GrandBridge Energy Inc.

2026 Non-Wires Application

Interrogatory Responses

EB-2025-0265

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Attachments to Interrogatories:

- GBE_IRR_OEB Staff-3.a_IESO Urge Letter_20260217 (PDF)
- GBE_IRR_OEB Staff-6 Attachment 1_02172026 (PDF)
- GBE_IRR_OEB-Staff-7.a_GBE NRCan Application_20260217_Redacted (PDF)
- GBE_IRR_OEB-Staff-7.c_20260217 (Excel)
- GBE_IRR_OEB Staff-10.a_2021KWCGR IRRP_20260217 (PDF)

- GBE_IRR_OEB Staff-10.a_2024 Scoping Report_20260217 (PDF)
- GBE_IRR_OEB Staff-21.b_Draft Accounting Order_20260217(PDF)
- GBE_IRR_CCMBC-20.a_EB-2025-0265_20260217(Excel)
- GBE_IRR_SEC-1_NWS Program Business Case_20260217 (PDF)
- GBE_IRR_SEC-7.c_20260217 (Excel)
- GBE_IRR_SEC-8.c_20260217 (Excel)
- GBE_IRR_VECC-6_20260217 (Excel)

OEB-Staff Interrogatories

OEB Staff-1

References:

(i) EB-2025-0265 Application & Evidence, Pages 10 and 23

Preamble:

Table 1: NWS Program Funding Request has a Total NWS Revenue Requirement of $2,119,000 and Table 9: GBE NWS Program Budget has a total NWS Program Cost of $2,363,000.

Questions:

(a) Please confirm the amounts, by year, for which GBE is seeking OEB approval.
(b) Please reconcile the differences in both tables.

Response:

(a) Please see the updated Table 1 in response to OEB Staff-7.a, for the annual revenue requirement requested by GBE for the years 2026 to 2028.

(b) GrandBridge Energy has updated Table 1 and Table 9, which can be found in its response to OEB Staff-7.a. The updated Table 1 and Table 9 have been constructed to demonstrate the financial conversion of the upfront OM&A and Capital Costs (i.e. Table 9) to the requested Revenue Requirement (i.e. Table 1). The differences are related to the full capital costs compared to the revenue requirement impact of the capital costs.

OEB Staff-2

References:

(i) EB-2025-0265 Application & Evidence, Page 5

Preamble:

Page 5 states the following:

GBE requests that the OEB make its Final Rate Order effective May 1, 2026. If the OEB does not expect that the Final Rate Order will be issued by such date, the Applicant requests that the OEB approve the recovery of any differences in the NWS Program revenue between the effective date and the implementation date of the OEB's Decision and Order establishing final rates and charges.

Questions:

(a) If approval by the OEB is not granted in time for implementation for May 1, 2026 rates, please confirm if GBE requires any additional revenue approvals in the Decision and Order.
(b) If approval by the OEB is not granted in time, will the proposed NWS program design and implementation plan be affected? If yes, please describe how, and potential contingency measures, if known.

Response:

(a) No. GBE does not require any additional revenue approvals beyond those requested in this Application. As noted in Section 1.1 of the Application, GBE requests approval to recover any differences in NWS Program revenues between the approved effective date and the actual implementation date through the approved rate rider. This approach is intended to address timing differences only and does not require incremental revenue authority.

(b) If OEB approval is not granted in time to align with the planned May 1, 2026, implementation, the fundamental design of the NWS Program would not be affected. However, the implementation timeline for initial procurement may be adjusted with the timing of approval.

Potential contingency measures include:

- Aligning participant contracting with the approval effective date. GBE would not make binding commitments or issue capacity payments to participants prior to receiving OEB approval. All communications with potential participants have clearly stated that execution of participant agreements is contingent on OEB approval.

- Deferring the commencement of the initial capacity auction and obligation period until OEB approval is received. For example, if approval is not received in time to support a 2026 obligation period, GBE may defer the initial auction to 2027. In such circumstances, GBE may reassess and adjust future capacity targets to reflect system needs at that time.

OEB Staff-3

References:

(i) EB-2025-0265 Application & Evidence, Page 9

Preamble:

Page 9 states the following:

The IESO's urgent directive, as outlined in its September 30, 2025 letter, identifies this project as a near-term priority to enable additional supply capacity and maintain reliability across Cambridge, Kitchener, Brant, and Brantford.

Question:

(a) Please provide the letter from the IESO to GBE dated September 30, 2025, Re: "Urgent letter re: Transmission projects to supply near-term electricity demand growth in Cambridge, Kitchener, Brant, and Brantford"
(b) Have there been any recent developments that would affect the priority of this project?

Responses:

(a) Please refer to the attached file "GBE_IRR_OEB Staff-3.a_IESO Urge Letter_20260217.pdf".

(b) Recent load requests have further increased the need for MTS#2 and made it an even higher priority. GrandBridge Energy presently has load requests exceeding 90 MW which are not in the current load forecast. This load amount is made up of inquiries through to the early stages of an IESO System Impact Assessment

OEB Staff-4

References:

(i) EB-2025-0265 Application & Evidence, Attachment 1 and Attachment 2

Preamble:

In support of its proposed non-wires solution, GBE filed a distribution system test as part of its benefit-cost analysis. GBE notes that the distribution system test has been applied not as a comparative test between multiple options, but as reasonableness assessment to confirm that the proposed investment delivers net system benefits and is cost effective. In doing so, the filed benefit-cost analysis has included impact categories that correspond to both the distribution service test and the energy system test.

Questions:

(a) Please update the filed benefit-cost analysis to include all benefit and cost impact streams that are mandatory in the BCA Framework. Should there be any impact streams that are deemed to have a value of nil, please provide rationale for why that is the case.
(b) Please explain why GBE included elements of the energy system test (i.e., transmission capacity) in its distribution service test in lieu of completing a full energy system test.
(c) Please file an updated benefit-cost analysis that excludes all elements that are part of the energy system test, including but not limited to the transmission capacity impact.

Responses:

(a) GBE has filed an updated BCA model as “GBE_2026_NWS_BCA_IRR_20260217.xls “, inclusive of Distribution Capacity benefits marked as Nil, Distribution System Ancillary Services Costs marked as Nil, and Risks marked as Nil.

(b) GBE has not included elements of the to-be-determined Energy System Test (EST) within its Distribution Service Test (DST) and specifically has not included “transmission capacity” benefits within the DST. As noted in GBE’s Application within Attachment 1, page 37,

> “GBE recognizes that avoided [Uniform Transmission Rate] payments will not always represent an absolute savings to the broader Ontario electricity system, as in time avoided transmission revenues from GBE would need to be absorbed by other transmission customers on a go-forward basis after the transmitters’ next rebasing application. While this would potentially be relevant to an Energy System Test, GBE is completing a DST which is focused solely on costs and benefits to

distribution customers. Within the context, avoided UTRs are a benefit to GBE's distribution customers, and should be included within the DST."

As articulated above, reduced transmission charges represent a direct financial benefit to GBE's customers as a result of the NWS Program, though these reduced transmission charges do not necessarily result in benefits for all ratepayers served by the transmitter. Conversely, transmission capacity benefits would be expected to benefit all ratepayers served by a transmitter. GBE expects calculation of transmission capacity benefits to be explored within the context of Phase 2 of the OEB's BCA Framework, which is anticipated to determine the parameters of the EST.

(c) As per (b) above, GBE has not included transmission capacity benefits in the DST. Avoided Transmission Charges, which provide a direct financial benefit to GBE's distribution customers, have been retained in the updated BCA filed with interrogatories.

OEB Staff-5

References:

(i) Benefit-Cost Analysis Framework for Addressing Electricity System Needs, Section 3.2.2
(ii) EB-2025-0265 Application & Evidence, Page 19

Preamble:

The Benefit-Cost Analysis Framework for Addressing Electricity System Needs recognizes that there will be some use-cases where a poles and wires solution is impractical and only an NWS is suitable. In these situations, the Benefit-Cost Analysis Framework for Addressing Electricity System Needs requires electricity distributors to provide the estimated cost of a potential traditional poles and wires option.

GBE has identified a new 75 MVA station (i.e., municipal transmission station #2) as the relevant traditional infrastructure solution that is anticipated to be put into service as early as the spring of 2028.

Question:

(a) Please provide a full breakdown of the estimated capital and Operating, Maintenance & Administrative (OM&A) costs associated with the construction and operation of the eventual 75 MVA station (i.e., municipal transmission station #2).
(b) Please comment on the timing for the construction of municipal transmission station #2. Please specifically identify at what point in time it became evident that municipal transmission station #2 was needed, and when planning for its construction began. In the response, please indicate whether there were any specific upstream transmission or downstream distribution impacts that lead to an accelerated need for municipal transmission station #2.
(c) Please confirm whether the capacity of municipal transmission station #2 will be sufficient to allow the proposed NWS program to be wound down after commissioning of municipal transmission station #2.

Responses:

(a) The project is currently in the planning and preliminary engineering phase and is supported by a Class D cost estimate, reflecting an early-stage assessment of anticipated costs. The capital cost identified in the IESO's September 30, 2025 Urge Letter was $40 million. GrandBridge Energy does not have an annual OM&A estimate for MTS#2 at this time. If OM&A costs align with MTS#1, annual OM&A costs of about $200,000 (2025 dollars) per year would be expected. Please see OEB Staff-3 for a copy of the Urge Letter.

(b) MTS#2 is scheduled to come into service in Q2 2028. MTS#2 could come into service earlier than Q2 2028 based on forecasted load growth, but that is the earliest feasible date based on lead times for equipment at MTS#2 and based on the lead time for necessary 115kV transmission line upgrades to allow the connection of MTS#2.

GrandBridge Energy has been planning for MTS#2 since 2019. See response to Staff 10.b. Planning for MTS#2 as an urgent need began in late 2024, after a significant growth in new load arose driven by new data centers, commercial developments along major highways, urban densification, residential growth, and transportation electrification.

In addition, a 400 MW upstream limitation during a contingency on 230kV M20D and M21D transmission circuits has accelerated the need for MTS#2. The IESO identified a target date of 2031 for the additional 230kV capacity (IESO Urge Letter dated September 30, 2025). A 115kV connected to MTS#2 together with the necessary 115kV transmission line upgrades, was identified as one of the projects necessary to meet near-term electricity demand growth (IESO Urge Letter dated September 30 2025).

(c) The capacity of MTS#2 may be sufficient to allow the proposed NWS to be wound down after its commissioning. However, there may still be merits to continuing the NWS Program beyond 2028. The costs and benefits of such an extension will be evaluated prior to an extension beyond 2028.

OEB Staff-6

References:

(i) EB-2025-0265 Application & Evidence, Attachment 2

(ii) Benefit-Cost Analysis Framework for Addressing Electricity System Needs,

Section 3.2.1

(iii) EB-2025-0232, Decision and Rate Order, January 15, 2026

Preamble:

The Benefit-Cost Analysis Framework for Addressing Electricity System Needs (BCA Framework) specifies three distinct discount rates for different purposes when preparing benefit-cost analyses.

Per the BCA Framework, a real social discount rate of 4% is to be used for discounting cash flows to present value, and an inflation rate of 2% is to be used for conversions between nominal and constant dollars. In addition, an electricity distributor's weighted average cost of capital is to be used in annualizing the revenue requirement associated with lump-sum capital investments. This revenue requirement is then to be discounted at the social discount rate plus inflation when assessing benefits to customers.

Questions:

(a) Please identify all discount rate values used in the filed benefit-cost analysis, and please explain how each discount rate was used.
(b) Please confirm whether GBE's use of discount rates in its filed benefit-cost analysis aligns with the requirements of the BCA Framework. As part of the response, please make any necessary updates to the filed benefit-cost analysis to address any deviations from the discount rate requirements of the BCA Framework, should there be any.
(c) For all benefit and cost impact streams that have been quantified in the filed benefit-cost analysis, please identify whether they are in constant or nominal dollars.
(d) Please update the filed benefit-cost analysis to reflect the 2026 uniform transmission values specified by the OEB in its Decision and Rate Order.[1]

Responses:

[1] EB-2025-0232

(a) Please find attached to interrogatory responses an updated BCA Model as "GBE_2026_NWS_BCA_IRR_20260217" and written BCA as "GBE_IRR_OEB Staff-6_Attachment 1_20260217".

The sole discount rate used in GBE's BCA is the prescribed societal discount rate of 4%. In compliance with the OEB's BCA Framework, this rate is used for the purpose of discounting future costs and benefits to be the equivalent of 2026 dollars.

GBE's NWS program includes capital investment of $586,448 in 2026. For the purpose of converting these capital investments into a capital-related revenue requirement, the return-related portions of capital-related revenue requirement (i.e. return on equity and interest expense) have been updated to reflected the weighted average cost of capital for the Energy+ Rate Zone, as the NWS is only applicable to this rate zone. Depreciation expense is based on an Effective Useful Life of 5 years for the assets in question, while Grossed Up PILs are determined based on an assumed CCA Class. Taken together all of the above elements yield a capital-related revenue requirement, which is subsequently discounted using the 4% societal discount rate. Inflation is not applied, or removed, from capital investments as the investments are capitalized in the first year 2026. With the above noted update to weighted average cost of capital, this approach is compliant with the OEB's BCA.

Finally, GBE's BCA has been updated to apply the OEB's specified inflation rate of 2% to Uniform Transmission Rates ("UTRs") relied upon to establish avoided transmission charges, as well as Value of Lost Load ("VOLL"), beyond 2026. These values were, and continue to be, discounted by the societal discount rate for the purpose of determining present value. OM&A expenditures have not been inflated, as the OM&A costs specified for 2026 to 2028 are forecast values over a short period of time, and were not derived using inflationary assumptions.

(b) Please see (a) above.

(c) Please see (a) above.

(d) Confirmed; the updated attachments referenced in (a) above incorporate the OEB's most recently approved UTR Decision.

OEB Staff-7

References:

(i) EB-2025-0265 Application & Evidence, Pages 9-11, 27

(ii) EB-2025-0265 Application & Evidence, Attachment 1 and Attachment 2

Preamble:

GBE has indicated that it is seeking funding through the federal government's Smart Renewables and Electrification Pathways (SREP) that will offset the ratepayer funding required for the proposed non-wires solution. However, GBE Energy has indicated that it has not yet received final confirmation of funding approval. With the SREP funding, total bill impacts of 0.47% are expected for the typical residential customer in GBE's Energy+ rate zone.

Page 27 states the following:

Concurrent with this Application, GBE applied to Natural Resources Canada's (NRCan) Smart Renewables and Electrification Pathways (SREP) program in Q2 2025 for a funding contribution of approximately $1.34 million. GBE's NWS Program has been accepted by NRCan and is in the due diligence stage of enrollment. The SREP contribution will be used to offset a portion of the total NWS Program costs.

Questions:

(a) Please provide any updates on the SREP funding request.
(b) Is GBE's request for approval of the NWS program from the OEB contingent upon the receipt of SREP funding?
(c) Please update the filed benefit-cost analysis to reflect the full cost of the proposed non-wires solution (i.e., without the assumption of funding from the federal government's SREP program).

(d) Should SREP funding not be obtained, what would be the total bill impact on the typical residential customer in GBE's Energy+ rate zone. Please provide this both as a percentage of total bill and the expected dollar amount increase.

Responses:

(a) NRCan issued a call for expressions of interest under the utility support stream of the federal government's Smart Renewables and Electrification Pathways (SREP) between October 10, 2024, and December 13, 2024.[2] GrandBridge Energy submitted

[2] For details of the SREP timeline see: https://natural-resources.canada.ca/climate-change/utility-support-stream.

an expression of interest for the NWS Program on December 13, 2024, and was subsequently invited to submit a full project proposal application.

GrandBridge Energy submitted a full project proposal application to NRCan on April 2, 2025. See file "GBE_IRR_OEB Staff-7a_GBE NRCan Application_20260217_Redacted.pdf" for a copy of GrandBridge Energy's full project proposal application.

As noted at page 27 of the Application, NRCan conditionally accepted GrandBridge's NWS Program application for a funding contribution of approximately $1.34, subject to the completion of a due diligence assessment. The due diligence assessment evaluates the financial, technical, legal and regulatory aspects of the project and serves as the final decision point for NRCan's determination of whether and to what extent financial support will be provided.

