set out, but the sector is changing. Just like as you and I are living through right now, VALL is now a standard. It wasn’t last year.

So flexibility is -- we are expecting that to be included in the base eDSM model as well. Just that one nuance --

J. GIRVAN: Andrew, it is Julie here. What -- VALL is standard? What do you mean?

A. MANDYAM: The OEB issued calculation methodologies for value of loss load.

J. GIRVAN: Okay.

B. HARPER: VASH -- is that the VASH you are talking about?

A. MANDYAM: Yes, that’s correct.

J. GIRVAN: I just wanted to clarify what you meant.

B. HARPER: Yeah. No, no, I understand that. You know, I see that coming in conjunction. You know, that’s one of the categories I believe was qualitative and permitted, but as we move forward, probably we will move into the quantitative required at some point in time.

A. MANDYAM: Exactly. So this is -- for it to be -- for the process of eDSM to be sustainable, some flexibility has to be incorporated for what could be proposed by an LDC today as not in one of the baseline OEB categories, but in the future, becomes a baseline category or measure.

B. HARPER: Yeah. I can see somebody perhaps bringing one of those forward and saying, that’s a good idea, let’s include that in future ones, if I can put it that way. Yeah.

Okay, fine.

So in response to -- and I think this is building on just what you just introduced here and what we are talking about in terms of the base eDSM model. I think you identified that, in response to Staff Question Number 2. It would be calculation distribution system benefits. And I understand that in your response -- you had then took an undertaking, I think, yesterday, then, in response to J1.1, you providing more details regarding the base eDSM model.

Actually, I had a number of questions around that which -- and I had to go through, and you can either answer them or indicate -- because I think you are going to have an undertaking that provides more description as to what this model entails and what is going to be going into it.

And so I had a number of questions that came to my mind before I saw the answer to that response -- that response, and I am just wondering -- I would like to go through them, and you can either indicate your answer to them now, or you can throw them into your response to J1.1, whichever way -- whichever way you would like to do it.

They start off fairly basically.

So am I -- first, am I correct that the purpose of the base eDSM model would be to enable LDCs to calculate the values for the various distribution benefit categories which would then be used in the IESO’s DST calculator? Is that --

A. MANDYAM: That’s correct.

B. HARPER: Is that how the two are linked?

A. MANDYAM: Yeah, that’s correct.

B. HARPER: Okay.

A. MANDYAM: And we are not making the base eDSM model design just for that, but it will do that.

B. HARPER: Yeah, okay.

And I guess maybe this goes to the point because I think even at the distribution system level, there’s -- there are certain benefit categories that are mandatory, that basically being the distribution capacity benefit, whether it be through deferral or avoided capacity. But there are also other distribution categories that are permitted.

And I guess in your documentation, you will be describing which of those you anticipate the eDSM model providing direction to utilities on how to, would it just be the permitted one, or would you also be providing direction on some of the sort of -- excuse me. Would it just be the mandatory one, or would you also be providing direction on some of the permitted ones as well?

A. MANDYAM: On the latter. Going back to my prior response about flexibility, it would be the latter.

B. HARPER: Yeah. Okay. Okay. Okay. Okay. That’s fine. Okay, no, that’s fine. I just wanted to clarify that.

Now, the Working Group -- I am just checking my time here. The Working Group report states that the LDCs may seek OEB approval if the DST benefits cost ratio, that’s the BCR -- this is prior to consideration of qualitative benefits -- falls in the 0.7 to 1.0 range provided there is a clear and substantiated qualitative rationale.

It also goes on to state that in this circumstance, a notional benefit will be assigned that brings the BCR that’s at the distribution level up to 1.0, and it will be used for purposes of the cost allocation between the LDC and the global adjustment; have I got that correct?

A. MANDYAM: That’s correct.

B. HARPER: Okay. I was wondering, for programs targeting low income and First Nations that have a DST of less than 1.0, which, I guess, you know, you talked about yesterday how the regulation allows those to be approved as well if there’s other sort of the benefits, is it the Working Group’s proposal that they too would be assigned a notional value so as to increase the DST’s BCR to 1.0 such that the cost allocated to distribution funding would be increased?

