

November 7, 2025

Mr. Ritchie Murray  
Acting Registrar  
Ontario Energy Board  
2300 Yonge Street, Suite 2700  
P.O. Box 2319  
Toronto, ON M4P 1E4

**Re: Support for the DSM Regulatory Working Group's Proposal – EB-2025-0156**

Dear Mr. Murray,

Burlington Hydro Inc. (BHI) appreciates the opportunity to participate in the Ontario Energy Board's consultation on the regulatory treatment of local electricity demand-side management (eDSM) programs in Stream 2. This letter is intended to express our support for the eDSM Regulatory Working Group's (Reg WG) proposal. We believe the recommendations are aligned with and responsive to the Ministerial Directives issued to both the IESO and the OEB.

The Ministerial Directive to the IESO dated November 7, 2024 (Section F) and the Directive to the OEB dated December 9, 2024 (page 6) call for enabling local eDSM programs delivered by Local Distribution Companies (LDCs) to contribute to system value. These directives empower LDCs to continue supporting customers in Ontario's energy transition and economic development by using eDSM to address distribution constraints.

BHI encourages the OEB to proceed with the Reg WG's proposal for the significant majority of local eDSM programs to be approved by Delegated Authority rather than a Panel of Commissioners. This streamlined approach mirrors the OEB's existing process for annual



IRM Rate applications and will reduce application processing time, allowing LDCs to bring local eDSM programs to market more quickly to meet system needs.

The Reg WG's proposal also leverages the Independent Electricity System Operator (IESO) as a trusted third-party reviewer. Under this model:

- The IESO will provide a Measures and Assumptions List (MAL) from which LDCs can select appropriate local eDSM measures.
- The IESO will review each LDC's proposed program and issue a Letter of Confirmation that the OEB can rely on for prudence.
- These elements are detailed in the Reg WG's responses to Undertakings J1.1 and J2.1.

Requiring Panel approval for most local eDSM programs would introduce unnecessary regulatory burden and delay, hindering the benefits these programs are designed to deliver.

BHI also supports the OEB's Framework on Energy Innovation guidance that allows LDCs to receive incentive payments for successful implementation of local eDSM programs. This aligns with the principle of encouraging innovation and performance-based outcomes.

Finally, we endorse the Reg WG's proposal for an eDSM Variance Account (eDSMVA) with no materiality threshold. All local eDSM programs are expected to demonstrate a positive benefit-to-cost ratio, supporting full cost recovery even if below the LDC's materiality threshold. This approach will further incentivize LDC participation in Stream 2 programs.

We appreciate the OEB's leadership in advancing this important initiative and look forward to continued collaboration to ensure the successful implementation of local eDSM programs in Burlington and across Ontario.

Sincerely,

**David Ferreira**

Director, Communications & Stakeholder Experience  
Burlington Hydro Inc.