During the due diligence assessment, GrandBridge Energy was advised by NRCan that costs, including payments to participants in the NWS Program, are not eligible expenditures under SREP. NRCan's feedback regarding eligible expenditures forms part of the standard due diligence process applied to all SREPs applications and does not constitute a final funding determination. As is typical for projects at this stage, the scope and quantum of eligible costs remain subject to confirmation pending completion of NRCan's financial, technical, legal, and regulatory review.

Based on NRCan's current position on eligible expenditures and following the successful completion of the due diligence process, GrandBridge estimates that it may receive up to approximately $249,929 in SREP funding for the NWS Program.

To reflect this potential level of SREP Funding, GrandBridge has prepared updated versions of the following tables, which are provided below:

Updated Table 1 – NWS Program Funding Request

Updated Table 2 & 12– Distribution Service Test Results

Updated Table 9 – GBE NWS Program Budget

Updated Table 10A – GBE NWS Margin-on-Payments Incentive

Table 10B – Proposed GBE NWS Margin-on-Payments Incentive

Updated Table 13 - Derivation of 3-Yr Average Rate Riders for NWS Program Cost Recovery

Updated Table 14 - Typical Bill Impacts of NWS Program

Even assuming a reduced SREPs contribution of up to approximately $249,929, the NWS Program continues to satisfy the Distribution Service Test, with the DST ratio of 1.30.

The bill impact with this level of SREP funding is $0.83/month, representing a 0.64% total bill increase.

As shown in Updated Table 10A below, the reduction in SREP funding resulted in an increase in net participant payments and mathematically would result in an increase in the Margin on Payments GrandBridge is entitled to claim. However, in light of the reduction in the overall benefit to cost ratio caused by the reduction in SREP funding, GrandBridge Energy is not asking to increase its requested Margin on Payments beyond the amount of $304,000 originally proposed in Table 10 in the Application. As set out below in Table 10B, this amount represents a Margin on Payment of 15% and remains below 50% of Net Benefits.

(b) No. Without NRCan funding the BCA cost-benefit ratio is greater than 1.0; see response part (c) below.

(c) The attached file "GBE_IRR_OEB-Staff-7.c_20260217.xlsx" provides the updated cost-benefit analysis with no NRCan funding, which shows a cost-benefit ratio of 1.20. The updated BCA model, file name "GBE_2026_NWS_BCA_IRR_20260217.xlsx" incorporates NRCan funding of $249,929, and shows a DST Ratio of 1.30.

The total bill impact, for a typical residential customer, with no NRCan funding, is an increase of $0.90/month, representing a 0.70% total bill increase.

Updated Tables

Table 1 Update Feb 17, 2026: NWS Program Funding Request

Item ($000's)	2026	2027	2028	Total
OM&A Program Costs	$765	$809	$1,353	$2,927
Capital-Related Revenue Requirement	$36	$150	$155	$341
SREP Contribution	(96)	(58)	(96)	(250)
Total NWS Revenue Requirement	**$705**	**$902**	**$1,411**	**$3,018**

Table 2 & 12 Update Feb 17, 2026: Distribution Service Test Results	
Costs ($ millions)	
PV of Program Costs*	**$2.81**
Benefits ($ millions)	
l Unplanned Outages (Probability Weighted)	$0.80
PV of Avoided Planned Outages	$2.40
PV of Reliability Benefits	**$3.20**
PV of Avoided Transmission Charges	$0.44
PV of Other Benefits	**$0.44**
PV of Benefits	**$3.64**
Net Benefits: No Deferral ($ millions)	
Net Benefit to Ratepayers	$0.84
DST Ratio	**1.30**
*Exclusive of Margin-on-Payment, inclusive of SREP Contribution	

Table 9 Update Feb 17, 2026: GBE NWS Program Budget				
Cost ($000's)	**2026**	**2027**	**2028**	**Total**
Software Licensing & Maintenance	$50	$50	$50	$150
Professional Consulting	$230	$0	$0	$230
Allocated Staffing Costs	$109	$77	$77	$263
Participant Payments	$326	$592	$1,064	$1,982
Margin on Payment	$50	$90	$162	$302
Total Operating Costs	**$765**	**$809**	**$1,353**	**$2,927**
IT Software Implementation	$475	$0	$0	$475
Capitalized Professional Services	$111	$0	$0	$111
Total Capital Costs	**$586**	**$0**	**$0**	**$586**
Total NWS Program Cost	**$1,351**	**$809**	**$1,353**	**$3,513**
SREP Contribution	**$96**	**$58**	**$96**	**$250**
Total NWS Program Cost	**$1,255**	**$751**	**$1,257**	**$3,263**

Table 10A – GBE NWS Margin-on-Payment Incentive (Updated SREP Funding)

Table 10A Update Feb 17, 2026: GBE NWS MoP Incentive

Item ($000's)	**NPV**	**2026**	**2027**	**2028**	**Total**
Program Participant Payments Costs	1,807	326	592	1,064	1,982
Program Participant Payments, SREP Funding	232	101	56	93	250
Program Participant Payments, Net SREP Funding	1,575	225	536	971	1,732
Margin on Payment (%)		23.5%	23.5%	23.5%	
Margin on Payment ($)	370	53	126	228	407
Total Net Benefits	**738**				
Total Margin on Payment as % of Net Benefits	**50%**				

Table 10B – Proposed GBE NWS Margin-on-Payment Incentive

Table 10B Update Feb 17, 2026: GBE NWS MoP Incentive

Item ($000's)	NPV	2026	2027	2028	Total
Program Participant Payments Costs	1,807	326	592	1,064	1,982
Program Participant Payments, SREP Funding	-	-	-	-	-
Program Participant Payments, Net SREP Funding	1,807	326	592	1,064	1,982
Margin on Payment (%)		15%	15%	15%	
Margin on Payment ($)	275	50	90	162	302
Total Net Benefits	**738**				
Total Margin on Payment as % of Net Benefits	**37%**				

Table 13 Updated Feb 17, 2026: Derivation of 3-Yr Average Rate Riders for NWS Program Cost Recovery

Energy+ Rate Zone / Rate Class		Unit	Distribution Revenue ($)	Distribution Revenue (%)	Total Metered kWh	Total Metered kW	Allocated Costs	32 Months of kWh/kW	Rate Rider (May 1, 2026 - Dec 31, 2028)
RESIDENTIAL SERVICE CLASSIFICATION		kWh	17,528,595	51.8%	542,709,487	-	1,564,443	1,447,225,299	0.0011
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION		kWh	4,131,617	12.2%	218,827,695	3,759	368,751	583,540,519	0.0006
GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION		kW	7,613,422	22.5%	562,895,601	1,691,497	679,505	4,510,659	0.1506
GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION		kW	2,356,119	7.0%	187,259,712	456,521	210,286	1,217,388	0.1727
LARGE USE SERVICE CLASSIFICATION		kW	1,040,061	3.1%	159,015,613	328,261	92,826	875,362	0.1060
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION		kWh	64,042	0.2%	2,164,673	-	5,716	5,772,460	0.0010
STREET LIGHTING SERVICE CLASSIFICATION		kW	671,824	2.0%	6,060,293	16,878	59,961	45,008	1.3322
SENTINEL LIGHTING SERVICE CLASSIFICATION		kW	14,573	0.0%	66,482	455	1,301	1,213	1.0723
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - HYDRO ONE CND		kW	50,527	0.1%	13,702,265	28,598	4,510	76,260	0.0591
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - WATERLOO		kW	221,287	0.7%	74,715,098	140,797	19,750	375,459	0.0526
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - BRANTFORD		kW	4,224	0.0%	358,800	1,189	377	3,172	0.1189
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - HYDRO ONE #1		kW	114,004	0.3%	9,726,053	20,299	10,175	54,130	0.1880
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - HYDRO ONE #2		kW	0	0.0%	69,913,318	169,835	-	452,895	0.0000
Total			**33,810,294**	**100.0%**	**1,777,501,772**	**2,688,253**	**3,017,600**		

Table 14 Updated Feb 17, 2026: Typical Bill Impacts of NWS Program

	Distribution Bill	Total Bill	NWS Rider Revenue	Distribution Impact	Total Impact
Energy+ Rate Zone					
RESIDENTIAL SERVICE CLASSIFICATION	$34.23	$128.72	$0.83	2.41%	0.64%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	$59.18	$322.29	$1.20	2.03%	0.37%
GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION	$418.14	$3,765.71	$9.04	2.16%	0.24%
GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION	$10,796.43	$134,424.46	$345.40	3.20%	0.26%
LARGE USE SERVICE CLASSIFICATION	$43,750.04	$1,037,649.08	$1,696.00	3.88%	0.16%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	$9.04	$21.59	$0.10	1.11%	0.46%
STREET LIGHTING SERVICE CLASSIFICATION	-$6,935.04	$50,023.03	$932.54	-13.45%	1.86%
SENTINEL LIGHTING SERVICE CLASSIFICATION	$1,471.53	$3,175.19	$31.10	2.11%	0.98%
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - HYDRO ONE CND	$6,642.13	$213,898.51	$152.12	2.29%	0.07%
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - WATERLOO	$16,415.61	$86,791.77	$435.53	2.65%	0.50%
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - BRANTFORD	$418.19	$7,435.08	$3.21	0.77%	0.04%
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - HYDRO ONE #1	$3,519.00	$197,559.58	$439.92	12.50%	0.22%
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - HYDRO ONE #2	$197.84	$269,025.26	$0.00	0.00%	0.00%

OEB Staff-8

References:

(i) EB-2025-0265 Application & Evidence, Page 11

Preamble:

Page 11 states the following:

The distribution system serving the City of Cambridge faces significant capacity constraints, primarily due to the thermal limitations of HONI's M20D and M21D transmission lines, which are restricted to a combined capacity of 400 MW.

Question:

(a) Is GBE aware of any measures implemented by Hydro One Networks Inc., or any related discussions, intended to mitigate thermal degradation and address this capacity restriction?

Response:

(a) Hydro One provided an option to reconductor the existing M20D and M21D transmission lines on the existing 230kV towers coming into Cambridge. Hydro One also provided an option to rebuild the existing M20D and M21D transmission lines onto new towers coming into Cambridge. Both options would have increased the 230kV MW capability to a different extent. These options were considered as part of the IESO IRRP process and not recommended. As a result, no measures have been implemented to increase the thermal rating. Hydro One also previously looked at whether the existing transmission lines could be re-rated (i.e. by re-sagging) but was not technically feasible.

OEB Staff-9

References:

(i) EB-2025-0265 Application & Evidence, Pages 20-21

Preamble:

Page 20 states the following:

For the 2026 obligation period, GBE plans to launch the NWS Program simultaneously at Preston TS, Galt TS, and MTS#1, addressing the immediate need to unlock capacity across all three stations. The combined target auction capacity for 2026 is up to 5 MW. The program is expected to expand in subsequent years, with a combined target of up to 10 MW by 2027 and reaching a total of 20 MW by 2028 across the three transformer stations.

Questions:

(a) Please confirm the minimum annual capacity (MW) required for the NWS program in 2026, 2027 and 2028 to meet distribution needs.
(b) Can procured capacity be increased beyond the expected 20 MW at a later date? If so, are there any implications?
(c) What is the contingency plan if adequate demand response capacity is not registered? Has GBE received any early indications from customers who plan to participate in the capacity auction?
(d) What is the contingency plan for meeting capacity needs if registered participants underperform?

Responses:

(a) The NWS Program is designed to provide incremental capacity relief to address near-term distribution constraints affecting Preston TS, Galt TS, and MTS#1, until MTS#2 is placed into service. Based on the load forecasts and system constraints described in the Application, and that it is GBE's first instance of a capacity auction program in its service territory, the NWS Program is designed to provide annual capacity targets of:

- 2026: up to 5 MW
- 2027: up to 10 MW (cumulative)
- 2028: up to 20 MW (cumulative)

These targets reflect GBE's assessment of the incremental capacity required to manage system reliability risk over the relevant period. The NWS Program is intended to complement, but not fully offset, the underlying capacity shortfall, with remaining risk managed through existing operational measures.

(b) The proposed NWS Program targets up to 20 MW by 2028, which GBE considers appropriate to address the identified needs over the proposed program term. Any increase beyond this level would require a reassessment of system needs, program performance, and cost-effectiveness, and would be subject to further regulatory consideration and, where applicable, OEB approval. Increasing procured capacity could have implications for program costs, customer bill impacts, and operational complexity. The technology platform and program design developed for the NWS Program are scalable and could support future deployment beyond 2028, subject to demonstrated need and regulatory approval.

(c) If adequate demand response or DER capacity is not registered in the capacity auction, GBE would continue to manage system reliability using existing operational tools, including distribution system switching, managing new connection activity, and coordination with Hydro One and the IESO to address upstream system constraints. The NWS Program is designed as a partial mitigation measure rather than a sole solution.

GBE's program design is informed by the presence of existing behind-the-meter DER capacity in the affected area and by market experience with prior conservation and demand management programs. GBE has undertaken customer outreach since September 2025 and has received general expressions of interest from potential participants and aggregators; however, no binding commitments have been made, as participation is contingent on OEB approval and auction outcomes.

(d) In the event of under-performance, GBE would continue to manage system reliability using existing grid operational measures and system controls. The NWS Program is not relied upon as the sole means of addressing capacity constraints, and residual risk is managed through established distribution system operations.

OEB Staff-10

References:

(i) EB-2025-0265 Application & Evidence, Page 15

Preamble:

Page 15 states the following:

GBE is part of the IESO KWCG IRRP working group and region. The most recent KWCG IRRP was completed in 2021 and spoke to specific needs at the Preston TS and MTS#1. The Preston TS was identified as reaching its end-of-life in the 2025 to 2026 period and requiring replacement. The IESO's July 2024 KWCG IRRP Scoping Report identifies this work as being completed in 2027. It is GBE's understanding that the project to replace the transformer at Preston TS is anticipated to be placed into service in 2026. The capacity effect of this project is to increase the Long-Term Rating (LTR) at Preston TS from its current 112.5 MW to the 180 MW presented in Table 3 and relied upon in this Application.

Questions:

(a) Please file the 2021 Integrated Regional Resource Plan and 2024 Scoping Assessment Outcome Report.
(b) Throughout the application, GBE indicates that the system and customers require an immediate solution to address the critical capacity constraints. Please provide additional details as to why this capacity gap exists in the first place. Specifically, what caused the accelerated demand drivers, and why did GBE not make traditional capital investments (e.g., accelerate the construction of MTS#2) when it knew a capacity constraint was expected.

Responses:

(a) Please see attached files: "GBE_IRR_OEB Staff-10.a_2021KWCGR IRRP_20260217.pdf" and "GBE_IRR_OEB Staff-10.a_2024 Scoping Report_20260217.pdf".

(b) GrandBridge Energy (and its predecessor company Energy+) has been planning MTS#2 for many years. As stated on page 19 of the Application, the 2019 Energy+ Distribution System Plan (DSP), filed in Energy+'s 2019 cost of service application, highlighted the anticipated need for MTS#2, but outside of the 2019 to 2023 period. An Agreement of Purchase and Sale was signed in August, 2018 to acquire land for a possible future MTS#2 in the North-West part of Cambridge forecasted to have ongoing load growth. The site will be going through a Class EA process in 2026 to confirm that the land is the preferred site.

The 2024 peak on the 230kV Cambridge transmission tap lines was about 301 MW with a capacity of 400 MW. There was a large amount of remaining capacity. Load

growth had moderated, and Hydro One moved forward with the planned replacement of the transformers at Preston TS, which would provide additional transformer station capacity. Average load growth in recent years has been about 2.3% per year. Given these facts, there was no justification to proceed with the construction of MTS#2 until GBE was faced with rapidly accelerating demand (a 25% increase over a short period of time) from new data centers, commercial developments along major highways, urban densification, residential growth, and transportation electrification.

