

**VIA RESS**

November 13, 2025

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

Dear Mr. Murray:

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

GrandBridge Energy Inc. (GrandBridge Energy) appreciates the opportunity to support and comment on the Ontario Energy Board's (OEB) consultation on the proposed regulatory framework for Local Electricity Demand-Side Management (Stream 2 eDSM) programs.

We commend the Regulatory Working Group (Working Group)—a collaboration of the Independent Electricity System Operator (IESO), Electricity Distributors Association (EDA), Ontario Energy Association (OEA), and participating local distribution companies (LDCs)—for developing a comprehensive, practical, and forward-looking proposal for the implementation of local eDSM initiatives in Ontario.

We also acknowledge and appreciate the OEB's leadership in initiating this consultation and seeking stakeholder input to establish an effective regulatory framework that enables LDCs to deliver local demand-side management programs, creating system-wide and community benefits.

The Working Group's Stream 2 eDSM proposal directly supports, aligns, and operationalizes the Ontario government's energy policy direction as set out in recent Ministerial Directives to the IESO and OEB.

- The Ministerial Directive to the IESO (November 7 and December 19, 2024) established a 12-year eDSM Framework directing the IESO to design, coordinate, and fund demand-side management programs that address local, regional, and provincial system needs, including distribution-level opportunities.
- The Minister's Letter of Direction to the OEB (December 19, 2024) instructed the OEB to:
  - Develop a cost-sharing mechanism using distribution rates and the Global Adjustment, based on the "beneficiary-pays" principle; and
  - Reduce barriers to LDC-led local energy efficiency and eDSM programs by updating the Non-Wires Solutions Guidelines or otherwise supporting such initiatives.

Together, these directives provide clear government direction for the OEB and IESO to enable LDC-delivered local eDSM programs that help manage distribution constraints, support the energy transition, and contribute to Ontario's economic growth and electrification objectives.

GrandBridge Energy strongly supports the Working Group's recommendation that the majority of local eDSM programs be approved under delegated authority, rather than through a Panel of Commissioners. This approach reflects the OEB's existing practice for annual rate applications and offers significant advantages:

- **Timeliness:** Streamlined review will reduce approval timelines, allowing LDCs to deliver programs quickly to meet local reliability and capacity needs.
- **Efficiency:** Leveraging existing processes minimizes administrative burden and provides regulatory certainty.
- **Expert Oversight:** The model appropriately incorporates the IESO's technical expertise as the trusted third-party reviewer of Ontario's conservation programs. The framework also includes strong accountability measures—including annual reporting, independent Evaluation, Measurement, and Verification (EM&V) by the IESO, and transparent close-out processes—to ensure continued alignment with provincial objectives and prudent cost management.

Under this model, the IESO will maintain and publish a Measures and Assumptions List (MAL), review LDC program proposals for cost-effectiveness, and issue a Letter of Confirmation that the OEB can rely on to support program prudence and approval.

This cooperative, dual-review structure ensures that programs are technically sound, efficiently processed, and aligned with system planning objectives.

GrandBridge Energy supports the Working Group's proposal for an eDSM Variance Account (eDSMVA) with no materiality threshold. The eDSMVA provides a transparent way to track costs and benefits and is directly tied to the Benefit-Cost Analysis (BCA) framework, ensuring programs deliver verified value for ratepayers. Results from the IESO's EM&V process reconcile actual performance and finalize cost recovery and incentives, keeping rate impacts fair and prudent. All standard Stream 2 programs are expected to demonstrate a positive BCA, while low-income and Indigenous programs may be exempt in line with provincial policy. Removing the materiality threshold recognizes that smaller programs can still yield meaningful benefits—such as deferring infrastructure investments—and enables participation from LDCs of all sizes.

GrandBridge Energy supports the inclusion of a performance-based incentive mechanism for LDCs that successfully deliver verified local eDSM programs. Aligned with the OEB's *Framework for Energy Innovation*, this approach rewards utilities for achieving measurable system and customer benefits. By linking incentives to verified results through the IESO's EM&V process, the mechanism promotes accountability, innovation, and efficient delivery of demand-side solutions that enhance reliability and provide value for customers.

GrandBridge Energy believes that the proposed Stream 2 framework will:

- Enable cost-effective non-wires solutions that defer capital investment;
- Improve local grid reliability and resilience;
- Support Ontario's electrification and energy efficiency goals; and
- Enhance customer engagement and local participation in the energy transition.

By clearly defining roles for the OEB, IESO, and LDCs, the framework provides a strong foundation for collaboration, innovation, and accountability.

GrandBridge Energy supports the Working Group's proposed Stream 2 framework as a balanced, transparent, and forward-looking approach that aligns with government policy, leverages existing regulatory tools, and enables LDCs to deliver measurable benefits for both customers and the electricity system.

We encourage the OEB to move forward with implementing this framework and thank the OEB, IESO, and sector partners for their leadership in advancing local demand-side management in Ontario.

Sincerely,

*/s/ Gaetana Girardi*

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