



November 13, 2025

**VIA RESS**

Ontario Energy Board  
P.O. Box 2319,  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4  
Attention: Acting Registrar

Dear Mr. Murray,

**Re: Consultation on the Regulatory Treatment of Local Electricity Demand-side Management (Stream 2) Programs**  
**Board File No.: EB-2025-0156**

We are counsel to Three Fires Group Inc. (“**TFG**”) and Minogi Corp. (“**MC**”) in the Ontario Energy Board (the “**Board**” or “**OEB**”) consultation on the regulatory treatment of local electricity demand-side management (“**eDSM**”) programs in Stream 2 (the “**Consultation**”). TFG and MC appreciate the opportunity to participate in the Consultation and provide written comments on the eDSM Regulatory Working Group’s (the “**WG**”) report providing a proposed framework for implementation of local eDSM (the “**Report**”).

**Overview.** TFG and MC support many of the WG’s proposals set out in the Report and believes it is generally aligned with the Ministerial Directives issued to both the IESO and the OEB. TFG and MC’s comments address the following issues:

- (i) limited First Nation participation in the Consultation;
- (ii) integrating and incentivizing First Nation participation;
- (iii) First Nation participation is an economic and system advantage;
- (iv) governance, structure, and Delegated Authority; and
- (v) LDCs should be encouraged to establish Indigenous eDSM advisory committees.

TFG and MC also provide recommendations to the OEB to improve the proposed framework and ensure that First Nations are active participants and meaningful proponents in local eDSM programs and projects under Stream 2

**Limited First Nation participation in the Consultation.** As an initial observation, TFG and MC note that the Report provides a comprehensive process framework for Stream 2 local eDSM initiatives but only considers First Nation participation extremely narrowly and limited to an exemption from strict cost-effectiveness thresholds for programs “primarily targeting low-income and First Nations”.<sup>1</sup> TFG and MC also note that the Report was developed without any First Nations or Indigenous members on the WG and without discreet consultation or engagement with

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<sup>1</sup> The Report, p. 12.

any First Nation.<sup>2</sup> As such, there is no indication that the perspectives, rights, or interests of First Nations were considered in the preparation of the Report and the design of the proposed framework. This approach does not reflect the scale or maturity of First Nation participation in Ontario's energy sector, nor does it align with the province's integrated energy policy<sup>3</sup> or its many stated commitments to reconciliation in the context of Ontario's energy sector.<sup>4</sup> Further, the omission of First Nation perspectives in the Report is inconsistent with Ontario's current energy policy direction, which places First Nations and Indigenous leadership at the centre of the province's long-term energy planning. Ontario's IEP explicitly recognizes that "advancing economic reconciliation is essential to Ontario's energy future" and that "Indigenous communities are not only key partners in this work, they are leaders in shaping Ontario's energy transformation."<sup>5</sup> As such, TFG and MC recommend that the Report and the Consultation, more generally, should be updated to more fully consider and integrate the perspectives and interests First Nations, as constitutionally recognized rightsholders, and better advance the equitable participation of First Nations in OEB consultations and processes.

As the OEB moves into subsequent consultation phases on Stream 2 implementation, First Nation participation should be treated as a discrete area for further input. All subsequent consultations on the eDSM Stream 2 and Stream 3 frameworks should engage directly with First Nations and Indigenous organizations to determine how best to integrate First Nation participation and benefit-sharing into program guidelines, application processes, and evaluation metrics. Future eDSM-related consultations may also provide an important opportunity to address the gaps left unexamined by the WG and the Report.

**Integrating and incentivizing First Nation participation.** The Stream 2 framework should seek to integrate and incentivize First Nation participation in eDSM programs. This is consistent with the IEP, which details Ontario's expanded support for Indigenous equity ownership, participation in project development, and local energy planning. The IEP highlights the expansion of the Indigenous Energy Support Program and modernization of the Indigenous Opportunities Financing Program, which are explicitly designed to ensure Indigenous communities share in the economic benefits of energy development on their treaty lands and build economic prosperity for their members through participation and ownership in energy projects in Ontario. The eDSM Stream 2 framework should therefore align with this provincial direction by embedding First Nation participation, partnership incentives, and accountability measures into the design and approval of local eDSM programs.

TFG and MC respectfully suggest that the OEB establish clear expectations for First Nation participation in Stream 2 programs, similar to the Indigenous participation scoring used by the IESO in its Long-Term 1 and Long-Term 2 procurements.<sup>6</sup> Where feasible, LDCs should be expected to offer meaningful participation in program delivery for First Nations partners and

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<sup>2</sup> See Consultation Transcript (Day 1), p. 142.