E. LUNDHILD: I don’t think so, because in that case, you’re not -- like, I think the -- the concept was if it was a program that was intended to be cost-effective, then the global adjustment would not be subsidizing the local ratepayers, and that’s why those qualitative benefits would be taken into account.

For low income, that’s not the case. We don’t have to prove cost-effectiveness at the bulk system level, so we could then share the cost proportional to the identified benefit.

B. HARPER: I was expecting that would be your answer, but I just wanted to clarify it and make sure I understood it.

Now, I believe you indicated that, in general, eDSM Stream 2 programs with a calculated DST of less than 1 would require review by a commission panel, and I think we talked about that earlier.

Would this also be the case for First Nations and low income programs? Or recognizing the fact that there are other benefits, as you mentioned, from such programs, would it be reasonable to establish a ratio value of something less than 1.0 above which such programs could still be subject to approval by a delegated authority, provided they met all the other delegated authority requirements that are established by the Board?

A. MANDYAM: If the OEB feels that that’s the way they would like to go, then that’s fine, I guess; however, we would -- we would like to see that -- the Working Group would -- proposal is that should the -- everything that Evelyn has just pointed out and the facts warrant it, that even without a threshold like you’ve described, Mr. Harper, being applied, the OEB would feel comfortable with it being a delegated authority approval.

B. HARPER: Okay. Fine.

I think -- I will just pass on that one and -- the response to Staff Question 10(d) indicates that the funding via the IESO and the global adjustment will be made available on a first-in, first-out basis. That’s a FIFO basis.

And does this mean that, if required, in order to remain within the -- like, is this the $150 million cap over the three-year period, ‘25 to ‘27; the IESO will prioritize both spending on Stream 1 versus Stream 2 initiatives and individual requests for Stream 2 funding by the global adjustment on a first-in, first-out basis?

E. LUNDHILD: I think the Stream 1 portion of the budget has already been substantially committed.

B. HARPER: Okay. Okay. That’s what I was wondering, because I was wondering if -- because I was then wondering if, when you talk about first in, how -- when and how would you define the Stream 1 initiatives being deemed as being in, I guess? And I guess what you are saying is once the budget’s committed, it’s in, from the Stream 1 perspective?

E. LUNDHILD: We have contractual obligations at that point, so we are -- yes.

B. HARPER: Yes. Okay.

E. LUNDHILD: It’s -- we are not --

B. HARPER: I just -- when it comes to a Stream 2 initiative like the eDSM programs we are talking about, when would they be deemed to be in? Is it when the IESO sends a confirmation letter? Is it when the OEB gives its approval? I guess at what point in time is it deemed to be in?

E. LUNDHILD: I think once we have issued a confirmation letter, we have made a commitment that’s now public that that budget has been committed. So that would be the point at which we would include that in our budgeting, and, you know, if -- if subsequently the OEB didn’t approve it, then we could take it back out again.

B. HARPER: Right. But subject to that, that’s when it’s in, from your perspective. Okay. No, that’s fine. I just want to make sure I understand how the -- you know, how all the FIFO process works.

And this is my last question, Michael, so hopefully this will take us to break, and I will be finished for the -- and I will be finished for the day.

At page 14, report calls for an eDSM rate rider to fund the distributor’s share of the eDSM program costs and appears to assume that such a rider is always required.

Now, both SEC and CCC asked you yesterday about why such a rider would be needed if the funding was already provided for the wires solution through rates, and I believe your response was that it would be difficult to make that link.

And I guess I am still struggling with that response, and here is why: If the traditional wires solution was included in the DSP filed as part of the LDC’s most recent rebasing application, and there was no ACM requested and no anticipated ICM, then why wouldn’t it be reasonable to assume that the LDC can fund the eDSM program through its distribution rates? And if it doesn’t feel it -- it can, you are required to demonstrate it, that it can’t.

A. MANDYAM: I think, Mr. Harper, the response yesterday to what CCC and SEC talked about, basically, in my words, colour-coding the particular asset and the particular investment and inability to do that. There is a couple other points I would just throw out for your consideration.

