

Elson Advocacy

October 16, 2025

BY RESS

Ritchie Murray
Acting Registrar
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, Ontario M4P 1E4

Dear Mr. Murray:

**Re: EB-2025-0156 – Consultation on the Regulatory Treatment of Local
Electricity Demand-side Management (Stream 2) Programs**

Please find enclosed written questions for the IESO-LDC DSM Regulatory Working Group (Working Group), provided on behalf of Environmental Defence in the above-noted matter.

We appreciate the opportunity to clarify certain topics that were raised during stakeholder consultations on October 8 and 9, 2025.

Yours truly,



Kate Siemiatycki

EB-2025-0156
**Consultation on the Regulatory Treatment of Local Electricity Demand-side
 Management (Stream 2) Programs**

Questions of Environmental Defence to the Working Group

Question #ED-1

Ref: OEB Stakeholder Session, October 8, 2025 Transcript Vol. 1, pp. 41-42; OEB Stakeholder Session, October 9, 2025, Transcript Vol. 2, pp. 66-68

The Working Group was asked to define the scope of e-DSM technologies and programs that would be eligible for participation in the proposed Stream 2. In particular, the Working Group was asked whether front-of-metre systems would be eligible under the current proposal.

Ms. Lundhild responded that front-of-metre systems do not align with the Working Group's interpretation of e-DSM as defined in the relevant government directive. In particular, Ms. Lundhild explained that the Working Group interpreted the Minister's Directive to the IESO, dated November 7, 2024 as requiring Stream 2 programs to be directly associated with reducing customer load.

The Directive states:

1. The IESO shall consider eDSM to be inclusive of activities aimed at reducing peak electricity demand and/or electricity consumption from the electricity system. Examples of eDSM include demand response, energy efficiency upgrades and process modifications whereby similar output is achieved with less electricity, behind-the-meter consumer generation and DERs such as solar photovoltaic and battery storage.
2. For the purposes of the eDSM programs, the IESO shall consider eDSM to exclude:
 - (a) Those measures promoted through a different program or initiative undertaken by the Government of Ontario or the IESO; and
 - (b) Behind-the-meter consumer generation that uses fossil fuels purchased from or otherwise supplied by a third party as a primary fuel source.

ED's reading of the above is that eDSM activities that address peak demand across an area of the grid (such as front-of-metre solutions) could meet the above definition. While it's true that behind-the-metre systems are named in the Directive, they are included in a list of examples. This suggests that the list is non-exhaustive. Moreover, the government has named explicit exclusions to the definition, none of which are front-of-metre technologies.

- a) Could the Working Group please confirm whether the above-quoted definition is the one underlying their current proposal? Could the Working Group also please explain why they do or do not agree with our interpretation?

Question #ED-2

Ref: OEB Stakeholder Session, October 9, 2025, Transcript Vol. 2, pp. 65-66

The Working Group was asked whether LDCs could access the Global Adjustment (GA) for eDSM activities without receiving OEB approval (for example, where no DVA is sought). Ms. Lundhild stated that government direction to the IESO requires OEB approval for all GA investments.

- a) Can the Working Group please provide a specific reference for the requirement that all GA investments require OEB approval?