<sup>3</sup> Ontario, *Energy for Generations plan: Ontario's Integrated Plan to Power the Strongest Economy in the G7*, (June 12, 2025) (the "IEP")

<sup>4</sup> See TFG and Minogi's written submission in EB-2024-0111 (February 18, 2025), pp. 7-8, available: <https://www.rds.oeb.ca/CMWebDrawer/Record/886588/File/document>.

<sup>5</sup> IEP, p. 130.

<sup>6</sup> The success of these requirements was noted in the IEP, with nine out of 15 awarded projects under E-LT1, totaling over 400 megawatts (MW), having significant Indigenous ownership and under the LT1 procurement, nine out of 10 battery storage projects, representing more than 1,400 MW of capacity, also include substantial Indigenous equity.

Indigenous-owned businesses,<sup>7</sup> providing important economic and employment opportunities for First Nations and their members.

To facilitate transparency and accountability, each Stream 2 application should include an “Indigenous Participation Plan” that identifies Indigenous rightsholders, impacted First Nations and treaty areas, outlines equity and benefit-sharing arrangements, describes local employment and procurement commitments for First Nations, and explains how community engagement and capacity building will occur throughout all stages of program delivery. This structure would align with the IESO’s policies and programs, including the First Nations energy program under the Save on Energy program, and ensure the Stream 2 framework supports reconciliation and local economic development objectives for Ontario’s First Nations.

LDCs should also be encouraged to consider how partnering with First Nations in developing and delivering eDSM programs could take advantage of existing financing tools that facilitate First Nation participation such as the expanded Build Ontario Fund, which can provide loan guarantees covering up to 100% of Indigenous equity investments, and other provincial and federal funding programs that can complement eDSM funding. These programs and facilities often enable First Nations partners to access capital at preferential rates and reduce ratepayer cost impacts. This approach has the potential to significantly increase the cost-effectiveness of eDSM programs generally, and those specifically aimed at First Nations and Indigenous customers. Accordingly, incentivizing LDCs to partner with First Nations through the Stream 2 framework and take advantage of additional funding streams and provincial and federal support mechanisms, would provide further system benefits from increased cost-efficiency, expanded program offerings, and alignment with broader economic reconciliation goals.

**First Nation participation is an economic and system advantage.** There are over 200 Indigenous-led clean energy projects across Canada, with many completed or under development in Ontario.<sup>8</sup> Partnering with First Nations is not only a matter of fairness or reconciliation, it is a strategic investment in building a stronger, more resilient energy future for all Ontarians. First Nations are ideally positioned to develop and operate local eDSM projects and programs that provide reliable, demand-side solutions. Their deep knowledge of local conditions and commitment to long-term stewardship make them natural partners in advancing Ontario’s energy transition. The proposed Stream 2 framework for delivering local eDSM should therefore explicitly recognize and encourage partnership with First Nations in both the design and implementation of programs.

While TFG and MC agree with the WG’s recommendation that LDCs should collaborate on joint eDSM programs to address common regional system needs, the OEB should expand this concept to actively support collaboration between LDCs and First Nations. This would be particularly important in regions where Indigenous communities face unique energy challenges or where First Nation participation would enhance the effectiveness and delivery of eDSM programs. In addition, the OEB should consider amending the Non-Wires Solutions Guidelines to include First Nation participation as a key evaluation factor alongside cost-effectiveness and system benefit. Embedding reconciliation and participation objectives in the Stream 2 criteria would ensure that

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<sup>7</sup> For an example of meaningful First Nation participation and economic reconciliation, consider Hydro One’s 50-50 First Nation Equity Partnership Model for new, large-scale transmission projects. For transmission projects valued at over \$100 million, Hydro One offers First Nations the opportunity to invest in up to 50% ownership of the line.

<sup>8</sup> For example, the Wataynikaneyap Power Project, which is majority-owned by 24 First Nation communities, working in partnership with FortisOntario and Algonquin Power & Utilities Corporation through the Wataynikaneyap Power organization; Fort Severn First Nation, Ontario’s northernmost community, developed a 300 kW solar project that reduces diesel fuel use by up to 400,000 litres annually

First Nation partnership and inclusion is treated as a core performance measure rather than an optional or secondary consideration. Expanding First Nation participation in Stream 2 eDSM programs would produce measurable system-wide benefits.

As noted above, First Nations frequently leverage federal and provincial funding programs that lower capital costs, reduce reliance on ratepayer contributions, and expand community benefits. Accordingly, their involvement can significantly enhance social license, regulatory certainty, and project acceptance, which in turn reduces delays and promotes alignment with local and system-wide priorities. These outcomes directly support Ontario's broader energy policy goals of advancing reconciliation, fostering economic inclusion, and strengthening system reliability through meaningful partnership and innovation with First Nations.