GrandBridge Energy acted immediately to submit a System Impact Assessment application to the IESO for MTS#2 in January 2025 and worked with the IESO and the IRRP Working Group to accelerate the analysis of urgent needs in the Cambridge area, resulting in an IESO Urgent Letter dated September 30, 2025, confirming the need for MTS#2 as part of the solutions in the Cambridge area. GrandBridge Energy moved forward with the construction of MTS#2 once it received direction from the IESO. Transformers, which have the longest lead time, have already been ordered, with a planned MTS#2 in-service date of Q2 2028. No earlier date was possible, given the present equipment lead times.

OEB Staff-11

References:

(i) EB-2025-0265 Application & Evidence, Page 22

Preamble:

Page 22 states the following:

Measurement and Verification (M&V): The NWS Program uses a robust M&V process to ensure market integrity, calculating baseline consumption from the 15 highest consumption values over the last 20 business days (up to 35 days prior), adjusted by a variation factor (0.8 to 1.2). This data-driven approach verifies participant performance, supporting forecasts of reliable capacity delivery.

Question:

(a) Please provide GBE's opinion on filing the M&V reports at GBE's next Cost of Service application.

Response:

GBE is of the view that filing a high-level summary of M&V results at its next Cost of Service application would be appropriate and consistent with OEB expectations for transparency and prudence review. Such a summary could include aggregate program performance outcomes, delivered capacity relative to contracted capacity, and any material variances observed over the program term.

GBE does not consider it necessary or proportionate to file participant-level or event-level M&V reports as part of a Cost of Service application, as these reports are operational in nature and may contain commercially sensitive information. Detailed M&V documentation would be retained by GBE and made available to the OEB upon request.

OEB Staff-12

References:

(i) EB-2025-0265 Application & Evidence, Page 32

(ii) OEB Letter, Innovation-related Proposals in Rate Applications, March 20, 2025

Preamble:

Page 32 states:

In bringing forward the NWS variance accounts for disposition, GBE will provide substantiating evidence to support the disposition of these amounts, including but not limited to program results, actual costs incurred, actual benefits realized, actual revenues collected, and any lessons learned which may benefit other regulated entities in the Province contemplating or engaging in non-wire solution programs.

Question:

(a) When clearing the NWS variance accounts, GBE indicates that it will provide lessons learned which may benefit other regulated entities in the Province contemplating or engaging in non-wire solution programs. Please provide examples of potential methods by which GBE could effectively share lessons learned.

Responses:

(a) GrandBridge Energy intends to share insights from its NWS Program which may benefit other regulated entities in the Province contemplating or engaging in non-wire solution programs. Potential methods for sharing these insights may include, but are not limited to:

a. Filing an M&V report in GBE's next rebasing application as described in response to OEB Staff-11.

b. Participation in Industry Events and Associations

   i. GBE can share lessons at industry conferences such as the Electricity Distributors Association (EDA), the Utilities Standards Forum (USF), and the GridSmartCity consortium.

c. Regulatory Framework Discussion

   i. GBE will participate in consultation processes related to OEB and IESO NWS and Grid Modernization topics.

d. Publications of Case Studies and White Papers

i. GBE may develop summarized case studies or technical papers, hosted on its website or shared via industry associations, to detail specific outcomes of the NWS program.

e. OEB Update

i. GBE will provide an evaluation of the NWS Program in its 2029 IRM filing at the time of requesting disposition of the NWS-PCVA balances. Please refer to OEB Staff-19.

f. LDC Knowledge Sharing Workshops

i. GBE is open to hosting or participating in targeted sessions with peer LDCs and other stakeholders to share and discuss lessons learned in a collaborative environment for the benefit of the industry.

g. Transmission-Distribution Coordination

i. As described in response to ED-6 (b), GBE is open to working with the IESO to explore coordination opportunities where appropriate.

OEB Staff-13

References:

(i) EB-2025-0265 Application & Evidence, Pages 23-24, 27, 31-32

Preamble:

GBE is requesting approval for an incentive associated with its administration of the proposed NWS Program, in accordance with the OEB's NWS Incentive Guidelines and the final Distribution System Code (DSC) section 11 provisions related to the Margin-on-Payment (MoP) incentive. GBE is proposing an incentive rate of 25% of eligible program participant payments costs. The proposal states the incentive is equal to 16% of the net benefits of the NWS Program, as determined using the Distribution System Test in the BCA Framework. GBE also states that $705,000 in SREP funding will be used to cover a portion of the total program participant payment costs. The application also states that a true-up process for the NWS-PCVA will ensure that any over- or

under-recoveries in revenues, expenditures and any approved MoP are addressed appropriately, with adjustments proposed to rate riders or other mechanisms as needed to maintain cost neutrality for customers.

Questions:

(a) If the MoP incentive is not approved, will GBE's NWS program be affected? If yes, please elaborate on how the NWS program would be affected.
(b) Please confirm whether program participant payment costs only include payments made to capacity market participants. What proportion of costs (if any) are allocated to GBE's internal program costs?
(c) What proportion of benefits and costs (if any) for the NWS Program used to determine eligibility for an MoP incentive are allocated to qualitative DST impact categories?
(d) If the SREP funding request is not approved, please describe how it will impact the MoP and Table 10.
(e) Please confirm that the true-up for the NWS-PCVA will include adjustments for:
(i) Program participant payment costs; and,
(ii) The MoP incentive, based on adjustments to program participant payment costs.

Responses:

(a) GBE cannot speculate on the impact of isolated elements of a comprehensive OEB Decision on its NWS Program. GBE will assess the OEB's Decision received in this proceeding in its entirety prior to determining its approach to implementing the NWS program.

(b) Confirmed; Participant Payments shown in Table 9 of GBE's Application include only payments made to NWS program participants (i.e. capacity market participants). "Internal program costs" are included in Allocated Staffing Costs within the same reference.

(c) No program costs are allocated to qualitative DST impact categories (i.e. Distribution System Ancillary Services and Risks: Distribution System).

(d) Please see GBE's response to OEB Staff-7.

(e) Confirmed.

OEB Staff-14

References:

(i) EB-2025-0265 Application & Evidence
(ii) EB-2025-0024, GrandBridge Energy Inc., Decision and Rate Order, December 12, 2024 (Decision and Rate Order), Pages 14-16

Preamble:

The Decision and Rate Order states the following:

The balance in the LRAMVA is now zero, and no further entries to the LRAMVA are permitted at this time. The LRAMVA may be continued if GrandBridge Energy requests the use of the LRAMVA for an eligible new activity in a future application, which the OEB will consider on a case-by-case basis.

Question:

Will GBE be applying for a Lost Revenue Adjustment Mechanism Variance Account if the NWS program is approved?

Response:

GrandBridge Energy will not be applying for a Lost Revenue Adjustment Mechanism Variance account if the OEB approves this NWS Program.

OEB Staff-15

References:

EB-2025-0265 Application & Evidence, Page 31

Preamble:

Page 31 states the following:

GBE proposes recovery of costs that are as much as 30% in excess of the OEB approved NWS Program Costs in the NWS-PCVA (30% Provision). The 30% Provision is aligned with the OEB's Advanced Capital Module (ACM) policy which balances program execution and customer protection from excessive NWS Program Costs. Specifically, the 30% Provision allows for a modest amount of payments to program participants that are greater than the amount included in the OEB approved NWS Program Costs, while protecting customers by limiting the program payments.

Questions:

(a) If the 30% provision is approved, please explain if GBE will document the reasons for activating it. If so, please indicate where it will be documented.
(b) Is GBE proposing requirements related to program performance that must be met in order for any overspending to be eligible for recovery?
(c) Please explain if there are constraints to the NWS program if a 30% provision is not approved.

Responses:

(a) Confirmed; GBE will evidence its rationale for activating the 30% provision in its future application to the OEB to dispose of balances in the NWS-PCVA as part of the prudence review of amounts sought for disposition.

(b) GBE is not proposing requirements for the activation of the 30% provision at this time. Disposition of balances in the NWS-PCVA will be subject to an OEB prudence review, which ensures GBE will exercise prudence in proceeding with any overspending on the NWS Program, and provide evidence of such prudence to the OEB.

(c) Yes. To the degree GBE's NWS Program exhibits the potential for additional savings to customers through additional spending, GBE will be unable to pursue such additional savings absent the proposed provision for incremental spending via the NWS-PCVA.

OEB Staff-16

References:

(i) EB-2025-0265 Application & Evidence, page 31

Preamble:

GBE proposes to establish two NWS variance accounts with symmetrical treatment of variances and is seeking approval for a fixed forecast amount to be recovered through NWS rate riders from May 1 2026 to December 31, 2028.

Questions:

(a) Please explain the rationale for proposing a symmetrical NWS variance account rather than an asymmetrical variance account.

Responses:

(a) The proposed NWS-PCVA will capture both revenues associated with OEB-approved NWS rate riders, and costs associated with GBE's NWS Program. Either of these sets of entries could vary upwards or downwards relative to forecast, and GBE believes it is appropriate to keep both customers and the utility whole for net cost and revenue variances. With respect to cost, to the degree the NWS Program can be delivered for less than forecast, customers will be credited the underspending. Conversely, as discussed in OEB Staff-15, circumstances may arise where reasonable spending beyond OEB-approved funding levels is prudent and justifiable in pursuit of customer benefits. Similarly with respect to revenues, to the degree rate rider recoveries exceed forecast, customers will be credited the incremental revenues. Conversely, should recoveries fall short of forecast, GBE has not recovered the cost to operate the NWS Program.

OEB Staff-17

Reference:

(i) EB-2025-0265 Application & Evidence, page 23

Preamble:

GBE provided a breakdown of these costs in table 9 of the application which is being reproduced below:

Table 9: GBE NWS Program Budget

Cost ($000's)	2026	2027	2028	Total
Software Licensing & Maintenance	$50	$50	$50	$150
Professional Consulting	$230	$0	$0	$230
Allocated Staffing Costs	$109	$77	$77	$263
Participant Payments	$326	$592	$1,064	$1,982
Margin on Payment	$81	$148	$266	$495
Total Operating Costs	**$796**	**$867**	**$1,457**	**$3,120**
IT Software Implementation	$475	$0	$0	$475
Capitalized Professional Services	$111	$0	$0	$111
Total Capital Costs	**$586**	**$0**	**$0**	**$586**
Total NWS Program Cost	**$1,383**	**$867**	**$1,457**	**$3,707**
SREP Contribution	**$501**	**$314**	**$528**	**$1,343**
Total NWS Program Cost	**$882**	**$553**	**$929**	**$2,363**

Questions:

a) Please describe the process of developing the NWS budgeted costs shown in Table 9. Please also provide key scenarios and assumptions considered in forecasting NWS costs, including circumstances under which actual costs could be higher or lower than the forecasted amount. Please explain how these considerations informed GBE proposal for a symmetrical variance account.

b) Please provide the details (nature of the costs, vendors and percentage of the capitalized professional services) on the two capital costs in table 9:
IT Software Implementation of $475k and Capitalized Professional Services of $111k.

c) Please confirm how the capital-related revenue requirement of $342k on Table 1 is calculated for the capital cost of $586k in Table 9.

Responses:

(a) Attachment B to the Application provides a detailed description of all the costs that make up the NWS Program budget. The following summarizes: (i) the process used to develop these costs; (ii) the key scenarios and assumptions underlying the forecast; and (iii) how these considerations informed GBE's proposal for a symmetrical variance account. In addition, please see GBE's response to OEB Staff16 for GBE's rationale for proposing a symmetrical NWS variance account.

1. Software Licensing & Maintenance and Capitalized Platform Costs

   The software licensing and maintenance costs ($150,000) and the capitalized professional services costs related to the NWS platform ($475,000) are based on the executed contract between GBE and GridS2. These amounts reflect fixed pricing through the end of the NWS Program term (2028). Because these costs are contractually established and not subject to variability over the program term, they are not forecast-based and are not expected to require a true-up to actuals.

2. Professional Consulting Services (Utilis and BLG)

   These costs relate to regulatory and legal support required to develop and advance GBE's first non-wires solution (NWS) application before the OEB. Budgets were developed by each vendor based on their multiple experiences with OEB proceedings. The estimates were based on a written hearing proceeding, which is the current approach for the OEB's review of this application.

   Given the uncertainty associated with the duration and steps in an OEB regulatory proceeding, —particularly for a first-of-its-kind application for GBE, GBE has proposed the NWS Program Cost Variance Account (NWS-PCVA) be trued up symmetrically to actuals based on the conclusion of the program.

3. Allocated Staff (Grid Innovation Specialist)

   As described in Attachment 3 to the Application, this cost reflects the portion of salary and benefits for the Grid Innovation Specialist allocated to the NWS Program. The budget assumes that the Specialist will dedicate 50% of their time to the NWS Program. The Specialist was hired in November 2025, and the 50% allocation remains the planning assumption for the program term.

   Actual costs may vary depending on:

- The level of program activity;
- The complexity of implementation; and
- The degree of regulatory and stakeholder engagement required.
- These costs will be recorded in the NWS-PCVA and trued up symmetrically to actuals to reflect the actual level of effort required.

4. Participant Payments

The derivation of participant payments is provided in response to CCMBC-15. The budget reflects the NWS Program design to procure a minimum annual capacity, as described in response to OEB Staff-9, to address identified system reliability needs.

The budget assumes a maximum capacity payment of $500/MW-day, which was consistent with all benchmarking done prior to application filing. However, the December 4, 2025, IESO capacity auction cleared at $645.24/MW-day for the Summer Obligation Period and $725.31/MW-day for the Winter Obligation Period.[3]

As a consequence, there is a risk the maximum may be too low to entice participation. Should GBE increase this maximum to ensure program benefits, it would do so only to a level that ensures there remains a BCA of greater than 1.0. This is a key reason for the symmetrical variance account.

The Program targets up to 20 MW by 2028, which GBE considers appropriate to address forecast reliability risks over the program term. Any increase beyond this level would require reassessment of system needs, program performance, cost-effectiveness, and further regulatory consideration, including OEB approval where applicable.

The participant payment budget key assumptions include all successful bids clearing at the maximum reference price, full procurement of targeted capacity, and multiple additional capacity incentive and emergency activations during the program period. Actual costs may be lower if bids clear below the reference price, if participation is more cost-competitive, or if procured volumes are below the upper-bound target. Actual costs could be higher if additional capacity is required to address emerging system needs and is approved by the OEB.

[3] https://reports-public.ieso.ca/public/CA-PostAuction/PUB_CA-PostAuction_2026_v1.xml

Given that participant payments are inherently dependent on market response and procurement outcomes, GBE has proposed symmetrical treatment through the NWS-PCVA.

5. Margin on Payments (MoP)

   The Margin on Payments (MoP) was calculated in accordance with the OEB's Distribution System Code and is directly linked to the level of participant payments. Because MoP is a function of actual participant payments, if participant payments increase, MoP increases. If participant payments decrease, MoP decreases accordingly.

   Given this direct variability, GBE has proposed that MoP be recorded in the NWS-PCVA and trued up symmetrically to actuals.

6. Capitalized Professional Services (Program Rules and Agreements)

   These costs ($111,448) are for BLG legal services related to developing the NWS Program Rules and Agreements. The budget is based on actual costs incurred from July to October 2025. While based on actuals to date, additional legal costs may arise if program rules or agreements require modification following implementation or in response to regulatory direction.

   Accordingly, GBE has proposed symmetrical variance treatment for these costs through the NWS-PCVA.

7. Rationale for the Symmetrical Variance Account

   The proposed NWS-PCVA reflects the fact that several material costs are inherently uncertain and dependent on:

   - Regulatory process outcomes;
   - Market participation and bid pricing;
   - Program uptake and operational experience; and
   - The evolution of system needs.

   A symmetrical variance account ensures that customers benefit from cost efficiencies if actual costs are lower than forecast; and GBE is able to recover prudently incurred costs if actual costs exceed forecast due to factors beyond its control. This approach aligns risk appropriately between GBE and ratepayers and supports the prudent implementation of GBE's first NWS Program.

(b) See response (a) above and Attachment 3, GBE NWS Program Budget Details, in the Application.

(c) Please refer to response OEB Staff-1.

