



Ontario  
Energy  
Board | Commission  
de l'énergie  
de l'Ontario

BY EMAIL AND WEB POSTING

October 20, 2025

To: All Rate-Regulated Electricity Distributors  
All Rate-Regulated Electricity Transmitters  
All Rate-Regulated Natural Gas Distributors  
Independent Electricity System Operator  
Registered Participants – Framework for Energy Innovation: Distributed Resources and Utility Incentives (EB-2021-0118)  
Registered Participants in Updating the CDM Guidelines for Electricity Distributors (EB-2021-0106)  
Registered Participants in Benefit-Cost Analysis Framework for Addressing Electricity System Needs (EB-2023-0125)  
Registered Participants in Consultation on the Regulatory Treatment of Local Electricity Demand-side Management (Stream 2) Programs  
Ontario Energy Board File (EB-2025-0156)  
Framework for Energy Innovation Working Group  
All Other Interested Parties

Re: **EB-2023-0125: Benefit-Cost Analysis Framework for Addressing Electricity System Needs – Phase Two**

#### What You Need to Know

- **The Ontario Energy Board (OEB) is launching its consultation on Phase Two of the Benefit-Cost Analysis Framework for Addressing Electricity System Needs (BCA Framework).**
- **Phase Two builds on Phase One by refining the Energy System Test and considering extending the BCA Framework to include societal impacts associated with energy conservation investments.**
- **This letter provides instructions on how interested parties will be able to provide comments on draft Phase Two revisions to the BCA Framework.**

## Background

In [Framework for Energy Innovation: Setting a Path Forward for DER Integration](#) (FEI Report), the OEB indicated its intent to develop a comprehensive BCA Framework. This initiative is intended to evaluate the benefits and costs of Non-Wire Solutions, including Distributed Energy Resources (DERs), relative to traditional capital investments for meeting distribution system needs. The initiative is being delivered in two phases.

Phase One culminated with the release of a [BCA Framework](#) in May 2024. The Framework introduced the Distribution Service Test, used to assess cost-effectiveness based on distribution-level benefits and costs. It also included an optional Energy System Test, which considers benefits and costs to the bulk system. The BCA Framework is now applied by distributors when evaluating Non-Wire Solutions as alternatives to traditional capital investments, offering greater clarity and consistency in rate application reviews.

Phase Two focuses on potential refinements to the Energy System Test that would offer additional guidance on identifying bulk energy system benefits and costs. This deliverable aligns with the December 19, 2024, Letter of Direction, which directs the OEB to “implement Phase Two of the BCA Framework with a focus on broader energy system impacts”. Phase Two also proposes expanding the BCA Framework to incorporate societal impacts (such as environmental, economic, and social benefits) associated with energy conservation investments, as per the FEI Report. A draft version of Phase Two updates to the BCA Framework is being prepared to reflect these refinements.

The BCA Framework provides a consistent, evidence-based approach for evaluating the benefits and costs of Non-Wire Solutions (NWS). It underpins or contributes to several other initiatives led by the OEB, including those aligned with Ontario’s Integrated Energy Plan (IEP) — [Energy for Generations](#), including but not limited to:

- EB-2025-0083 – Margin on Payments Value for 3rd Party DERs – proposes to use the BCA to determine eligibility for a margin on payments incentive,
- EB-2025-0156 - Review of the IESO-LDC Working Group Proposal for Stream 2 eDSM Programs – proposes to use the BCA for LDC/IESO cost allocation, and
- The OEB’s work to establish expectations for electricity distributors regarding the development of Distribution System Operator (DSO) capabilities. The OEB’s [discussion paper](#) notes the value of standardized approaches to options analysis as a means of ensuring DERs are duly considered as solutions to identified system needs.

Finalizing the BCA Framework will help deliver on key dimensions of the IEP: to unlock the value of DERs and support smarter planning and investment across multiple levels of the system.

### **Request for Stakeholder Input**

The OEB is initiating a stakeholder engagement to seek comments on draft revisions to the BCA Framework that are associated with Phase Two.

### **Engagement Timeline**

- **November 26, 2025** – Draft revisions to the BCA Framework circulated.
- **January 14, 2026** – Deadline for stakeholders to submit written comments.

### **Invitation to Participate**

All stakeholders interested in participating are asked to email their intent to [registrar@oeb.ca](mailto:registrar@oeb.ca) by **November 4, 2025**.