One is the aspect of revenue decoupling. I think the utility operates under a five-year plan where -- currently. Forget about eDSM at all. It operates under a five-year plan, whether it’s custom IR or price cap where rates are set. They may be set as is on a filed basis, or they may be set at lower amounts based on the outcomes of the adjudication of the cost of service application.

So from that perspective, there is deferrals of -- and movements of capital investments, and that true-up happens, as I understand it, I believe, at the rebasing. So there isn’t no -- there isn’t a true-up of that within any movement of capital within the five-year term until the rebasing point. A review of it occurs at that point, and adjudication deals with that.

So from an eDSM perspective, it -- the Working Group talked this through and saw this no different, that we would -- if an eDSM proposal comes out, and it actually does deal with a capital investment that’s in a particular year being deferred, and it’s -- all of the substantiation has met the criteria for approval, then that would be reviewed at the next rebasing.

B. HARPER: But I guess what I am struggling with -- and I think Jay is going to jump in in a minute, but maybe if I can ask this correctly. What I am struggling with is you talk about revenue decoupling, but on the capital side, if a utility identifies a need for additional capital during its IRM period, it has to go through -- it goes through an ICM application, maybe preceded by an ACM at the time of the rebasing, and basically demonstrate that need and demonstrate that the funding cannot be provided within the envelope that it currently has.

And I am struggling why -- if that’s required for somebody coming forward and asking to spend money on the capital side -- and they don’t always get all of it -- gets all of it, maybe all of it -- why, if they have to do that demonstration on the capital side, you -- under your rubric of revenue decoupling, why there shouldn’t be a similar or somewhat parallel view in terms of they’re coming in and asking --

A. MANDYAM: Right.

B. HARPER: -- what they think is a need for additional funding to fund an eDSM program, particularly if that eDSM program is meant to replace or be a better deal for customers --

A. MANDYAM: Right.

B. HARPER: -- than the capital spending. That’s where I am struggling with it.

A. MANDYAM: Right.

So in the ACM or ICM, there is a review and adjudication that determines there is a benefit to customers by doing this, and that would have been established by the eDSM application. So the cost-effectiveness is greater than 1. There is a benefit to customers for this deferral of an investment. So you’re -- in the Working Group’s perspective, that is being demonstrated. The benefit is being demonstrated by the cost-effectiveness portion of the eDSM application.

J. SHEPHERD: That’s not the question.

B. HARPER: No. But that’s not the question. Because the ICM application is not only the need; it’s also a demonstration that the additional funding is required. And there are tests of that, and there are processes that go through for that, and they may get all of it, or they may only get some of it. But it’s not only just the need; it’s the demonstration that the additional funding is required. That’s also a critical part of the ACM and the ICM test, and that’s the part of the test that seems to me is missing from your proposal.

J. GIRVAN: Andrew, explicitly within the context of an ICM, it says the utility has to demonstrate that the project can’t be funded through -- that’s a requirement in the ICM application, and I think what Bill is asking is why wouldn’t that be a requirement here?

B. HARPER: And if you want to go away and sort of think about that, that’s fine. But that, I think, is -- I am not going to put words in Julie’s and Jay’s mouth, but I think that is where all of us are coming from on this.

A. MANDYAM: Very good. We will take that away as an undertaking.

M. MILLAR: Okay. That’s -- sorry, Bill. Can I mark?

B. HARPER: Yeah, go ahead. Mark it as an undertaking, please.

M. MILLAR: It’s J2.2. But Andrew or Bill, could you express what you’re undertaking to do?

J. GIRVAN: I can summarize, Bill.

B. HARPER: Yeah. Yeah, I can summarize, and then, Jay or Julie, you can see if I have got this correct.

J. GIRVAN: I think that as a -- as part of the current ICM process, utilities are required to demonstrate that the project that they are applying for funding for through the ICM can’t be funded through base rates. And the question is why is it any different here in terms of asking for additional funding for an eDSM program? Why doesn’t the utility -- shouldn’t the utility be required to demonstrate it can’t be funded through base rates?