OEB Staff-18

Reference:

(i) EB-2025-0265 Application & Evidence, page 31
(ii) EB-2018-0028 Energy+ Inc. 2019 Cost of Service
(iii) EB-2021-0009 Brantford Power Inc. 2022 Cost of Service

Preamble:

GBE states that its materiality threshold is $279,000 in this application, "This amount is equal to 0.5% of the combined distribution revenue requirements of GBE's predecessor utilities, as approved in EB-2018-0028 (Energy+ Inc. 2019 Cost of Service) and EB-2021-0009 (Brantford Power Inc. 2022 Cost of Service)".

OEB Staff notes that the materiality amounts are $115,000 and $175,000 respectively in the above referenced Cost of Service proceedings. The combined total of $290,000 (i.e., $115,000 + $175,000) does not match with the materiality threshold filed.

Question:

a) Please confirm the correct materiality threshold should be $290,000 and update the application accordingly if confirmed.

Response:

It is GBE's understanding that the source of the $115,000 and $175,000 amounts is from the January 24, 2022, Technical Conference (pages 39-40) in EB-2021-0280 (Brantford Power Inc. and Energy+ Inc., application to amalgamate as a single electricity distribution company). Below is a snapshot of this reference.

Based on the Revenue Requirement Work Forms filed in both Cost of Service (COS) proceedings during the review of the OEB's Draft Rate Order and section 2.0.8, Materiality Threshold, of the OEB's Filing Requirements for Electricity Distribution Cost of Service Rate Applications, using the distribution base revenue requirement to calculate the materiality threshold, GBE submits that the materiality threshold in this Application is $279,029, as per the table below. The revenue requirement files are attached.

	Brantford 2022 COS	Energy+ 2019 COS	Total
COS Approved Distribution Revenue Requirement	$ 21,478,021	$ 34,327,788	$ 55,805,809
Materiality	$ 107,390	$ 171,639	$ 279,029

program is phasing out in that back five years.

MR. RUBENSTEIN: What's the materiality threshold for each of Energy+ and BPI? Do you know that?

MR. D'AMBOISE: Oana, do you have that handy?

MS. HUGHES: I believe it is 175 for Energy+, or it was at our last rebasing. 175,000, sorry, I should clarify.

MS. STEFAN: For Brantford, in our application we used

roughly 115,000.

MR. RUBENSTEIN: And for Amalco, what would be the expected materiality threshold? Would it just be the combination of those two? You can take this by way of

OEB Staff-19

Reference:

(i) EB-2025-0265 Application & Evidence, page 32

Preamble:

In the true-up process, GBE requests the ability to bring forward NWS variance account balances for disposition prior to its next rebasing, at its discretion, through an IRM application.

Questions:

a) Please Identify the criteria and timing GBE would apply in determining whether and when to seek disposition of NWS variance account balances prior to rebasing (e.g., cadence and materiality consideration, program milestone).

Responses:

(a) As the NWS Program ends on December 31, 2028, GBE plans to seek approval to dispose of the full balances in the NWS variance accounts in its 2029 IRM application, setting rates effective January 1, 2030, if the NWS-PCVA balance exceeds GBE's materiality threshold.

While this timing precedes GBE's next rebasing application, expected in 2032, at which time Group 2 variance accounts are typically disposed of, GrandBridge's proposal to dispose of its NWS variance accounts earlier is because 1) it is expected that the recorded balances in the NWS variance account will be material and 2) it is expected that the NWS Program will be closed or completed. In addition, an earlier disposition does provide the OEB to gain insight on the learnings from the program.

As described in Attachment 5, *NWS Program Cost Variance Accounting Draft Order* in the Application, GBE is seeking recovery of actual NWS Program costs, as identified in the updated Table 9 included in Interrogatory response Staff-7, up to a maximum of 30 percent above the OEB-approved Program costs.

GBE proposes that the disposition of this Group 2 account not be subject to a materiality threshold. However, if the NWS-PCVA balance does not exceed GBE's materiality threshold, GrandBridge proposes to dispose of this balance at its next rebasing cost of service application.

OEB Staff-20

Reference:

(i) EB-2025-0265 Application & Evidence, pages 31-32
(ii) EB-2025-0265 Application & Evidence, page 45, Attachment 5 - Draft Accounting Order

Preamble:

In the true up process, GBE refers to "the three NWS variance account balances" that it seeks the ability to bring forward for disposition. OEB Staff notes that the Application elsewhere describes the establishment of the NWS Program Costs Variance Account and related carrying charges, but it is unclear how these correspond to the reference to three variance account balances.

Question:

a) Please reconcile the above statement with the two new NWS variance accounts in the draft accounting order. Please update the relevant evidence as applicable.

Response:

(a) GBE clarifies that it is requesting approval of two new NWS variance accounts. Hence, GBE is updating its evidence in the Application, page 32, line 10, to change the word "three" to "two." The two accounts are:

- Account 1508 -Other Regulatory Assets, Sub-Account NWS Program Cost Variance
- Account 1508 -Other Regulatory Assets, Sub-Account NWS Program Cost Variance Carrying Charges

OEB Staff-21

References:

(i) EB-2025-0265 Application & Evidence, pages 30 and 31
(ii) EB-2025-0265 Application & Evidence, page 45, Attachment 5 - Draft Accounting Order

Preamble:

The Application notes that NWS Program costs will be recorded net of third-party funding; however, this requirement does not appear in the opening definition of the NWS-PCVA in the Draft Accounting Order.

The Application refers to OM&A, while the Draft Accounting Order uses O&M. The terms are not interchangeable; OM&A includes Administration, which is a material cost category.

Draft accounting order states that: O&M costs eligible for inclusion in the NWS-PCVA include, but are not limited to, software licensing and maintenance, participant payments (professional services, and administrative expenses ("NWS Program Costs"). Any amounts recorded will be net of any third-party funding or recoveries (e.g. federal grants). Capital costs eligible for inclusion include IT software implementation, capitalized professional services and other capitalized expenditures directly attributable to NWS Program implementation.

The sample accounting entry A in the Draft Accounting Order refers to recording the annual difference between actual non wires operational costs and the amounts recovered through the NWS rate rider. The definition of the NWSPCVA, however, includes both operational and capital related revenue requirement amounts.

Questions:

a) Please confirm that all amounts recorded in the NWS-PCVA will be net of third-party funding or recoveries, including SREP contributions.
b) Please update the opening definition of the NWS-PCVA in the Draft Accounting Order to explicitly include the requirement that all amounts be recorded net of third party funding as the third bullet point, and refile the updated Draft Accounting Order.
c) Please confirm whether the NWS-PCVA is intended to capture OM&A (Operations, Maintenance & Administration). If so, please update the Draft Accounting Order to consistently use OM&A. If "O&M" was intentional, please identify which administrative costs are excluded and explain why.
d) Please confirm that the OM&A costs and capital costs recorded in the variance account will correspond to the cost categories in Table 9 of the evidence. If so, please revise the accounting order to reflect that.
e) Please expand sample accounting entry A to include the actual capital related revenue requirement amounts, in addition to operational costs, so the entry aligns with the stated scope of the NWS-PCVA.
f) Please explain which USoAs will GBE record the participants payments and margin on payments?

Responses:

(a) Confirmed.

(b) The Draft Accounting Order has been updated to include this statement. Please see the attached updated Draft Accounting Order in file "GBE_IRR_OEB Staff 21.b Draft Accounting Order_20260217.docx".

(c) The NWS-PCVA is intended to capture OM&A. Please see the attached updated Draft Accounting Order in file "GBE_IRR_OEB Staff 21.b Draft Accounting Order_20260217.docx".

(d) Confirmed. Please see the updated Table 9 in Interrogatory response OEB Staff-7, and attached updated Draft Accounting Order in file "GBE_IRR_OEB Staff 21.b Draft Accounting Order_20260217.docx".

(e) Point B in the Draft Accounting Order includes the capital related revenue requirement adjustment. Please see the attached updated Draft Accounting Order in file "GBE_IRR_OEB Staff 21.b Draft Accounting Order_20260217.docx".

(f) Margin on payments will be recorded to: 4235, Miscellaneous Service Revenues and Participant Payments will be recorded to: 5085 Miscellaneous Distributions Expense.

OEB Staff-22

References:

(i) EB-2025-0265 Application & Evidence, Attachment 5 - Draft Accounting Order
(ii) EB-2023-0195 Toronto Hydro-Electric System Limited (Toronto Hydro) Customer IR, Settlement Proposal, Schedule 10, pages 5-6

Preamble:

The NWS Program is presented as a non-wires alternative intended to address system capacity needs that would otherwise be met through traditional capital investments. Where NWS solutions defer or avoid such capital work, there may be associated reductions in revenue requirement costs (e.g., return, depreciation, and PILs) that would otherwise have been recovered from customers. As a precedent, Toronto Hydro has been approved for an accounting approach that not only tracks variances in NWS operational expenditures but also records an offsetting entry to capture the revenue requirement impacts of avoided or deferred capital expenditures that were incorporated into its capital plan.

Questions:

a) Please confirm whether GBE proposes to record an offsetting entry for the revenue requirement impact of any avoided or deferred capital investments attributable to the NWS Program.

b) If not, please explain why such an offset is not needed in GBE's case, given that the NWS Program is presented as an alternative to traditional capacity expansion investments.

c) Please describe how GBE will demonstrate and quantify that customers benefit from any avoided or deferred capital investments.

d) If GBE intends to record an avoided/deferred capital offset, please provide a sample journal entry illustrating how the offset would be recorded, including the accounts to be debited and credited. Please also update the draft accounting order.

Responses:

(a) Not confirmed. Toronto Hydro is operating under a Custom IR framework where rates reflect yearly capital expenditures, whereas GBE is operating under IRM where rates reflect only test year expenditures. This is reflected in the actual wording of the

variance account (EB-2023-0195, Final Rate Order, December 12, 2024, 22):

> Toronto Hydro shall establish a symmetrical variance account (Account 1508 – Non-Wires Solutions Operational Expenditures Variance Account) to record the variances between the amount recovered in rates over the 2025-2029 rate period associated with the non-wires solutions initiative as part of the Asset and Program Management Program (Exhibit 4, Tab 2, Schedule 9) and actual operational expenditures associated with non-wires solutions over the 2025-2029 rate period. The account will also record an offsetting entry for revenue requirement impacts of avoided or deferred capital expenditures that were explicitly included in the 2025-2029 capital expenditure plan.

GrandBridge Energy does not have a YR-YR3 list of capital projects that are included in a revenue requirement – so there is no way to determine an offsetting entry. Finally, Toronto Hydro's non-wires demand response program was specifically designed to avoid $10 million of capital expenditures. GBE does not anticipate any offsetting entries resulting from avoided or deferred capital investments attributable to the NWS Program. As noted on pages 8 and 9 of GBE's Application, the required solution to GBE's pending capacity constraints is a new TS, as confirmed by the IESO on September 30, 2025. GBE, Hydro One and the IESO are working towards the completion of this new TS at the earliest possible date. As such, GBE is not seeking to defer or avoid this traditional infrastructure investment. It should be noted that there are no benefits associated with avoided traditional infrastructure included in the BCA.

(b) See response above to subsection a) above. Further, GBE's NWS Program is not presented as an alternative to a traditional capital investment. As stated on page 9 of GBE's Application, "While the NWS Program cannot replace traditional infrastructure solutions in the long-term, it will meet imminent system and customer needs in a manner that provides substantial financial benefits resulting from GBE prudently managing its system reliability during high peak loading."

(c) Please see (b) above.

(d) Please see (a) and (b) above.

OEB Staff-23

References:

(i) EB-2025-0265 Application & Evidence, page 45, Attachment 5 – Draft Accounting Order

Questions:

a) If any responses to OEB Staff or other interrogatories result in changes, clarifications, or updates to the NWS Program description in the main narrative (including the scope of eligible costs, terminology, or the application of the 30% Provision), please confirm that GBE will file a revised Draft Accounting Order to ensure it fully aligns with the final narrative.

Response:

(a) GBE has proposed changes to the Draft Accounting Order in response to OEB Staff-21. GBE will revise its Draft Accounting Order to ensure it fully aligns with the final narrative of this Application.

OEB Staff-24

Preamble:

Page 8 states the following:

The NWS is required to address urgent local capacity needs between 2026 and 2028, until a new transformer station (TS), MTS#2, is placed in service, forecast for the Spring of 2028. GBE will reassess the need for the NWS beyond 2028, drawing on experience from the NWS Program's first years.

Questions:

a) Beyond addressing urgent local capacity needs, has GBE considered any additional and/or enduring grid and consumer benefits associated with the NWS Program?
b) Please describe how GBE will reassess the need for the NWS program beyond 2028.

Responses:

(a) Yes. In addition to addressing urgent local capacity constraints, the NWS Program provides enduring grid and consumer benefits, including improved system reliability and resilience by avoiding both planned and unplanned outages, and reduced transmission peak system demand charges. These were quantifiable benefits that were included in the DST calculations. Also, additional benefits were not quantified in the DST calculations, as described on pages 26-27 of GBE's Application

(b) GBE will reassess the need for the NWS Program beyond 2028 through its ongoing distribution system planning processes and in coordination with the IESO's Integrated Regional Resource Planning. This reassessment will consider actual load growth, system performance, the in-service timing and performance of MTS#2 and related infrastructure, and the demonstrated performance and cost-effectiveness of the NWS Program relative to traditional solutions. Any continuation or modification of the NWS Program beyond 2028 would be subject to demonstrated system need and, where applicable, OEB review and approval.

It should be noted that the technology platform and program design developed for the NWS Program are scalable and could support future deployment beyond 2028.

OEB Staff-25

Preamble:

Page 41 states the following:

GridS2 is an experienced full-stack developer, proficiency in developing web-based applications. Stack expertise includes MongoDB, Next.JS, React, Node.JS and cloud platforms such as Azure and AWS. GridS2 was involved in developing Toronto Hydro's Local Demand Response Program.

Questions:

a) Please describe how GBE has leveraged the lessons learned of past NWS programs in Ontario, including Toronto Hydro's Local Demand Response Program, in designing its proposed NWS program.

Responses:

GBE designed its proposed NWS Program by leveraging lessons learned from prior non-wires solutions programs in Ontario, including Toronto Hydro's Local Demand Response Program, Alectra's Non-Wires Alternative Demonstration project, and Essex Powerlines' PowerShare DSO pilot, as well as relevant experience from IESO-administered bulk system demand response programs.

Methodology

In developing its program, GBE:

- Reviewed publicly available documentation and program materials, including program rules, procurement frameworks, and performance requirements to inform program structure and operational design;
- Engaged in direct discussions with LDCs and consulted with aggregators that previously participated in similar programs to better understand practical implementation considerations, participant behaviour, and market expectations;
- Benchmarked pricing parameters, including capacity price caps, against those used in other programs and historical pricing outcomes from IESO bulk system demand response programs, to ensure pricing that is competitive, cost-effective, and aligned with market conditions;
- Engaged proven technology vendors that have previously supported other program, to reduce implementation risk and leverage proven software, forecasting, and measurement and verification tools;

- Consulted regulatory counsel with direct experience supporting Ontario non-wires and DSO pilot programs to incorporate lessons learned related to program design, regulatory alignment, and risk management; and
- Applied lessons learned regarding customer outreach from other LDCs.

Learnings Leveraged:

1. **Clear Procurement Framework and Performance Requirements**
   Experience from Toronto Hydro and Alectra demonstrated the importance of clearly defined procurement rules, eligibility criteria, dispatch protocols, and performance obligations to reduce uncertainty for aggregators and customers. Accordingly, GBE structured its proposed NWS Program with transparent participation requirements, defined dispatch parameters, and clear performance expectations to promote market confidence and reliable capacity delivery.

2. **Pricing Structure Aligned with Market Realities**
   Past programs highlighted that pricing must balance cost-effectiveness with sufficient incentives to attract qualified aggregators. Drawing on capacity price caps and historical pricing outcomes from Toronto Hydro and IESO programs, GBE benchmarked its pricing parameters to reflect prevailing Ontario market conditions while maintaining prudent cost controls for ratepayers.

3. **Measurement and Verification (M&V) Rigor**
   Lessons from earlier NWS and demand response initiatives underscored the need for robust forecasting, settlement, and M&V processes to ensure performance accountability and system reliability. To address this, GBE incorporated established M&V methodologies and performance tracking tools, leveraging the same technology vendor (GridS2) that supported Toronto Hydro's program to reduce implementation risk and apply proven analytics and settlement systems.

