

Patrick G. Duffy
Direct: +1 416 869 5257
pduffy@stikeman.com

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By RESS and Email

File No.: 1019261185

Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Attention: Ritchie Murray, Acting Registrar

Dear Mr. Murray:

**Re: Application by the Independent Electricity System Operator in its Capacity as the Smart Metering Entity (SME)
Response to Ontario Energy Board Clarification Questions
EB-2025-0272**

We file this letter on behalf of the SME in response to the Board's January 30, 2026, correspondence. This letter addresses the following issues:

- the proposed fee structure for expanded third party access (**TPA**);
- the scope of the proposed licence to incorporate bi-directional smart meter data;
- the SME's approach to approach to data protection and mitigation of potential misuse; and
- the SME's request that portions of the Accenture Report (Exhibit B-1-3) be filed confidentially.

The responses below are intended to assist the Board in its expedited review of the SME's application without a hearing. We note that the Board has not received any requests for a hearing or any other expressions of interest in this proceeding.

1) The SME's Proposed Fee Structure

1a) Is the current fee sufficient to fully recover current hourly costs incurred to meet government entity requests?

Response

The SME's proposed \$145/hour fee to fulfill TPA requests from Canadian-Status Non-Governmental Entities is aligned with other IESO cost recovery fees that have been approved by the Board, such as the existing fee charged to fulfill TPA requests from Canadian Government Entities (approved in [EB-2021-0292](#)) and the IESO's Reliable Integration Fee hourly rate (approved in [EB-2022-0002](#)).

The SME confirms that the proposed \$145/hour rate is sufficient to fully recover the costs associated with processing eligible TPA requests.

If the SME determines that the \$145/hour rate is no longer sufficient to recover its costs to respond to such requests, or otherwise determines that a different fee structure is appropriate, the SME will seek approval to alter the fee in its application to establish the Smart Metering Charge for the post-January 1, 2028 period (expected to be filed in 2027).

1b) Please elaborate on why the SME is proposing the same fee structure for governmental and non-governmental entities?

In your response please explain how the SME considered (i) potential differences in the data requests from these entities and the inherent work involved from the SME (ii) any assessment of whether commercial value should influence the fee structure (iii) customer feedback.

Response

The SME is proposing to use the same fee structure as the same processes, controls, and level of effort will be required to fulfill requests from Canadian-Status Non-Governmental Entities as for requests from Canadian Government Entities. The SME does not anticipate any material difference in the resources required to respond to requests based on the nature of the requester.

In response to the specific considerations identified by the Board:

- i) Potential differences in data requests from Canadian-Status Non-Governmental Entities and associated SME workload:* The SME does not anticipate that TPA requests from Canadian-Status Non-Governmental Entities will differ materially from the requests it receives from Canadian Government Entities.
- ii) Consideration of commercial value in fee structure:* The SME lacks information about actual market interest in and the commercial value of its data because its request to charge market prices for TPA was denied by the Board in [EB-2018-0316](#). If there is significant demand for TPA from Canadian-Status Non-Governmental Entities under the proposed fee structure, then the SME will evaluate whether it would be appropriate to implement revised pricing that would maximize revenues from such requests for the benefit of the SME's ratepayers. If the SME determines that it is appropriate to implement market pricing, it will request a revision to its fee structure as part of its Smart Metering Charge application for the post-January 1, 2028 period.
- iii) Customer feedback:* In preparation for its application in [EB-2021-0292](#), the SME engaged IPSOS to survey residential and small business consumers on the sharing of smart metering data. IPSOS reported that consumers expressed a preference for pricing that avoids additional costs for ratepayers, charges no fees or only recovers costs from non-profits, and generates a profit from for-profit organizations. The SME has not received any concerns or negative feedback with respect to TPA and does not expect that the opinions of consumers have changed materially since the IPSOS survey was commissioned.

Consistent with IPSOS's findings, the SME is proposing a fee structure that will ensure recovery of the costs to fulfill TPA requests and avoid additional costs for the SME's ratepayers. As noted above, the SME will evaluate its ability to generate additional revenue from TPA requests by Canadian-Status Non-Governmental Entities based on the level of demand from such entities.

1c) Please provide the year-end balances of the Operating Reserve Balancing Account balance related to cost recovery (for governmental entities) for each of the past four years (2022, 2023, 2024, and 2025). Do these annual balances support the approvals sought in this application?

Response

The SME reported on TPA cost recovery in the SME Annual Cost Variance Reports filed with the Board. The relevant information has been extracted and presented in the table below. There were no TPA revenues to report in 2024. Revenues for 2025 will be reported in the 2025 SME Annual Cost Variance Report which will be filed with the OEB by May 31, 2026.