M. MILLAR: So that will be J2.2.

UNDERTAKING J2.2: TO ADVISE WHETHER THE UTILITY SHOULD BE REQUIRED TO DEMONSTRATE IT CAN’T BE FUNDED THROUGH BASE RATES

M. MILLAR: I note we are right up against our morning break. Bill, are you nearly finished?

B. HARPER: I am done. So like I said, I thought that that was my last question, and I think we got there almost just in time. Thank you.

M. MILLAR: Okay. We are getting near the end, but we will probably want to take a break.

I just want to confirm, Environmental Defence, are you here and ready to go?

K.R. SIEMIATYCKI: Yes. Hi, Michael. This is Kate Siemiatycki on behalf of Environment Defence. I have two questions. I am very happy to -- you know, if the panel, in particular, needs a break and then come back and answer. I am also happy to jump right in right now if people just want to kind of get things done. Yeah, I am in your hands.

A. MANDYAM: We are comfortable carrying on.

M. MILLAR: Andrew, are you happy to proceed?

A. MANDYAM: Yes. Let’s proceed.

M. MILLAR: I just want to check. Lisa, are you okay to go another five, ten minutes?

COURT REPORTER: Yeah, good to go.

M. MILLAR: Okay. Let’s --

M. BROPHY: Mr. Millar, it’s Michael Brophy with Pollution Probe. I have one very quick question, if I can add it on after Kate. Just it came up due to discussion this morning, and it would take no more than a minute or two, if that’s possible.

M. MILLAR: Okay. Well, that’s fine, but, again, we are -- we are going to chip into a half an hour by the time everyone goes.

So does anyone else -- after Mike and Kate, are we done? Just because if we are not, then I’d -- I think we will -- we could use just a short break.

J. GIRVAN: Mike, I have one question, and I think it’s fairly fundamental, and it would be good to hear the utilities -- or to hear the Working Group speak to it before we go away and try to write submissions.

M. MILLAR: Okay. With that, I am going to suggest we take a short break just to stand up and stretch our legs. Maybe we can just make it ten minutes or so. We will be comfortably done before noon, in any event, so why don’t we come back at 11:15.

B. HARPER: Michael, just before we go, I would like to thank the Panel for listening to my questions and for the answers they gave. Thank you very much.

M. MILLAR: Okay. Great. We will see everyone shortly.

--- Upon recess at 11:03 a.m.

--- Upon resuming at 11:15 a.m.

SESSION - ENVIRONMENTAL DEFENCE CANADA

K.R. SIEMIATYCKI: As I said, my name is Kate Siemiatycki. I am here on behalf of Environmental Defence. Many of you may know my colleague Kent Elson. I am a new face too to these proceedings, so it’s nice to meet those of you that I haven’t met before.

As I said, I have two questions, both of which I think are likely going to be fairly simple to answer.

The first is really about a context in which an LDC wants to undertake an eDSM program and wants to benefit from the GA, but does not require incremental funding, i.e., is not looking for a DVA to support that work. They are instead looking to fund it incrementally based on their current budget envelope.

And my question is did the Working Group consider whether and why in that context OEB approval would be required? And if there’s a simple answer to that, great. If there isn’t a simple answer to why OEB approval would be required, then I am wondering, you know, why the Working Group didn’t consider a separate process in which, you know, the GA could be accessed, for instance, through a, you know, contribution agreement with the IESO, but does not need to sort of go forward to that next OEB approval process. Because as -- you know, as we think it through in terms of, you know, achieving the goals that have been set out for this, you know, program at a high level from the Ministry in terms of reducing, you know, regulatory barriers, you know, making, you know, timely program implementation happen at the local level, it seems like a no-brainer to us, but there may be a simple answer or not. So that’s sort of my first question.

E. LUNDHILD: I think the simple answer is that the government direction to the IESO giving us the authority to invest the GA in this requires the OEB approval of the program.

K.R. SIEMIATYCKI: Okay. And what’s the reference for that? Do you mind -- do you know that?

E. LUNDHILD: It’s the November 7th directive to the IESO. It’s available on the IESO website, and I believe we provided the link in the report.

K.R. SIEMIATYCKI: So it specifically says that not -- so if an LDC wants access just to the GA, not to any increased rate-based incremental funding, that it would have to get OEB approval. It specifically explicitly says that?

E. LUNDHILD: That’s right.

K.R. SIEMIATYCKI: Okay.