4. **Early and Sustained Market Engagement**
   Toronto Hydro's experience demonstrated that proactive engagement with aggregators and customers is critical to achieving adequate participation and reliable performance. GBE engaged in direct discussions with Toronto Hydro and past participating aggregators to better understand market expectations and participant behaviour, and has incorporated early outreach and engagement strategies into its proposed program design.

5. **Regulatory Alignment and Risk Management**
   Experience from the Alectra and Essex Powerlines pilots highlighted the importance of regulatory clarity and risk allocation in NWS program implementation. GBE consulted regulatory counsel with direct experience in Ontario NWS and DSO pilots to ensure that its proposed program reflects appropriate governance structures, risk mitigation mechanisms, and alignment with OEB expectations.

While the proposed NWS Program draws heavily on established Ontario experience, GBE tailored the design to reflect the specific system constraints, capacity needs, and operational requirements of Preston TS, Galt TS, and MTS#1. This approach allows GBE to apply proven practices while addressing local system needs in a prudent and cost-effective manner.

OEB Staff-26

References:

(i) EB-2025-0265 Application & Evidence, page 34 (Appendix B - Eligibility Criteria), Attachment 6 - Non-Wires Alternative Program Rulebook

Preamble:

Appendix B of the Non-Wires Alternative Program Rulebook indicate that the program is not open to individual residential customers (page 34, 1b) and that permitted resources eligible for the capacity auction are limited to DR and BTM DER resources of at least 100 kW.

Questions:

a) Please explain why individual residential customers are excluded from eligibility as capacity auction participants, including via an aggregator.
b) Please explain why the capacity requirement for eligible participation in the capacity auction is set to at least 100 kW.
c) Please confirm if front-of-the-meter DERs are permitted resources within the NWS Program. If not, please explain why.

Responses:

(a) The NWS Program is designed to deliver reliable, verifiable capacity at scale to address urgent local distribution constraints. Individual residential participation would require measurement and verification across a large number of metered points, significantly increasing settlement complexity and administrative burden.

GBE does not currently have the operational resources to manage settlement and M&V for a large number of individual residential meters within the NWS Program framework. Expanding resourcing to support such participation would materially increase program costs, which would in turn increase rate rider impacts for customers. Limiting eligibility to larger, aggregated resources allows GBE to deliver capacity more efficiently while maintaining cost-effectiveness for ratepayers.

(b) The minimum capacity requirement of 100 kW reflects the fact that commercial and industrial customers are the primary contributors to peak demand on GBE's distribution system. Targeting these customers allows the NWS Program to achieve meaningful peak demand reductions with fewer resources, delivering greater operational benefit during constrained periods.

The threshold also improves program efficiency by reducing transaction, settlement, and M&V complexity while still allowing aggregators to combine smaller resources to meet the minimum requirement.

(c) Front-of-the-meter DERs are not permitted resources within the NWS Program. In Ontario, the IESO is responsible for the procurement and dispatch of front-of-the-meter resources through bulk system and market-based mechanisms. Accordingly, front-of-the-meter DERs are more appropriately addressed through IESO-administered programs.

The NWS Program is specifically designed to leverage behind-the-meter DERs and demand response to reduce net peak demand at constrained portions of GBE's distribution system. These resources function at a distribution-level grid service by directly relieving localized capacity constraints. Limiting eligible resources to behind-the-meter assets ensures appropriate jurisdictional alignment, maintains a clear distinction between distribution and bulk system roles, and avoids duplication or overlap with IESO-administered market mechanisms.

OEB Staff-27

References:

(i) EB-2025-0265 Application & Evidence, page 20

Preamble:

Table 8 states the known connected distributed generation (DG) assets in GBE's service area as of May 9, 2025.

Table 8: Known Connected Distributed Generation Assets[26]

	Total Connected DG Capacity (kW)	% that are Dispatchable	Dispatchable Connected DG Capacity (kW)
MTS#1	12,597	38%	4,787
Preston	16,045	74%	11,873
Galt	5,505	34%	1,872
TOTAL	**34,147**	**54%**	**18,532**

Questions:

a) Please specify if Table 8 stipulates the known connected DG capacity from only permitted resources and eligible capacity auction participants.
b) Please expand Table 8 to show the total connected DG capacity (kW), count of resources and % that are dispatchable for commercial, industrial and residential customers connected to each station.
c) Please confirm how much capacity from future DER connections GBE forecasted to meet its 2028 program capacity target.
d) Please confirm if Table 8 includes the known connected DG capacity from front-of-the-meter DERs. Please specify the dispatchable connected DG capacity from front-of-the-meter DERs at each station.
e) Please specify the total demand response capacity that GBE forecasts is available at each station.

Responses:

(a) No. Table 8 reflects the known connected distributed generation ("DG") capacity connected to Preston TS, Galt TS, and MTS#1 as of May 9, 2025, regardless of whether such resources are permitted resources or eligible capacity auction participants under the NWS Program.

Table 8 is provided to illustrate the overall magnitude and composition of existing behind-the-meter DG connected at each station and to support the assessment of local DER availability. Eligibility to participate in the NWS capacity auction is determined by program rules, including minimum capacity and performance requirements, and not all connected DG resources reflected in Table 8 would necessarily be eligible or available to participate.

(b) The design of the NWS Program does not rely on a station-level breakdown of connected DG by customer class (commercial, industrial, residential), resource count, and dispatchability. Accordingly, this level of granularity was not developed or relied upon in preparing the Application.

The NWS Program is not predicated on enrolling specific existing DG assets, but rather on the availability of aggregate dispatchable DER and demand response capability, including through aggregation. Table 8 was provided at a high level to demonstrate the presence of material behind-the-meter DG capacity in the affected areas, rather than to serve as an eligibility inventory.

Due to the small number of DG resources connected to any given station, GrandBridge is unable to provide the total connected DG capacity (kW), count of resources and % that are dispatchable for commercial, industrial and residential customers connected to each station without revealing sensitive confidential information of individual customers. As a consequence, GrandBridge has provided aggregated information against all stations in an effort to preserve confidentiality while providing additional probative information to the parties and the commissioners.

Distributed Generation (DG) Type by Percentage of Overall DG Connected to Preston TS, MTS #1, and Galt TS	
DG Type	Total
BESS	14.3%
Thermal (Diesel, Natural Gas)	35.5%
Biogas	2.9%
Solar	45.8%
Unspecified	1.5%

Dispatchable DG Capacity Connected to Preston TS, MTS #1, and Galt TS	
DG Type	Total
BESS	27.1%
Thermal (Diesel, Natural Gas)	67.5%
Biogas	5.5%

Count of Dispatchable DG Resources Connected to Preston TS, MTS #1, and Galt TS	
DG Type	Total
BESS	6
Thermal (Diesel, Natural Gas)	6
Biogas	2
Total Count	14

Please note that percentage numbers may not add up to 100% due to rounding.

(c) GBE did not rely on a forecast of future DER connections to meet its 2028 NWS Program capacity target. The proposed capacity targets are based on existing system conditions, known connected DER, demand response potential, and market-based procurement through competitive auctions.

Any future DER connections may increase the pool of potential participants over time; however, such connections were not explicitly forecasted or relied upon to achieve the proposed program capacity targets.

(d) Table 8 does not include front-of-the-meter DERs. It reflects only behind-the-meter distributed generation connected to GBE's distribution system.

GBE has not included front-of-the-meter DER capacity in Table 8, as such resources are addressed through IESO-administered bulk system markets and are not relied upon to meet localized distribution capacity needs under the NWS Program.

(e) GBE does not rely on a fixed, station-specific forecast of demand response capacity. Instead, the NWS Program is designed to procure demand response capacity through a competitive capacity auction, allowing the market to determine the quantity of cost-effective capacity available at each location.

The proposed program capacity targets reflect GBE's assessment of overall system need rather than a station-specific estimate of demand response potential. Actual procured capacity will depend on auction participation and clearing outcomes.

OEB Staff-28

References:

(i) EB-2025-0265 Application & Evidence, page 27

Preamble:

Page 27 states the following:

The NWS Program follows a phased implementation approach with three key milestones. The NWS solution implementation is targeted for completion by the end of December 2025, establishing the foundational system capabilities. Following this technical deployment, customer registration activities are scheduled to begin in Q1 2026, allowing participants to enroll in the program.

Question:

a) Please describe the work GBE undertook to establish the foundational system capabilities.

Responses:

GBE worked with GridS2 and its legal advisor, BLG, to establish the foundational system capabilities and participant agreements for the NWS Program. GridS2 is an experienced full-stack developer, with proficiency in developing web-based applications, including short-term load forecasting, power flow analysis and dispatch scheduling of procured demand response capacity. BLG has extensive experience in developing non-wires solution program rules and participant agreements in the Ontario utility space. Below is a description of the key steps undertaken by GBE.

- Program design and governance: Development and internal review of the NWS Program Rulebook, settlement processes, and participant and aggregator agreement templates to establish clear program rules, performance obligations, and administrative controls.
- Technology platform configuration: Configuration and testing of the registration, bidding, and auction settlement platforms, including cloud deployment, user workflows, and auction clearing functionality.
- Load forecasting and operational integration: Configuration and validation of load forecasting tools to support identification of constrained periods and operational decision-making, including testing against historical load data.

- Settlement and billing processes: Configuration and testing of auction settlement and billing settlement processes to support accurate calculation of participant payments and performance outcomes.
- Measurement and verification framework: Development and testing of baseline calculation methodologies, performance verification logic, and data validation processes consistent with the proposed M&V approach.
- Customer readiness and outreach preparation: Development of customer-facing materials, identification of target key accounts and aggregators, and preparation for participant registration activities following approval.
- Internal readiness and controls: Completion of IT security reviews and coordination across regulatory, operations, IT, and customer-facing teams to ensure organizational readiness to support program launch.

These activities were undertaken to ensure that, upon receipt of OEB approval, the NWS Program can be implemented efficiently, reliably, and in accordance with the proposed phased implementation plan.

Coalition of the Concerned Manufacturers & Businesses - CCMBC

CCMBC-1

Reference: Page 8

Questions:

a) Please define “urgent” as used on page 8, such as how many months or years.

b) Did GBE only become aware of “urgent” capacity constraints through the IESO’s IRRP?

Responses:

(a) “Urgent” would be defined as the summer of 2026. It is forecasted that GrandBridge Energy will be operating at over 97% of available capacity in the summer of 2026. Any small load increase above forecast would cause the peak load to go above the 400 MW of 230kV transmission line capacity.

(b) Please see the response to OEB Staff-10(b).

CCMBC-2

Reference: Page 8

Questions: What new information became available between July 2024 KWCG Scoping Report and the IESO letter of September 30, 2025?

Response:

The July 2024 KWCG Scoping Report identified the capacity needs at Preston TS, MTS#1 and on the 230kV M20D/M21D transmission lines. The Report describes, page 6, "… the city of Cambridge (is) seeing a rapid increase in the electricity demand that is driven by large industrial developments in the northwest area and large data center loads. In addition to the large loads, GrandBridge Energy continues to experience a steady demand growth in the residential, commercial and industrial developments." The Scoping Report referred the needs to the KWCG IRRP. The Scoping Report suggested the use of a hand-off letter "to address the imminent needs to be launched before the conclusion of the IRRP".

Therefore, the needs were recognized in the Scoping Report complete with a process to move forward. The new information that became available between July 2024 and September 30, 2025, was a detailed analysis by the Working Group of the options available to address the needs identified in the area. The analysis identified specific solutions complete with estimated costs and timelines. Recommendations were made. The September 30, 2025, IESO Urgent Letter identified the "urgent investments in transmission and distribution infrastructure" that "are needed to meet the identified electricity needs in the region over the next 5 years" based on the recommendations.

CCMBC-3

Reference: Page 8

Questions:

a) Please provide a list of new load customers by type who have filed connection requests with GBE.

b) Would any of the new load customers such as data centres and residential developments be required to pay a contribution to GBE? If the answer is yes, please provide the amount of the deposit.

Responses:

a) GBE has received connection requests from a range of customer types consistent with observed load growth trends within its service territory. These requests include, but are not limited to:

- Residential developments (low-rise and high-rise);
- Commercial developments, including retail and office uses;
- Industrial customers, including manufacturing and processing facilities; and
- Large commercial and institutional customers, including data centre–type loads.

GBE does not provide customer-specific information in this proceeding due to confidentiality considerations. Connection requests are assessed on a case-by-case basis in accordance with GBE's Conditions of Service and the Distribution System Code.

(b) Yes. New load customers may be required to make capital contributions and/or provide expansion deposits in accordance with sections 3.1 and 3.2 of the Distribution System Code, the OEB-approved Conditions of Service, and GBE's standard connection policies.

The amount of any capital contribution or deposit is determined on a project-specific basis and depends on factors such as the size and nature of the load, required distribution system reinforcements, and customer creditworthiness. As such, there is no single standard amount applicable to all new load customers. Contributions and deposits are assessed and applied consistently with OEB requirements and existing regulatory frameworks.

CCMBC-4

Reference: Page 9

Questions:

a) Will GBE or Hydro One own MTS#2 or will it be jointly owned?

b) How much has been spent on the MTS#2 as of December 31, 2025?

Responses:

(a) GBE plans to own MTS#2 100%.

(b) The total capital spend as of December 31, 2025 on MTS#2 is $3,532,831.22.

CCMBC-5

Reference: Page 10, Table 2 Distribution Service Test Results

Questions:

a) Please confirm that the PV of Avoided Planned Outages is the largest benefit of the NWS Program.

b) Has GBE made any efforts to reduce planned outages? If the answer is yes, please describe the efforts and the results achieved. If the answer is no, please explain why not.

Responses:

(a) Yes, we can confirm that the PV of Avoided Planned Outages is the largest benefit of the NWS program.

(b) Yes, GrandBridge Energy schedules planned outages to minimize outage impacts while completing required maintenance and capital work. Planned outages are a function of the volume of capital work (please refer to response VECC 6 that shows an increase in 2026 capital expenditures compared to prior years) that is occurring. While some work can be completed on live circuits, this can pose safety risks. As noted in the application, GrandBridge Energy has experienced increased demand which reduces switching capabilities to mitigate outages. Higher customer connection requests have increased work on the system.

CCMBC-6

Reference: Page 13, Table 4: Summer Reference: Load Actuals and Forecast MW (2025-2027) for Preston TS, Galt TS and MTS#19

Questions:

a) Are the loads presented in the table weather normalized?

b) What is the reason for the reduction in MTS#1 load from 97.0 MW in 2022 to 83.9 MW in 2023?

c) What is the reason for a reduction in MTS#1 load from 100.4 MW in 2025 to 97.9 MW in 2026?

d) What is the reason for the increase in Preston TS load from 89.1 MW in 2025 to 155.4 MW in 2026?

Responses:

(a) No, the loads presented in the table are not weather normalized.

(b) The MTS#1 load of 97.0 MW in 2022 happened during a system peak on June 22, 2022. There was a wind storm on May 21, 2022 which broke a pole on Franklin Boulevard. As a result, Galt TS feeders 65M11 and 65M13 were out of service from May 21, 2022 to July 5, 2022 with load transferred to MTS#1. Consequently, the load during the system peak at MTS#1 was higher than normal. In 2023, this abnormal situation did not exist so loading at MTS#1 dropped to the lower value of 83.9 MW.

(c) The reduction in forecasted MTS#1 load from 100.4 MW in 2025 to 97.9 MW in 2026 is due primarily to the planned completion of the transformer replacements associated with the Hydro One Preston TS Sustainment Project in the spring of 2026 and the planned final load ramp of a new large customer. The capacity of the new transformers at Preston TS will be significantly higher than the old transformers. The incremental capacity will be utilized beginning in the summer of 2026 to supply part of the new large customer load. The end result is that MTS#1 load is expected to go down slightly in 2026.

(d) This increase is due to growth caused by a range of developments, including data centres, commercial sectors near major highways, residential developments, urban densification and fleet electrification.