**Governance, structure, and Delegated Authority.** TFG and MC generally support the WG's governance and structure proposal, and the recommendation that most local eDSM programs should be approved by way of Delegated Authority. A streamlined approval process under Delegated Authority creates a practical opportunity to directly support First Nation participation within the Stream 2 review framework through a cost-effective and efficient procedural mechanism. TFG and MC recommend that there be an exception to any "first-in-first-out" approach to funding and that the OEB consider providing priority consideration to applications demonstrating First Nation participation or co-investment, consistent with the approaches to competitive procurements used by Ontario and the IESO. Conversely, applications that do not include First Nation participation should be required to provide a clear and substantiated explanation of why engagement with relevant Indigenous rightsholders did not occur and why partnership with a First Nation was not pursued or feasible. Such applications should be reviewed only after those that demonstrate meaningful First Nation participation, ensuring that projects involving First Nations are prioritized for consideration and approval. This approach would align Stream 2 implementation with Ontario's broader reconciliation and partnership objectives and reinforce the principle that First Nation inclusion is an expected component of responsible energy planning and not an optional one.

**LDCs should be encouraged to establish Indigenous eDSM advisory committees.** TFG and MC believe that the OEB should consider encouraging LDCs seeking Stream 2 funding to establish an "Indigenous eDSM advisory committee" to support program design, delivery, and performance monitoring as part of the requirement for funding approval. This would provide a structured mechanism for collaboration between LDCs and potential First Nations partners and would help identify unique and impactful opportunities for local and regional system benefits for all customers.

**Recommendations.** TFG and MC respectfully requests that the OEB consider implementing the following recommendations in development of the framework for implementation of local eDSM:

1. Promote First Nation ownership and partnership models, including joint ventures, community-led co-operatives, and service partnerships with LDCs, ensuring First Nations can "own their power" and participate meaningfully in Ontario's energy transition. For example, this could include supporting First Nation ownership and partnership models that require LDCs to partner with First Nations (including offering a minimum (20-50%) equity stake) in Stream 2 projects to align with the IESO's Indigenous scoring system and ensure meaningful economic participation.
2. Integrate First Nation participation as a key criterion in the OEB's Stream 2 funding review process, giving priority to applications demonstrating First Nation partnership and/or

awarding additional weight to projects and programs involving First Nation co-investment or community-led efficiency projects.

3. Under the Delegated Authority mechanism, expedite approvals for applications involving First Nations, ensuring timely access to funding and better alignment with IESO timelines and procedures.
4. Require all LDCs applying under Stream 2 to submit “Indigenous Participation Plans”, detailing partnership arrangements, procurement from Indigenous-owned firms, and community engagement processes, particularly within the relevant treaty areas for the applicable LDC.
5. Mandate annual reporting by LDCs on First Nation participation metrics, including ownership percentages, local hires, and supplier engagement, consistent with IESO LT1- and LT2-type evaluation criteria, as well as including specific questions on First Nation participation in regular program updates and consultations.
6. Encourage integration of federal funding programs to complement provincial supports and reduce financial barriers to First Nation participation in eDSM programs and projects.
7. Require LDCs to form Indigenous eDSM advisory committees for Stream 2 programs to ensure ongoing input and collaboration with First Nations on the design and implementation of eDSM programs and projects.
8. Endorse the establishment of an Indigenous-led working group or oversight body to monitor Stream 2 outcomes and ensure equitable benefit distribution and provide recommendations on improving eDSM programming and regulatory processes.
9. Facilitate access to dedicated financing, regulatory clarity, and capacity-building programs to enable First Nations to develop the skills and institutional supports required to lead local clean energy and demand-side management initiatives as part of Stream 2.

**Conclusion.** First Nations have consistently demonstrated leadership, technical expertise, and investment capacity across Ontario’s energy system. The development of the Stream 2 eDSM framework offers an important opportunity to harness that leadership and local knowledge at the distribution level, where collaboration with First Nations can meaningfully strengthen system planning and delivery. However, the absence of First Nations representation in the WG and the lack of engagement with First Nations during the development of the Report are significant gaps that should be addressed in subsequent phases of the Consultation.

First Nation partnership is a cornerstone of Ontario’s energy future, and the OEB has an opportunity to ensure that the Stream 2 framework reflects this direction by explicitly embedding First Nation participation, partnership incentives, and benefit-sharing mechanisms in its implementation. This would align the Stream 2 framework with Ontario’s broader public policy and energy objectives, including advancing economic reconciliation, enhancing system reliability, and ensuring that local demand-side management delivers shared prosperity for all communities, Indigenous and non-Indigenous alike.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Vollmer". The signature is fluid and cursive, with a large initial "D" and a long, sweeping tail.

DT Vollmer

- c. Reggie George, TFG  
Don Richardson, MC