The following links provide the full Annual Cost Variance Reports submitted to the OEB:

- [2022 Report](#)
- [2023 Report](#)
- [2024 Report](#)

	Third Party Access Revenue	Third Party Access Expense	Closing Balance [December 31 st]
2022	\$653	\$653	\$0
2023	\$3,698	\$3,698	\$0
2024	\$0	\$0	\$0
2025	TBD	TBD	TBD

The closing balances demonstrate that the IESO is achieving its objective of cost recovery.

2) Licence Amendment for Distributed Energy Resources (DER) Meter Data

2a) Please clarify whether the SME has already been collecting the DER meter data (including net-metering data). When will the DER meter data be available for third party access requests?

Response

Without a regulatory definition of “DER meter data”, the SME’s response can only address the collection, processing, and management of bi-directional smart metering data.

The SME began collecting bi-directional smart metering data from participating distributors as part of a pilot project prior to 2023. On July 1, 2023, amendments to Ontario Regulation 393/07 came into force that expanded the SME’s objects to explicitly include the collection, processing and management of data related to the metering of electricity that is conveyed into a distributor’s distribution system. Accordingly, the SME expanded its collection of bi-directional smart metering data beyond the pilot project at that time. Since January 1, 2025, the SME has had the exclusive authority to collect, process, and manage bi-directional smart metering data.

Bi-directional data can be provided to third parties upon request. To date, no third party has requested access to net metering data other than the ongoing engagement and coordination with the Board, the IESO and the Ministry of Energy and Mines.

3) Data Protection and Potential Fraudulent Use

3a) Since 2022 when the OEB approved the framework for third party access and found that it was reasonable for the protection of consumer privacy, what changes or improvements have been made to the Ethics Committee review process? If changes have been made, please explain how these have been accommodated and why the framework continues to be reasonable in 2026.

Response

To date, the SME has not engaged the Ethics Review Committee on its own initiative, and no requester has asked for the Committee to be constituted to address a complaint about the SME's data access process.

3b) Did the SME consider whether the Data Use Agreement needed any revisions in light of the proposal to expand SME data access?

Response

The SME (with support from internal counsel) periodically reviews the terms of the Data Use Agreement (**DUA**) to stay current with best practices in applicable privacy legislation. For example, in 2025 the SME engaged external counsel to develop provisions that address artificial intelligence-related risks in the DUA.

The terms of the DUA appropriately address risks related to the potential uses of the data held by the SME. The SME does not intend to make specific revisions to the DUA for TPA requests from Canadian-Status Non-Governmental Entities. As noted by the Board in [EB-2021-0292](#), the SME has the ability to modify the terms of the DUA to suit the specific circumstance of a particular TPA request as the SME determines necessary.

3c) Please explain what steps have been taken to prevent or detect the misuse of data provided to third parties. For example, what safeguards are in place to prevent malicious activities such as using SME data to enhance the credibility of scams involving false threats of disconnection?

Response

All TPA requests undergo an internal assessment by the SME to ensure alignment with privacy legislation, security standards, and the intended purpose of use. If any material uncertainty arises or where heightened privacy considerations are identified, the SME would engage the IESO's Ethics Committee for further evaluation. As stated above, the SME has not engaged the Ethics Committee to date.

The DUA governs all TPA requests and includes detailed provisions designed to prevent fraudulent or inappropriate use of SME data, including specific limitations on permitted uses and obligations related to consumer protection.

Confidentiality Request – Accenture Report

The SME will concurrently file a redacted version of the Accenture Report that can be made publicly available on the OEB's website. The portions of the Accenture Report that have been redacted, and any applicable consideration from Schedule A of the Board's *Practice Direction on Confidential Filings*, are listed below:

Redaction	Reason for Confidential Treatment
Left-hand column of Table 4 (page 8)	Contains information that could identify specific individuals at the IESO.
Section 3.3 (pages 13 and 14)	Contains proprietary information about Accenture's data model which could prejudice Accenture's competitive position (<i>paragraph (a)(i)</i>) and is likely to significant loss to Accenture if made public (<i>paragraph (a)(iv)</i>).
Table 7 (pages 24 to 28)	Identifies and discusses detailed risks that pertain to cybersecurity (<i>paragraph (c)</i>).
Recommendations in section 4.3 (pages 30 to 31)	Identifies and discusses recommended risk mitigation measures that pertain to cybersecurity (<i>paragraph (c)</i>).

On behalf of the SME, we request that the Board accept our request for the reacted portions of the Accenture to be filed confidentially.

Please contact me or Phillip Chisulo at phillip.chisulo@ieso.ca if you have any questions about the SME's responses.

Yours truly,



Patrick G. Duffy

PGD/sb