CCMBC-7

Reference: Page 14

Questions:

a) Considering that 2019 was 7 years ago, what has GBE been doing since then to deal with load growth? Please list all projects.

b) Please provide the year that "only recently" refers to.

c) When was the NWS Program identified as a solution?

Responses:

(a) Between 2019 and 2023, there was very little load growth on the stations (Galt TS, MTS#1 and Preston TS) supplied from the 230kV circuits M20D and M21D. Below are the figures. 2019 to 2021 values are from SCADA information. 2022 to 2024 values are from revenue metering.

2019 284.5 MW
2020 293.2 MW
2021 292.4 MW
2022 284.9 MW
2023 288.4 MW

In 2024, the load increased to 300.9 MW.

As a result of relatively flat actual and expected load growth, there were no significant investments made between 2019 and 2023 in new or expanded supply facilities. There wasn't any justification for doing so given the amount of available existing capacity. GrandBridge Energy also knew that Hydro One was going to be replacing the existing transformers at Preston TS, providing further transformer station capacity. In 2024, GrandBridge Energy did contract with Hydro One to obtain four additional 27.6kV feeder breaks at Preston TS to be able to utilize the additional capacity of the new transformers. GrandBridge Energy started work to construct the new 27.6kV feeders in 2024. This work will be completed in 2026. GrandBridge Energy has also continued planning for MTS#2. The expected in-service date for MTS#2 is Q2 2028.

(b) "Only recently" refers to 2024. Please refer to the response to OEB Staff-10.b.

(c) The NWS Program was identified as a solution in 2024.

CCMBC-8

Reference: Page 14

Question: Please file the “reference forecast” and the “high load growth scenario” provided to the IESO in February 2025.

Response:

The February 10, 2025, reference forecast was provided by GBE to the IESO on February 27, 2025 (see Table 1 below), with respect to the system impact assessment the IESO was conducting for MTS#2.

Both the reference forecast and the high load growth scenario forecasts were provided by GBE to the IESO on March 13, 2025, as part of the IRRP process (see Tables 2 and 3 below, respectively).

Table 1

Updated Summer Load Forecast - Dated February 10, 2025 - 2024/2025/2026/2027/2028/2029/2030/2031/2032/2033/2034/2035/2036/2037

Station	LTR	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
MTS#1	102	82.9	100.4	97.9	99.9	81.9	81.9	81.9	81.9	81.9	81.9	81.9	81.9	81.9	81.9
Galt TS	169	129.5	132.5	135.5	138.6	141.8	141.8	141.8	141.8	141.8	141.8	141.8	141.8	141.8	141.8
Preston TS	**180**	88.5	89.1	155.4	157.5	159.7	159.7	159.7	159.7	159.7	159.7	159.7	159.7	159.7	159.7
Total load above		300.9	322.0	388.8	396.0	383.5	383.5	383.5	383.5	383.5	383.5	383.5	383.5	383.5	383.5
New MTS#2		0	0	0	0	20	29.3	38.8	48.5	58.4	68.6	79.0	89.6	100.5	111.6
Wolverton DS		0	10.7	11.0	11.2	11.5	11.8	12.0	12.3	12.6	12.9	13.2	13.5	13.8	14.1

1. Load Power Factor was assumed to be 0.9 at the high voltage buses of all load facilities.
2. The 10 day LTR limit of Preston TS will increase to 180MW upon completion of Preston TS sustainment project in May, 2026.

Revisions - 2029 - 2034

1, Apply organic growth to 2028 load figures includir 2.3 per cent

Place all new load onto MTS2. Transfer load off existing stations as needed to maintain but not increase load.

Table 2

	Year (Give approximate growth due to this factor/project per year)																				
	2023 (Historical)	2024 (actual)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
GrandBridge Energy MTS1 Peak (MW)	89.538208	82.9	100.4	97.9	99.9	81.9	81.9	81.9	81.9	81.9	81.9	81.9	81.9	81.9	81.9	81.9	81.9	81.9	81.9	81.9	81.9
GrandBridge Energy MTS2 Peak (MW)	0	0.0	0.0	0.0	0.0	20.0	29.3	38.8	48.5	58.4	68.6	79.0	89.6	100.5	111.6	123.0	134.7	146.6	158.8	171.2	184.0
Galt TS Peak (MW)	121.14918	129.5	132.5	135.5	138.6	141.8	141.8	141.8	141.8	141.8	141.8	141.8	141.8	141.8	141.8	141.8	141.8	141.8	141.8	141.8	141.8
Preston TS Peak (MW)	94.906268	88.5	89.1	155.4	157.5	159.7	159.7	159.7	159.7	159.7	159.7	159.7	159.7	159.7	159.7	159.7	159.7	159.7	159.7	159.7	159.7
Wolverton DS Peak (MW)	7.4411788	10.5	10.7	11.0	11.2	11.5	11.8	12.0	12.3	12.6	12.9	13.2	13.5	13.8	14.1	14.4	14.8	15.1	15.5	15.8	16.2
Additional Growth			0.2	0.4	0.7	1	1.3	1.6	1.9	2.2	2.5	2.8	3.1	3.4	3.7	4	4.3	4.6	4.9	5.3	5.7
Preston Tap Load = Galt TS+MTS1+Preston TS =		300.9	322.0	388.8	396.0	383.5	383.5	383.5	383.5	383.5	383.5	383.5	383.5	383.5	383.5	383.5	383.5	383.5	383.5	383.5	383.5
Total GrandBridge North Area Load =		311.4	332.8	399.8	407.3	415.0	424.5	434.3	444.2	454.5	464.9	475.6	486.6	497.7	509.2	520.9	532.9	545.1	557.7	570.5	583.6

Table 3

	Year (Give approximate growth due to this factor/project per year)																				
	2023 (Historical)	2024 (actual)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
GrandBridge Energy MTS1 Peak (MW)	89.538	82.9	101.8	97.8	101.4	75.1	75.1	75.1	75.1	75.1	75.1	75.1	75.1	75.1	75.1	75.1	75.1	75.1	75.1	75.1	75.1
GrandBridge Energy MTS2 Peak (MW)	0	0.0	0.0	0.0	0.0	30.0	47.0	64.8	83.2	102.3	122.3	143.0	164.6	187.0	210.3	234.5	259.8	286.0	313.3	341.6	371.1
Galt TS Peak (MW)	121.15	129.5	134.7	140.1	145.7	151.5	151.5	151.5	151.5	151.5	151.5	151.5	151.5	151.5	151.5	151.5	151.5	151.5	151.5	151.5	151.5
Preston TS Peak (MW)	94.906	88.5	90.6	161.5	165.4	169.3	169.3	169.3	169.3	169.3	169.3	169.3	169.3	169.3	169.3	169.3	169.3	169.3	169.3	169.3	169.3
Wolverton DS Peak (MW)	7.4412	10.5	10.9	11.4	11.8	12.3	12.8	13.3	13.8	14.4	14.9	15.5	16.2	16.8	17.5	18.2	18.9	19.7	20.5	21.3	22.1
Additional Growth			0.4	0.8	1.3	1.8	2.3	2.8	3.3	3.9	4.4	5	5.7	6.3	7	7.7	8.4	9.2	10	10.8	11.6
Preston Tap Load = Galt TS+MTS1+Preston		300.9	327.1	399.4	412.4	395.9	395.9	395.9	395.9	395.9	395.9	395.9	395.9	395.9	395.9	395.9	395.9	395.9	395.9	395.9	395.9
Total GrandBridge North Area Load =		311.4	338.1	410.7	424.2	438.2	455.7	474.0	492.9	512.6	533.1	554.5	576.6	599.7	623.7	648.6	674.6	701.6	729.6	758.8	789.2

CCMBC-9

Reference: Page 14

Questions:

a) Does the phrase “traditional wires solutions” refer to the MTS#2 project or does it refer to any other project?

b) Please file the expected construction schedule for the MTS#2 project.

Response:

(a) Traditional wires solutions refers to the MTS#2 project plus the other construction projects listed in the IESO Urgent Letter dated September 30, 2025. These projects are 115kV transmission line upgrades, a new 500/230 kV autotransformer station in Puslinch and construction of a new 230kV transmission line from Puslinch to Preston Transformer Station.

(b) A detailed construction schedule is still being developed for MTS#2. The in-service date for MTS#2 is Q2 2028. A Request for Proposals (RFP) was issued for the required power transformer in late 2025. The transformers are now on order. RFPs/Specifications are presently being developed for other long lead time equipment items. The Class Environmental process is underway with an expected completion date of October 2026. Site work may begin as early as late 2026 and carry on in 2027 and the first half of 2028. Energization is expected prior to the summer of 2028. The necessary Hydro One 115kV transmission line reinforcements and connection of MTS#2 are expected to occur prior to the end of Q2 2028.

CCMBC-10

Reference: Page 15

Questions:

a) Why was nothing done to replace Preston TS and MTS#1?

b) Was the replacement of Preston TS and MTS#1 the responsibility of Hydro One or GBE or both? Please explain.

Responses:

(a) The transformers at Preston TS are presently being replaced by Hydro One due to condition. The new transformers will have a higher capacity than the present transformers given a known defect. Both new transformers are expected to be in service in May 2026. Other refurbishments are also underway at Preston TS as part of the Hydro One Preston TS Sustainment Project. Four new 27.6kV feeder breakers are being added at Preston TS to make use of the new additional transformer capacity.

MTS#1 came into service in 2002. It is not due for replacement for many years. The location of MTS#1 is not preferred for a new station given that most of the load growth is in the North-West part of Cambridge.

(b) Preston TS is owned by Hydro One so any replacement work at this location is the responsibility of Hydro One. MTS#1 is owned by GrandBridge Energy, so any replacement work is the responsibility of GrandBridge Energy.

CCMBC-11

Reference: Page 19

Question: Will GBE propose approval of an ICM funding application for the MTS#2 at some future date? If the answer is yes, what is the expected date of that application? If the answer is no, please explain why not.

Response:

GBE plans to file an ICM application in 2027, for the 2028 test year, to seek recovery of MTS#2 capital costs.

CCMBC-12

Reference: Page 20

Question: Please list the types of DG that total 34MW indicating the MW of each: natural gas, oil, propane, solar and wind. For each type indicate if it is exporting, dispatchable, or a participant in ICI.

Responses:

Table 8 in the Application reflects the total known connected behind-the-meter distributed generation ("DG") capacity connected to GBE's distribution system as of May 9, 2025. The table was compiled using available interconnection and planning records and was intended to provide a high-level view of the magnitude of connected DG, rather than a detailed operational inventory.

The approximate composition of the total connected DG capacity (approximately 34 MW) is as follows:

DG Type	Approx. MW	Exporting	Dispatchable
BESS	5.3	No	Yes
Thermal (Diesel, Natural Gas)	13.6	No	Yes
Solar + Other	15.1	Some Yes (i.e. FIT)	Some Yes (i.e. w/ BESS)

Dispatchability and export capability vary by facility and depend on site-specific equipment, operating agreements, and customer operating preferences. While certain thermal DG resources (e.g. natural gas, oil/propane-fired) may be dispatchable, GBE does not rely on these resources being available or dispatched unless they are contracted through the NWS Program or another formal mechanism.

Participation in the ICI is determined by customer eligibility and election and is independent of DG ownership. GBE does not track ICI participation on an asset-specific basis for the purposes of Table 8.

Table 8 does not represent a forecast of DG availability or participation in the NWS Program, nor does it imply that the identified DG capacity is available, willing, or suitable to provide capacity services without a contractual arrangement.

CCMBC-13

Reference: Page 20, Table 8: Known Connected Distributed Generation Assets

Questions:

a) Does GBE expect to rely on non-dispatchable DG? If the answer is yes, please explain how.

b) At times when DG supply is greater than demand, does GBE plan to curtail dispatchable and non-dispatchable DG? Please explain.

Responses:

(a) No. GBE does not expect to rely on non-dispatchable distributed generation to meet distribution system capacity needs or to deliver capacity under the NWS Program. Non-dispatchable DG, such as solar or wind generation, is variable in nature and does not provide firm, controllable capacity during peak or constrained system conditions.

Table 8 in the Application illustrates the overall level of connected DG in the affected areas and is not intended to imply operational reliance on non-dispatchable resources. Only dispatchable resources that are contractually obligated and subject to performance verification under the NWS Program would be relied upon to provide capacity relief.

(b) No. Distributed generation supply does not exceed demand on the local distribution system at any point. Further, dispatchable resources contracted under the NWS Program would only be activated when a local system peak is forecasted and capacity relief is required.

Accordingly, curtailment of either dispatchable or non-dispatchable DG is not expected and is not contemplated as part of the NWS Program. The program is designed to reduce net peak demand under constrained conditions and does not rely on curtailment of generation as an operational mechanism.

CCMBC-14

Reference: Page 21

Question: Did GBE conduct a market survey to avoid having to rely on market assumptions? If the answer is yes, please file the market survey. If the answer is no, please explain why not.

Responses:

No. GBE did not conduct a formal market survey as part of the design of the NWS Program.

Instead, GBE relied on multiple sources of information and expertise to inform program design and market assumptions, including:

- Review of publicly available documentation and program rules from prior Ontario non-wires and demand response programs, including Toronto Hydro's Local Demand Response Program, Alectra's Non-Wires Alternative Demonstration project, and Essex Powerlines' PowerShare DSO pilot;
- Discussions with utilities and practitioners familiar with the design and operation of these programs to understand lessons learned related to participation, pricing, and performance;
- Experience from IESO-administered bulk system demand response programs, including observed participation levels and pricing outcomes;
- Engagement with aggregators and market participants to understand participation drivers and operational considerations;
- In-house expertise developed through research and analysis of non-wires alternatives and Distributor System Operator concepts;
- Engagement with academic experts to inform understanding of emerging NWA and DSO practices; and
- Active participation in sector forums, including GBE's membership in GridSmartCity and its role chairing the New Technologies Council, which oversees the development of a DSO framework for its members.

In addition, GBE adopted a competitive capacity auction framework, which allows actual market behaviour to determine participation levels and pricing outcomes rather than relying on survey-based assumptions.

GBE considers this approach more appropriate and reliable than a formal market survey, as it reflects demonstrated Ontario experience, expert input, and market-based price discovery. Also, please refer to GBE's response to OEB Staff-25, where it describes

how it leveraged the lessons learned from past NWS programs in Ontario in designing its proposed NWS program.

CCMBC-15

References: Pages 23 and 42

Questions:

a) Please explain what is included in Allocated Staffing Costs. Are any staff that are currently employed by GBE allocating their time to the NWS Program?
b) Please explain what Participant Payments are and explain how the amounts were derived showing all calculations.

Responses:

(a) As described in Attachment 3, GBE NWS Program Budget Details, Staffing Costs section, in the Application, the allocated staffing costs are salary and salary burden rate for the Grid Innovation Specialist position. This is a new position, and these salary costs are not being recovered by GBE's existing distribution rates. The rate relief that GBE is seeking in this Application does not include any salary costs for employees that are being recovered in GBE's existing distribution rates.

(b) Participant Payments refer to payments made to contracted NWS Program participants in exchange for providing committed capacity and performance during the summer obligation period (June 1 to September 30).

Participant Payments consist of:

- Capacity Obligation Payments
- Capacity Incentive Payments
- Emergency Activation Payments

Budgeted Participant Payments ($000)	**2026**	**2027**	**2028**
○ Capacity Obligation Payments	215	430	860
○ Other (Incl. Capacity Incentive Payments, Emergency Activation Payments)	111	162	204
Total	326	592	1064

1. **Capacity Obligation Payment**

The Capacity Obligation Payment compensates participants for committing firm capacity (MW) during the obligation period.

Formula:

- Contracted Capacity (MW) × Auction Clearing Price ($/MW-business day) × Number of Business Days

The capacity auction reference price (ceiling price) is $500 per MW per business day.

There are 86 business days in the obligation period.

Based on cumulative capacity targets:

- 5 MW: 5 MW × $500 × 86 = $215,000
- 10 MW: 10 MW × $500 × 86 = $430,000
- 20 MW: 20 MW × $500 × 86 = $860,000

The $500/MW-business day value represents a reference ceiling price. Actual clearing prices may be lower depending on auction outcomes.

2. Capacity Incentive Payment

The Capacity Incentive Payment is a variable payment applicable when activations exceed contracted monthly activation thresholds.