E. LUNDHILD: Section F of the directive refers to the LDC program funding.

K.R. SIEMIATYCKI: Okay. Thank you very much.

And then my second question was -- I think could result in a similar answer, is, you know -- you know, we are thinking a lot about the scope and effectiveness, obviously, in how to improve and, you know, expand the scope and effectiveness of this program.

And, in particular, thinking about sort of front of meter programs, which I understood through sort of the questions and answers with OEB Staff, both in writing and then yesterday morning, you know, it seems clear that the Working Group and IESO’s understanding is that under the definition of DSM, that those would not be included and, as a result, would not be eligible under the Stream 2 funding; right? I think --

E. LUNDHILD: Yes.

K.R. SIEMIATYCKI: -- I have -- do I have that correct?

E. LUNDHILD: Yes, yes.

K.R. SIEMIATYCKI: Thank you. Thank you.

So I guess in a really simple way, how did the Working Group decide what definition of DSM to use in this case and why it should or should not apply both in the cases of an LDC seeking, you know, just access to the GA and/or an LDC seeking access to the GA and then also, like, incremental rate base funds?

E. LUNDHILD: That definition is specified in the ministerial direction to the IESO, which gives us the authority to spend the GA. So we don’t have the ability to just invest global adjustment funds without government direction.

K.R. SIEMIATYCKI: And is that that same November 7th directive?

E. LUNDHILD: That’s right.

K.R. SIEMIATYCKI: Okay. So that has a specific definition of DSM that you understand applies to both, okay.

E. LUNDHILD: That’s correct.

K.R. SIEMIATYCKI: Okay. All right. Thank you very much. That’s it for me.

M. MILLAR: Thank you very much, Kate.

Mike, are you there? Mike Brophy?

M. BROPHY: Yes, I am here.

M. MILLAR: Okay. Please go ahead.

SESSION - POLLUTION PROBE

M. BROPHY: Good morning. My name is Michael Brophy, and I will just -- I just have a quick question on behalf of Pollution Probe.

So I think it’s clear, kind of, you know, the drivers, the benefits, and when this all comes together to get incremental eDSM which, you know, can benefit, you know, the system, ratepayers, you know, all the things that were covered.

You just had talked with a few people about some of the efficiency measures you had put in place in order to reduce administrative burden, in order to get kind of programs, you know, assessed appropriately and -- but, you know -- you know, over to the OEB and then kind of out the door, if they are -- if they do make sense and actually in place.

So I just had a quick question about the efficiencies. There was a few you had covered such as using the common input assumptions, that IESO has delegated authority approach where it makes sense, opportunities for consolidated applications covering multiple LDCs, which then kind of reduces multiple ones having to come in individually, et cetera.

I am just wondering is -- if you would be able to provide a list of the elements that are driving the efficiency in order to get the opportunities assessed appropriately, and when they are determined appropriate, to get them out and working. Because the whole goal of this is to get things out there and get results; right? And, you know, to the extent that efficiencies and -- and there is expediency in the administrative approach, you know, that’s it.

And if there’s other things that haven’t been included, like, you know, I see that this goes through several steps. I didn’t see if there was specific timelines that have been kind of committed on a turnaround. So, you know, how long a process when you add all those up would typically take, I am not sure if that’s been looked at. So is that something you would be able to provide?

A. MANDYAM: On the last part, probably not. No. Because we can’t guesstimate timelines.

On the first part, we can add it -- I think we are -- we have an Undertaking J1.1 for -- talking more about the base eDSM model. We can take a look at best -- on a best-efforts basis, Michael, to incorporate other efficiencies that are noted in there.

M. BROPHY: I am happy either way, if you want to add it to JT1.1 or do a new one. So I am fine with that.

And then it sounds like you’re not even able to guess how long this process would take, so I guess we are just kind of left hanging on that one.

A. MANDYAM: Yeah. I can tell -- I can say that if it’s incorporated ultimately as proposed in the IRM model, how long does an IRM model take to adjudicate? Two, three months. So the -- once the eDSM application is filed with the OEB, and if it goes through delegated authority, usually an August filer is -- has their IRM application approved by December. So what’s that? Three, four months.