The email should include the following:

- Subject line: EB-2023-0125 Benefit-Cost Analysis Framework for Addressing Electricity System Needs – Phase Two
- Participant/organization name
- Name(s) of participants to be registered
- Contact name, telephone number and email address.

### **Stay Informed**

Interested stakeholders are encouraged to visit the OEB's [Engage with Us page](#).

**Cost Awards**

Cost awards will be available to eligible participants under section 30 of the *Ontario Energy Board Act, 1998*. Participants that were found to be eligible for cost awards in Phase One (see list in Appendix A) are automatically eligible for this consultation and need not reapply for cost awards if registering to participate in for Phase Two.

Cost awards will be recovered from all rate-regulated electricity distributors. Further information regarding cost awards can be found in Appendix A to this letter.

Any questions relating to this letter should be directed to James Smith at [James.Smith@oeb.ca](mailto:James.Smith@oeb.ca) or at 416-440-7699. The Board's toll-free number is 1-888-632-6273.

Yours truly,

Ritchie Murray  
Acting Registrar

Appendix A: Cost Award Matters and Filing Instructions

## Appendix A

### Cost Award Matters and Filing Instructions

#### Cost Award Eligibility

The following participants were determined to be eligible for cost awards in Phase One and need not reapply for cost awards if they are registering to participate in Phase Two:

- Anwaatin Inc.
- Association of Major Power Consumers in Ontario
- Building Owners and Managers Association Toronto
- Canadian Manufacturers & Exporters
- Consumers Council of Canada
- Energy Probe Research Foundation
- Electric Vehicle Society
- Environmental Defense
- Industrial Gas Users Association
- London Property Management Association
- Low-Income Energy Network
- Ontario Chamber of Commerce
- Ontario Sustainable Energy Association
- Pollution Probe
- School Energy Coalition
- Vulnerable Energy Consumers Coalition

Any other stakeholder that intends to request an award of costs must file with the OEB a written submission to that effect by **November 4, 2025**. The submission must identify the grounds on which the person believes that it is eligible for an award of costs (addressing the OEB's cost eligibility criteria as set out in section 3 of the *Practice Direction on Cost Awards*). An explanation of any other funding to which the person has access must also be provided, as should the name and credentials of any lawyer, analyst or consultant that the person intends to retain, if known. The OEB will determine eligibility for costs in accordance with its [\*Practice Direction on Cost Awards\*](#). All requests for cost eligibility will be posted on the OEB's website.

If a rate-regulated electricity distributor has any objections to any of the requests for cost eligibility, such objections must be filed with the OEB by **November 11, 2025**. Any objections will be posted on the OEB's [website](#). The participant whose request for cost eligibility was objected to will have until **November 18, 2025** to file a response to the objection with the OEB. The OEB will then make a final determination on the cost eligibility of the requesting participants.

## Eligible Activities

Cost awards will be available to eligible participants up to a maximum of 10 hours which includes the review of the document and provision of written feedback.

## Cost Awards

When determining the amount of the cost awards, the OEB will apply the principles set out in section 5 of its *Practice Direction on Cost Awards*. The maximum hourly rates set out in the Cost Awards Tariff will also be applied. The OEB expects that groups representing the same interests or class of persons will make every effort to communicate and co-ordination their participation in this process. In accordance with section 12 of its *Practice Direction on Cost Awards* the OEB will act as a clearing house for all payments of cost awards in this process. For more information on this process, please see the OEB's *Practice Direction on Cost Awards*.

## How to File Materials

Stakeholders are responsible for ensuring that any documents they file with the OEB **do not include personal information** (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's [Rules of Practice and Procedure](#).

Please quote file number, **EB-2023-0125** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the [OEB's online filing portal](#).

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address.
- Please use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RESS\) Document Guidelines](#) found on the [File documents online page](#) on the OEB's website.

- Stakeholders are encouraged to use RESS. Those who have not yet [set up an account](#), or require assistance using the online filing portal can contact [registrar@oeb.ca](mailto:registrar@oeb.ca) for assistance.
- Cost claims are filed through the OEB's online filing portal. Please visit the [File documents online page](#) of the OEB's website for more information. All participants shall download a copy of their submitted cost claim and serve it on all required parties as per the [Practice Direction on Cost Awards](#).

All communications should be directed to the attention of the Registrar and be received by end of business, 4:45 p.m., on the required date.

Email: [registrar@oeb.ca](mailto:registrar@oeb.ca)

Tel: 1-877-632-2727 (Toll-free)