Formula:

- Delivered Capacity (MW) × Capacity Incentive Price ($/MWh) × Hours Above Contracted Activation
- The Capacity Incentive Payment price is $250/MWh.

Actual payments depend on realized activation hours.

3. Emergency Activation Payment

The Emergency Activation Payment applies when participants respond to an emergency activation notice.

Formula:

- Delivered Capacity (MW) × Emergency Activation Price ($/MWh) × Emergency Activation Hours
- The Emergency Activation Payment price is $500/MWh.

Emergency Activation Payments are variable and depend on actual emergency events.

The budget for capacity incentive payments and emergency activation payments was determined through probabilistic modeling, enabling GBE to capture a range of potential outcomes and associated likelihoods during the operational period of the GridShare NWS program. These additional amounts are budget provisions and do not represent guaranteed expenditures and depend on realized additional activation hours and actual emergency events that may occur during the operational phase of the program.

CCMBC-16

Reference: Page 23

Question: If participation is below GBE's requirements, will GBE increase the incentive rate?

Responses:

No. GBE had requested a 25% incentive rate in its Application. GBE has now reduced that request to 15% as per OEB Staff-7. It will not request a higher percentage rate if participation falls below what is proposed in the Application.

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CCMBC-17

Reference: 5. Funding, Rate Design and Bill Impacts, Pages 27, 31 and 32

Questions:

a) Please file GBE's achieved and deemed ROE for the most recent year.

b) Please explain why GBE cannot fund the NWS Program with its existing rates.

c) Please calculate the Materiality Threshold for GBE using the ICM Materiality Threshold Formula showing all inputs and assumptions.

d) What are the total capital budget forecasts of GBE for 2026, 2027 and 2028?

Responses:

(a) GrandBridge Energy's return achieved in 2024 was 11.35%. GrandBridge Energy's deemed regulatory return on equity is 8.86%.

(b) GBE's existing rates were established on the basis of its legacy utilities' (i.e. Energy+ and Brantford Power) most recent cost of service. Neither of these legacy cost of service applications included funding for NWS programs or similar expenditures. GBE's existing operational funding in rates is allocated to its existing operational needs. As such, the expenditures driven by the NWS program are incremental to GBE's existing expenditures and are no funded at current rates. Through the provision of the funding requested in this Application, GBE will be empowered to deliver the net benefits to customers outlined in its BCA.

(c) The ICM materiality threshold is not relevant to an NWS program, as evidenced by its omission in the OEB's Non-Wires Solutions Guidelines for Electricity Distributors. Further, GBE by definition cannot calculate a materiality threshold of relevance to the NWS program, as the ICM materiality threshold is established on the basis of depreciation expense in a distributor's most recent cost of service application. Depreciation expense is a capital-related revenue requirement item and has no bearing on or relationship to NWS operational expenditures.

(d) Please refer to the response to VECC-6.

CCMBC-18

Reference: Page 31

Question: Please list the risks of the NWS Program and indicate if GBE's ratepayers or GBE's shareholders will bear the risk.

Responses:

All of the benefits that have been quantified as part of the Distribution System Test are benefits that will accrue directly to customers and not to GBE. This includes the value of avoided planned outages, avoided unplanned outages, and avoided upstream transmission charges.

Since it is customers that stand to benefit directly from the NWS Program, it is reasonable that customers would also be exposed to the risks associated with the NWS Program.

For the most part, the risks identified below are inherent to the distribution business (i.e. customers are always exposed to these risks). In this context, the NWS Program has been designed to proactively mitigate these risks in a manner consistent with OEB policy, the Non-Wires Solutions Guidelines, and the Distribution System Code.

At the same time, GBE has structured the NWS Program to allocate prudence-related risks to shareholders, ensuring that customers are protected from undue risk and that GBE maintains strong incentives for efficient and effective program delivery. Overall, the proposed allocation of risk between customers and shareholders is reasonable, proportionate to the nature of the risks, and consistent with OEB policy objectives.

Risk	Description	Mitigation
Load Forecast and System Need	There is a risk that actual load growth or system conditions will differ from the forecast assumptions over the program term. Customers currently bear this risk, with or without NWS Program.	• The NWS Program has been proposed to mitigate the risk of growth proceeding at or faster than projected. • The NWS Program also serves to drive benefits to customers in terms of reduced planned and unplanned outage hours, and reduced transmission rates. • Load forecasts are informed by the IESO's IRRP process and recent customer connection activity. • Conservative planning assumptions were used to size the Program. • The NWS Program is designed to be scalable, allowing capacity targets to adjust over time as system conditions evolve.

		• Program duration is limited to three (3) years, the period required to bridge to the long-term system solution.
Capacity Procurement	he NWS Program addresses an identified and urgent need for system reliability. There is a risk of insufficient demand response (DR) or distributed energy resources (DER) capacity participation in the program, or of auction-clearing prices differing from forecasts. Customers bear the risk of insufficient capacity. However, customers will not pay for capacity that is not procured. Program cost variances are addressed through the NWS Program deferral and variance account.	• Competitive, price-capped capacity auctions promote market discipline and cost containment. • Minimum eligibility requirements ensure qualified participants. • Phased procurement (increasing capacity targets over time) limits exposure in early years.
Participant Performance	Participant agreements include performance obligations, measurement and verification protocols, and performance charges. Payments are tied to verified delivery, and non-performance results in payment reductions or liquidated damages. There is the risk that NWS participants fail to deliver contracted capacity during activations.	• Enforceable participant agreements include clear performance obligations. • Robust measurement and verification protocols ensure accurate assessment of delivered capacity. • Payments are tied to verified delivery, with performance charges, payment reductions, or liquidated damages applied for non-performance.
Program Cost Variance	There is a risk that actual program costs differ from the forecast due to participation levels, operational requirements, or other program-related factors.	• GrandBridge will carefully manage program costs to remain on budget. • Program costs are tracked through an OEB-approved deferral and variance account. Variances are subject to prudence review prior to disposition. • Ongoing cost monitoring allows for early identification and management of variances.

Implementation and Execution	There are risks associated with implementing and operating software systems, forecasting tools, and measurement and verification processes.	• GrandBridge has partnered with experienced vendors and proven platforms to reduce implementation risk. • Phased implementation and testing prior to program launch. • Shareholders bear the risk of any costs found to be imprudently incurred upon OEB review.
External Funding	There is a risk that GBE will not be reimbursed for external funding costs.	• GBE has established processes to track eligible costs and support reimbursement claims. • Any variance between forecast and realized funding will be addressed through the program's variance account mechanism.

CCMBC-19

Reference: Page 32

Question: Has GBE considered filing an application for early rebasing? Please explain your answer

Response:

GBE has not considered filing an application for early rebasing. Currently, GBE does not meet the OEB's off-ramp provisions under the incentive regulation framework. GrandBridge Energy's return achieved in 2024 was 11.35%, which is within the +/-3% range of GrandBridge Energy's deemed regulatory return on equity of 8.86%.

CCMBC-20

References: Pages 35 and 36

Questions:

a) Please file the Value of Lost Load calculation showing all inputs and assumptions.

b) Why is there no probability weighing for Avoided Planned Outages? Are planned outages 100% certain.

Responses:

(a) Please refer to the attached file "GBE_IRR_CCMBC-20.a_EB-2025-0265_20260217.xlsx".

(b) GrandBridge Energy is 100% confident that NWS will mitigate two planned outages per year. Planned switching is frequent. GrandBridge Energy could have used a higher number and then done a probability weighting, but the outcome would have been the same. GrandBridge Energy has only used two avoided planned outages per year and has discounted 2028 benefits by 50%.

To add context, planned work and movement of load within the distribution system is frequent and takes place year-round, either to serve new customers or to rebuild depreciated plant to maintain reliability. It can also occur due to planned maintenance work by Hydro One at Galt TS or Preston TS, or to planned work at MTS#1 by GBE. Some of this work requires shifting the load between transformer stations. The availability of the NWS Program would allow some planned load transfers to take place, which would not otherwise be possible as the loading levels on the Cambridge transformer stations increase.

Looking ahead to 2026, 2027, and 2028, system loading is forecast to increase substantially. Load switching will be challenging and may not be completed as planned. The peak loading of MTS#1 is forecasted to be 97.9 MW in the summer of 2026, even in the reference Load growth forecast scenario. With an LTR of 102 MW, there will only be 4.1 MW of capacity remaining at MTS#1. MTS#1, being geographically located between Galt TS and Preston TS, is frequently used as a transfer point for load from/to Preston TS/Galt TS due to both its geographic location and the electrical connectivity of the 27.6kV distribution system. The proposed NWS program would assist in these types of situations by reducing load levels and making it more likely that the work could be undertaken even during peak summer type conditions.

CCMBC-21

Reference: Page 39

Questions:

a) What are the benefits of the NWS Program that accrue to the DER owners?

b) What are the benefits of the NWS Program that accrue to customers that do not have DERs?

Responses:

(a) DER owners that make their resources available to reduce grid demand during defined peak periods receive direct financial compensation through the NWS Program. GBE will pay up to $500 per MW per business day per month for verified capacity reductions provided during required peak periods. For example, a DER owner capable of providing 1 MW of capacity may be compensated up to approximately $22,000 per month (1 MW × 22 business days × $500 per MW per business day). Over the summer peak period from June 1 to September 30, a participating DER owner could receive up to $88,000 in annual compensation, subject to performance and verification requirements.

(b) Customers that do not own or participate with DERs benefit from the NWS Program through system-level reliability and cost impacts that accrue to all ratepayers. By reducing peak demand in constrained areas of the distribution system, the NWS Program increases operational flexibility and improves GBE's ability to reconfigure the system during both normal and contingency conditions. This enhanced flexibility is expected to reduce the frequency and duration of both planned and unplanned outages.

a. In addition, reductions in system peak demand are expected to result in avoided transmission charges, which are recovered from all customers through rates. As a result, these benefits accrue to the broader customer base, including customers without DERs.

b. The estimated benefits to non-DER customers, as reflected in the Distribution System Technology (DST) benefit assessment in the application (Table 2, page 10), are summarized below:

DST Benefits Updated Feb 17, 2026

(Add more rows as required)

Benefit	Benefit Type	NPV
Avoided Unplanned Outages (Probability Weighted)	**Reliability (Net Avoided Outage Costs)**	**$799,439**
Avoided Planned Outages	**Reliability (Net Avoided Outage Costs)**	**$2,398,318**
Avoided Transmission Charges	**Other**	**$444,298**
Nil	**Distribution Capacity (Deferral or Avoidance Benefit)**	**$0**
Total DST Benefit		$3,642,055

Environmental Defence – ED

ED-1

Interrogatory # ED-1

Reference: Page 10

Question(s):

Please provide an update on the status of the funds requested from the federal government's Smart Renewables and Electrification Pathways (SREP) Program.

Response:

Please refer to GBE's response to OEB Staff-7.

ED-2

Interrogatory # ED-2

Reference: Page 20

Question(s):

a) Please provide tables showing DG capacity by type of DERs (e.g. solar, gas, BESS, etc.) connected to each of the three relevant transformer stations, and the overall total for all stations by type. Please provide separate tables for total connected and dispatchable connected DG.

Responses:

(a) Please see the response to OEB Staff-27 (b).

ED-3

Interrogatory # ED-3

Reference: Page 20

Question(s):

a) Of the 20 MW of capacity sought, approximately what percent does GrandBridge expect to procure from (i) existing DERs, (ii) new DERs, (iii) non-generating demand response, and (iv) other (if there are other categories, please explain)? We understand that precision is impossible – a best-efforts estimate based on professional judgement is sufficient.

b) Of the capacity to be procured from existing DERs, please estimate the percentage share by DER type (BESS, gas, etc.)? We understand that precision is impossible – a best-efforts estimate based on professional judgement is sufficient.

c) Will GrandBridge be utilizing options that achieve peak reduction savings over longer than the relevant three-year period, such as incentivizing the purchase of high-efficiency equipment that will use less electricity at peak times throughout the lifetime of the equipment?

d) How will GrandBridge decide between NWS options? Please express the decision-making criteria as a formula where possible. Please also explicitly itemize the factors that will *not* be considered (e.g., if applicable, energy or capacity savings beyond three years).

Responses:

(a) Based on GBE's internal assessment, a review of known interconnected resources within its service territory, and experience from similar Ontario programs, GBE anticipates that most—if not all—of the approximately 20 MW of capacity procured through the NWS Program would be supplied by existing resources.

For planning purposes, GBE's best-efforts estimate is as follows:

- Existing DERs (generating and load-based): ~50%
- New DERs installed in response to the program: ~0%
- Non-generating demand response: ~50%
- Other: 0%

These estimates are indicative only. Actual outcomes will be determined through the competitive capacity auction, and the program remains technology-neutral within the eligibility requirements.

(b) Based on GBE's records of known connected behind-the-meter DER capacity and professional judgment, existing generating DER connected to GBE's system includes approximately:

- Battery Energy Storage Systems (BESS): ~5.3 MW
- Thermal Energy: ~13.6 MW

In addition, GBE estimates that there is approximately 10 MW of potential non-generating demand response capacity available through load curtailment or peak shifting from commercial and industrial customers. This is an estimate based on non-generating demand response connected capacity in another utility's local demand response / NWS program.

Accordingly, of the capacity expected to be procured from existing resources under the NWS Program, GBE anticipates the following approximate composition:

- Thermal Energy: ~35%
- BESS: ~15%
- Non-generating demand response (load curtailment / peak shifting): ~50%

These estimates are provided on a best-efforts basis. Actual results will depend on auction participation, pricing, and participant willingness to contract capacity.

(c) No. The NWS Program does not utilize longer-term energy efficiency or equipment-based measures to achieve peak reduction savings. The program is specifically designed to procure firm, dispatchable capacity to address identified distribution system constraints over the 2026–2028 period.

While GBE may consider extending the NWS Program beyond 2028, any such extension would be subject to demonstrated distribution system need and applicable regulatory approvals. Measures intended to incentivize the adoption of high-efficiency equipment or deliver long-lived energy savings are more appropriately addressed through IESO-administered energy efficiency and demand-side management (eDSM) programs, rather than through the NWS Program.

(d) GBE will select NWS resources through a competitive capacity auction, with selection primarily based on cost-effectiveness and compliance with program requirements. See Attachment 6 of the Application for further details of the NWS Program Rules.

ED-4

Interrogatory # ED-4

Reference: Page 20

Question(s):

a) Please provide the anticipated annual cost of capacity in $/MW by year.

b) For the relevant area, please provide the forecast (i) winter peak and (iii) summer peak over each of the next 5 years.

c) How many customers are connected to the relevant transformer stations. Please provide a breakdown by station, type (e.g. residential, commercial, etc.). Please also provide the peak demand by customer type.

d) Please provide an estimate of the summer peak demand reductions per household from replacing a standard air conditioner with a high-efficiency cold climate heat pump.

e) Please express the incentive levels that could be made available for high-efficiency heat pumps within the capacity cost outlined in (a).

f) Will GrandBridge consider enhanced DSM incentives for heat pumps as a means to lower peak demand (e.g. through aggregators)?

Responses:

(a) The anticipated annual cost of capacity under the NWS Program is based on the capacity auction reference price, which is set at $500 per MW per business day for the applicable summer obligation period (June 1 to September 30), comprising 86 business days.

On that basis, the maximum potential capacity obligation payment is up to $43,000 per MW per year (i.e., $500/MW/business day × 86 business days).

The $500/MW/business day value represents a ceiling price, not a forecast or guaranteed clearing price. Actual capacity costs will be determined through the competitive capacity auction and may be lower than $43,000 per MW, depending on market participation and bid outcomes.

(b) The NWS Program is driven by summer peak conditions (i.e. we run from June to Sept). The Application provides summer peak forecasts for the relevant area under both a normal growth scenario (Table 5) and a high growth scenario (Table 6).

GBE relies on these tables for its assessment of system need, and no additional summer peak forecasts were developed beyond those already filed. Winter peak forecasts were not relied upon for the purposes of the NWS Program, as winter conditions do not drive the identified distribution and transmission constraints underlying this Application. Accordingly, station-level winter peak forecasts were not developed or filed as part of the evidentiary basis for the proposed NWS Program.