M. BROPHY: Okay. So the OEB piece, three, four months. The IESO review of the LDC request, I would guess maybe less than a month, I am assuming, if everything follows IESO’s protocols. And then probably a few months for the LDC to pull things together. So you are talking probably between half a year and a year, then, in total?

A. MANDYAM: Could be that. Could be long -- could be shorter, could be longer. I mean, if you have a measure that’s already been executed and a program that’s been run in one geography and now is being copied, it could take an LDC a shorter amount of time to go through the design, letter of confirmation, and producing the application to the OEB process. If it’s a brand new measure that needs X Ontario substantiation, it could take longer.

M. BROPHY: Okay. And, actually, on that point, when you do the efficiency list, if -- if you think it’s reasonable, if the letter of confirmation has been issued and then another LDC just wants to carbon copy that, can they just use the letter that was issued before because it’s the exact same thing or you --

A. MANDYAM: No.

M. BROPHY: -- think they have to start from scratch again and have it done again?

A. MANDYAM: If it’s a situation where that program is not joint up front, it is -- an LDC is using or it is deciding to replicate an already existing program, that LDC will have to make that -- or design that program to be its own for its conditions. It would need to understand, as we talked with Bill Harper, about its customer base, its participation rates. So it would be a stand-alone application in that case.

M. BROPHY: Okay, thanks.

And I think you were leaning towards adding the elements to JT1.1. Is that what you want to do?

A. MANDYAM: Remind we what we are adding to JT1.1 again just so --

M. BROPHY: Just the list of the elements that you have included to drive expediency and efficiency in the process.

A. MANDYAM: I believe we have that. That is our undertaking for -- maybe said in a different way, but I believe that is our undertaking JT1.1.

M. BROPHY: Okay. So I look forward to that. Thank you. That’s it.

M. MILLAR: Okay. Thank you, Mike.

Julie, you had one more thing.

J. GIRVAN: It sort of -- it sort of builds on what Mike was asking a little bit about.

But I am -- I am a little confused about this. You are creating a new process, and then you just said, Andrew, well, if we do it as part of the IRM.

So, to me, you have got a process already for most utilities except for those on custom or annual IR. You have got an annual process. Typically, they are pretty uneventful. They are just a -- just basically you have got the formula.

Occasionally, there is an exception where you have something like a Z factor storm -- for storm damage or you have got DVA clearances. So it seems to me, why not just incorporate that into that annual process? And if you have Staff, like you said earlier, doing a checklist, like they do with applications in any event, incorporating has -- has the LDC filed all the elements to approve an eDSM program, you can fit it all -- you wouldn’t need delegated authority; you could fit it all in.

And to the extent that, as we talked about yesterday, there is potentially a need for a panel to consider if it’s different or something like that, it can all fit into that process. And it just seems to me -- it sounded like earlier, you were saying that it would be a separate process, but you’re also requiring the filing of the annual report in the IRM. And it seems to me, why not package it all up as part of that process?

A. MANDYAM: That is our proposal, Julie.

J. GIRVAN: It is, okay. It seemed to me that you were --

A. MANDYAM: No. If I confused you, I apologize. Our process is package an eDSM application within the IRM.

J. GIRVAN: Okay.

A. MANDYAM: Package the updates as you noted within the IRM.

J. GIRVAN: Yeah.

A. MANDYAM: Now, even custom IRs have an annual update. Hydro One, Toronto Hydro, they do their custom IR annual update. It is -- we called it out as three items, two of which are the same. It’s just for -- one is a price cap filer, and one is a custom IR rate framework, and then the third is separate, which is a cost of service.

J. GIRVAN: Okay. But in the IRM cases now, the OEB panel members, commissioners actually approve, say, the -- they approve the formula adjustments, all of that stuff. Why not just let them approve this and forget about the delegate authority?

A. MANDYAM: In actuality, most IRMs are approved, in my understanding, by delegated authority and not commissioners.

J. GIRVAN: Okay. I thought -- I thought --

A. MANDYAM: That’s why we picked the IRM -- the Working Group picked the IRM approach -- the annual update approach, apologies, because of the delegated authority nature of it.

J. GIRVAN: Okay. Okay. All right.

But like the ones with the Z factors, it’s a panel, so that’s the exception.

A. MANDYAM: That is correct, yes. Z factors, ICM all go to a panel. And we are not fettering the discretion of the OEB to put a non-standard, non-within-the-boundary eDSM application to a panel either.

J. GIRVAN: Okay. Okay. It was just unclear to me yesterday. Thanks.

A. MANDYAM: Sorry for that.

M. MILLAR: Okay. Is that everything, Julie? I see the camera is off, so I think so.

Anyone else?

C. LI: It’s Clement Li from BOMA again. I just have a really quick clarification question.

This is related to earlier when Bill Harper was talking about the -- if there is any local adjustment when it comes to the assumptions of a local LDC -- let’s say, northern LDC that has a slightly different weather pattern, and therefore the peak factor may be a little bit different, and IESO would have the capability and authority to look at it to see if it’s reasonable to put in. And then they would approve it, yes, you know, you do a little bit adjustment, and that makes sense, and therefore they have a stamp of approval to say that is okay, and they okay that.

And then -- and then let’s say the next step is that, because it is really uneventful, and they are going to go to this DA, or delegated authority, as part of the application eDSM. Now, at this point, is there any -- maybe that’s the part that I didn’t hear clearly.

Is the IESO approval letter, does it have a list of things that they investigate and approve when it comes to this kind of local adjustment? Or they just say it’s a pretty standard letter that say, okay, I approve. It’s reasonable. And if they do list assumptions that they approve, is it available for, like, intervenors to look at and say, well, you know, I agree, or, I don’t agree, and I want to challenge it? What is the process at that stage?

A. MANDYAM: So the last part I will answer first, Clement.

The letter of confirmation will be filed with the OEB. It will be on the public record. Whether intervenors get cost awards to participate or not in, that’s up to the OEB, but you’ll be able to see it, the intervenors will, the letter of confirmation.

The content of the letter of confirmation will comply with the needs of the OEB’s boundaries that will be set in its policy. So data that is required for the OEB to process the application through -- via delegated authority will be included in the letter of confirmation. That will be on the public record.

C. LI: Okay. So it -- so I could file -- I am not saying I will do it, but I could technically file a letter and say that I challenge that letter --

A. MANDYAM: You can do that.

C. LI: -- the assumption.

A. MANDYAM: You can file a motion right now. You can file an application. You are an intervenor. Yes, go right ahead. Yes, yes.

C. LI: Okay. All right. Well, thank you. I just wasn’t clear on how that -- in terms of the process. Thank you.

M. MILLAR: Thank you, Clement.

Okay. Anyone else? Going once, going twice. Okay. Great. That brings us to the end of our stakeholder session. Just a couple of housekeeping matters before we finish and just to talk about next steps.

I think in the Board’s original notice, it indicated that if the Working Group needed any more information to answer the questions they had agreed to answer, that that would be filed by October 16th. I don’t know that that’s necessary.

Andrew, are you able to speak to that? Does the Working Group have everything it needs to answer the questions that it’s agreed to answer?

A. MANDYAM: Yes, we are good to go with that. We will file our responses on behalf of the Working Group by October 30th.

M. MILLAR: Right. So that was my next thing. October 30th is the date by which those answers are due.

And then after that, just to remind the parties that written comments are due -- I think it’s November 13th. And then the Working Group has until the 27th to respond, after which time, the Board will make whatever determination it is going to make on next steps.

A. MANDYAM: And if I can have one final word on behalf of the Working Group. We are very pleased and thank all the participants for the rich questioning and good discussions, and we look forward to reading your submissions.

M. MILLAR: Great. And I would like to echo that as your host who did very little but listen to everybody the whole time. I thought the witness panel was very good and did its very best to answers the questions where it could, and the stakeholders had good questions. And most importantly for me, everyone stayed on time and even beat the time estimates by a little bit, so we get a little bit of time back today.

Again, thank you all. Thank you, witnesses. Thank you, stakeholders. And especially thank you to the court reporter. And we are adjourned.

--- Whereupon the proceeding concluded at 11:36

a.m.