For completeness, GBE provides below its winter peak forecast for the period 2026 through 2030.

Station	LTR	2026	2027	2028	2029	2030
MTS#1	102	96.60	98.57	80.58	80.58	80.58
Galt TS	169	86.23	88.22	90.25	90.25	90.25
Preston TS	180	135.53	137.21	138.92	138.92	138.92
Total load above	451	318.37	323.99	309.74	309.74	309.74
New MTS#2	102	0.00	0.00	20.00	27.58	35.34
Wolverton DS		5.76	5.89	6.02	6.16	6.30

(c) Customer counts and customer class composition at the transformer station level are dynamic and change over time due to new connections, disconnections, load transfers, and operational reconfiguration of the distribution system. As a result, GBE does not rely on a static customer count by station and customer type for the purposes of system planning or the NWS Program.

The Application instead provides Table 13, which summarizes the distribution of load by customer class for the GBE(E+) service territory, which was relied upon to assess system loading and capacity needs. Table 13 reflects the appropriate level of aggregation for evaluating distribution system constraints and the need for the NWS Program.

See response to VECC-9 for peak demand by customer type.

(d) GBE did not develop or rely upon household-level peak reduction estimates associated with high-efficiency heat pumps for the NWS Program. Such estimates depend on site-specific factors including equipment size, operating conditions, and coincidence with system peak.

Further, while high-efficiency heat pumps may reduce energy consumption relative to standard air conditioning equipment, they do not provide dispatchable or controllable peak demand reductions, and therefore were not evaluated as part of the NWS Program.

(e) The NWS Program does not provide incentives for high-efficiency heat pumps or other equipment-based efficiency measures. Accordingly, GBE did not assess or derive incentive levels for such measures within the capacity costs outlined in part (a).

Incentives for high-efficiency equipment are more appropriately addressed through IESO-administered energy efficiency and demand-side management (eDSM) programs rather than through a distribution-level capacity procurement mechanism.

(f) No. The NWS Program is designed to procure firm, dispatchable capacity to address localized distribution system constraints over the 2026–2028 period. It does not include, and is not intended to include, enhanced demand-side management or equipment efficiency incentives, including incentives for high-efficiency heat pumps.

In Ontario, incentives for energy efficiency and equipment upgrades are more appropriately addressed through IESO-administered energy efficiency and demand-side management (eDSM) programs. GBE currently partners with the IESO to deliver these programs within its service territory, which may offer incentives for heat pump installations and other efficiency measures. These programs operate independently of the NWS Program and are better suited to supporting long-lived energy efficiency outcomes.

ED-5

Interrogatory # ED-5

Reference: Page 20

Question(s):

a) Please provide a best-efforts estimate of the overall electricity system benefits from the proposed solutions (e.g. avoided capacity/generation costs).

b) Please confirm that a portion of those overall electricity system benefits would flow to GrandBridge customers.

Responses:

(a) GBE's BCA (updated as attachment to interrogatories, file name "GBE_2026_NWS_BCA_IRR_20260217.xlsx") provides its best efforts to quantify the benefits to its customers of its NWS Program, relying on the OEB's Phase 1 BCA Framework and associated Distribution Service Test ("DST"). Pet the OEB's February 6, 2026, communication in EB-2023-0125, the OEB is in the midst of Phase 2 of its BCA Framework, including the establishment of an Energy System Test ("EST"). A draft EST was not released at the time of GBE's Application and will not be final until the completion of the OEB's Phase 2. Given Phase 2 is not final and it is expected that distributors will consult with the IESO for support in selecting EST input values, it is not appropriate for GBE to speculate on avoided capacity or generation benefits at this time.

(a) Please see (a) above.

ED-6

Interrogatory # ED-6

Reference: Page 20

Question(s):

a) What degree of overlap does GrandBridge expect between the local peak for the three constrained transmission stations and the overall bulk system peak?

b) Will GrandBridge explore working with the IESO to contract the relevant resources in a way to capture and monetize bulk system benefits?

Responses:

(a) GBE expects a moderate level of overlap between local peak conditions at the constrained transmission stations and the Ontario bulk system peak, with variation by station.

As part of a 2025 analysis undertaken in support of the Benefit-Cost Analysis, GBE evaluated the alignment between distribution-level peak events within the Cambridge system and provincial system peak events. The findings indicate the following approximate coincidence rates:

- Preston TS: ~75% coincidence with provincial system peak
- Galt TS: ~50% coincidence
- MTS#1: ~50% coincidence

On a weighted basis, this results in an overall coincidence rate of approximately 58%.

(b) GBE will continue to engage in dialogue with the IESO through industry working groups and discussions with relevant IESO teams to explore coordination opportunities where appropriate. However, the proposed NWS Program is designed specifically to address localized distribution and transmission constraints and is not structured to monetize bulk system capacity benefits.

ED-7

Interrogatory # ED-7

Reference: Exhibit 1

Question(s): Page 26

a) Without the NWS, how many prospective customers would experience connection delays, and roughly for how long?

b) Please estimate the revenue loss from customer connection delays that would otherwise result.

Responses:

(a) GBE did not quantify the number of prospective customers that would be impacted by connection delays in the absence of the NWS Program. However, based on the load forecast results presented in Table 6 of the Application, under the high-growth scenario, GBE is projected to reach the 400 MW transmission loading threshold by the end of 2026.

To maintain system reliability and comply with the 400 MW operational limit — which is structured to allow load transfer under single-contingency transmission conditions without requiring the opening of the MTS#1 27.6 kV tie breaker — GBE would be required to manage total load at or below this threshold. In a high-growth scenario, and absent incremental capacity relief through the NWS Program or other operational measures, GBE may need to implement connection sequencing or other load management strategies to ensure compliance with the 400 MW operating limit.

In such circumstances, prospective customers seeking new or expanded service connections could experience delays until MTS#2 is placed into service, currently planned for 2028. Depending on the timing and size of specific large-load connection requests relative to available system capacity, certain incremental load connections could be deferred until additional capacity is available. In the current planning outlook, this would align with the anticipated in-service date of MTS#2 in 2028. If the in-service date of MTS#2 were to be further delayed, connection timelines would extend accordingly.

By way of context, GBE receives approximately 600 new service connection requests per year, based on 2025 data, in its Cambridge service territory. The majority of these requests relate to typical residential and small commercial developments, many of which do not materially impact transmission-constrained peak demand. The figure is provided for general context regarding annual growth activity and does not represent the number of customers that would necessarily be affected under a constrained scenario.

(b) GBE did not estimate or rely upon distribution revenue impacts from connection delays as part of the NWS Program benefit-cost analysis. The Application treats enhanced capacity flexibility and reduced risk of future connection constraints as qualitative benefits and does not rely on distribution revenue impacts in the benefit-cost analysis. As a result, the benefit cost analysis we provided in the rate application is very conservative.

Any estimate of revenue impacts would require customer-specific information, including the identity and timing of connection requests, expected demand profiles, applicable rate classifications, and expected in-service dates, all of which are dynamic and in some cases commercially sensitive. Accordingly, GBE has not provided a revenue estimate on the record.

ED-8

Interrogatory # ED-8

Reference: Page 33

Question(s):

a) Please express the bill impacts in terms of the cost to avoid likely outages that would occur but for the proposed solutions. For instance, a residential customer would pay $21.6 over three years to avoid X outages, with the longest likely being Y minutes.

Responses:

(a) Please see below a table which provides the bill impact in dollars to end-use customer classes over 32 months (i.e. monthly rate rider impact x 32), alongside the total number of planned and unplanned outages avoided, the total number of outage hours avoided, and the cost in rates per hour of avoided outage.

Energy+ Rate Zone	Total Bill Impact (32 Months)	Number of Avoided Outages	Total Hrs of Avoided Outage	$/Hr of Avoided Outage
RESIDENTIAL SERVICE CLASSIFICATION	$26.40	7	32	$0.83
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	$38.40	7	32	$1.20
GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION	$289.15	7	32	$9.04
GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION	$11,052.80	7	32	$345.40
LARGE USE SERVICE CLASSIFICATION	$54,272.00	7	32	$1,696.00

ED-9

Interrogatory # ED-9

Reference: Page 34

Question(s):

a) Seeing as this is a non-discretionary project, is it necessary for the cost-benefit analysis to be positive? Please explain, with reference to relevant OEB guidance documents.

b) Do all nondiscretionary infrastructure projects pass the DST (i.e. the distribution system cost test)?

c) Do all of the relevant OEB guidance documents fully address the scenario where the non-wires solution is non-discretionary?

Responses:

(a) GBE prepared its BCA and DST to provide the OEB and customer representatives insight and confirmation that its proposed solution not only meets a short-term technical system need, but provides clear benefits to customers as well. It is not immediately clear how the OEB's BCA Framework, which has not prior to this Application been applied to a standalone NWS request, applies to GBE's circumstance and NWS Program. As noted at the interrogatory reference above, the need facing GBE is non-discretionary. The BCA Framework's guidance for non-discretionary investments is to compare the NWS costs against the avoidance or deferral value of a traditional poles-and-wires solution. As stated by GBE in its Application on page 9, "While the NWS Program cannot replace traditional infrastructure solutions in the long-term, it will meet imminent system and customer needs in a manner that provides substantial financial benefits resulting from GBE prudently managing its system reliability during high peak loading."

The OEB's BCA Framework goes on to articulate that "There will be some use-cases where a poles and wires solution is impractical and only an NWS is suitable…In such a case, NWS might become the reference scenario, and undertaking a BCA might be neither appropriate, nor necessary."[4] GBE contemplated whether a BCA was necessary in support of its NWS program Application, and concluded that in this particular circumstance it was not immediately clear whether such an analysis was required.

[4] BCA Framework, page 16

(b) In GBE's interpretation of the BCA Framework, there are circumstances where a BCA and DST would be required for a non-discretionary project, and circumstances where such analysis would not be required.[5]

(c) In GBE's interpretation the BCA Framework and NWS Guidelines have been prepared to address a varied set of current and future NWS options, under a varied and unknown set of future circumstances. As such, while GBE believes the OEB's guidance addresses the scenario in which an NWS is non-discretionary, it does not (and likely cannot) address *all* scenarios in which a NWS or related need are non-discretionary.

[5] Ibid., pages 15 and 16

ED-10

Interrogatory # ED-10

Reference: Attachment 6

Question(s):

a) Please describe how each of the elements of the procurement / remuneration structure will apply to a solution that will provide guaranteed/firm peak demand reductions but will not be callable/dispatchable (e.g. equipment efficiency improvements that will consistently reduce system peak, but will always provide those savings, versus one that will be “turned on and off”).

b) Please provide hypothetical examples of how the procurement / remuneration structures will work for (i) an aggregator that achieves peak demand reductions across many residential customers through efficiency and (ii) a commercial customer that achieves reductions via more efficient equipment.

c) If the procurement / remuneration structure is not structured for DERs of this type, please describe the amendments necessary to fairly consider and remunerate DERs of this type.

Responses:

(a) The NWS Program’s procurement and remuneration structure is designed for dispatchable capacity resources that can be activated during forecast local system peak conditions. Core program elements—including the competitive capacity auction, standby and activation requirements, dispatch instructions, and performance-based remuneration—are predicated on the ability to call on resources in response to system needs.

In addition, the program’s settlement and measurement and verification framework relies on baseline calculation methodologies that assess customer demand over recent peak periods, including analysis of the highest consumption values over a defined historical window. This approach is intended to measure incremental, event-based load reductions attributable to dispatch actions.

Non-dispatchable or “always-on” efficiency measures would be reflected in the baseline itself and therefore would not produce measurable incremental capacity during activation events. Accordingly, non-dispatchable resources are explicitly ineligible for participation in the NWS Program and are not eligible for remuneration under this program. Such resources may be eligible for remuneration under other mechanisms, including IESO-administered energy efficiency and demand-side management (eDSM) programs.

(b) The current NWS Program procurement and remuneration structure does not apply to these resource types; therefore, hypothetical examples are not applicable.

(c) These resources are either already addressed through IESO-administered eDSM programs and/or, in GBE's assessment, do not provide the level of dispatchability or operational flexibility required to reliably reduce demand during localized distribution system peak conditions.

Incorporating these resource types would require fundamental changes to program scope, procurement, measurement and verification, and remuneration mechanisms, effectively transforming the NWS Program into an energy efficiency program rather than a distribution-level capacity solution. We also note that the OEB's Non-Wires Solutions Guidelines for Electricity Distributors (EB-2024-0118) (the "**Guidelines**") expressly require that any proposed non-wires solution not duplicate IESO programs. In particular, the Guidelines state that distributors are expected to consider the IESO's CDM programs and ensure that any distribution rate-funded NWS is not duplicative, in order to avoid marketplace confusion and ensure the prudent use of customer funds.[6]

[6] OEB Non-Wires Solutions Guidelines for Electricity Distributors (EB-2024-0118), p. 7, online: https://www.oeb.ca/sites/default/files/uploads/documents/regulatorycodes/2024-04/OEB_2024%20NWS%20Guidelines_20240328.pdf

School Energy Coalition - SEC

SEC-1

Please provide any internal business cases for the proposed Non-Wires Solution ("NWS") Program.

Response:

On December 2, 2025, GBE presented the NWS Program business case to its Board of Directors for approval. Attached is the NWS Program package presented to the Board of Directors in file "GBE_IRR_SEC-1_NWS Program Business Case_20260217.pdf".

SEC-2

[p.9] The Applicant states: "Without immediate action, GBE faces capacity constraints that could delay customer connections, hinder economic growth, erode community trust, and heighten reliability risks from grid congestion and outages."

a. For each, please provide further details, including specific examples of how these impacts have already occurred or are likely to occur.

b. If the NWS could not be implemented, what other realistic options does the Applicant have to address the immediate capacity constraint?

c. Please confirm that the proposed NWS Program is not deferring any capital projects or other expenditures.

Responses:

(a)

1. Delay Customer Connections: GrandBridge Energy needs to have sufficient capacity available to allow the connection of new customers. At a high level, GrandBridge Energy cannot continue to connect new customers if it can't ensure that they can be supplied without overloading existing facilities. GrandBridge Energy cannot continue to connect new customers if it can't ensure acceptable levels of reliability both to existing customers and new customers. There are already delays for large customer connection applications as it is taking longer to analyze how much new load can be accommodated and when given the forecasted high utilization of existing capacity. This issue will only get worse as time goes on. The NWS will help to reduce the impact.

2. Hinder Economic Growth: If new connections take longer to process, cannot connect until a later than expected date or possibly can't connect at all, local economic growth will be impacted as it would delay local construction activity and new employment. The NWS Program will help to reduce this risk.

3. Erode Community Trust: GrandBridge Energy and its predecessor companies have always been counted upon to be able to deliver reliable electricity when and where needed. The expected extremely high utilization of system capacity is unprecedented in recent years. Local residents and businesses expect GrandBridge Energy to be able to provide an adequate supply of reliable power. The present supply situation is challenging that trust. The NWS Program will help to maintain that trust.

4. Heighten Reliability Risks from Grid Congestion and Outages: The forecasted high utilization of existing capacity will put reliability at risk. Options to transfer load

during contingencies or for planned work will be much more limited than in the past, as facilities are expected to be operating at or near maximum levels during peak periods. In the event of a contingency, for instance, a neighbouring station may not have the capacity to accept a load transfer. Therefore, an outage may last longer than now. Delays to planned maintenance or capital work as a result of an inability to shift load can impact reliability where the work is being done to maintain reliability. The NWS Program will help reduce risks to reliability.

(b) Below are some options to address the immediate capacity constraint.

1. Stop new customer connections.

2. Delay new customer connections until a date when additional capacity is expected to be available.

3. Install a Remedial Action Scheme to shed load in the event of a contingency to prevent overloading at an estimated incremental cost of $2.3 million.

4. Open the tie breaker at MTS#1 to shed load in the event of a contingency to prevent overloading.

5. Purchase, own, operate and install local generation or batteries.

(c) We can confirm that the proposed NWS Program is not deferring any capital projects or other expenditures.

SEC-3

[p.9] Please provide a copy of the Applicant's Smart Renewables and Electrification Pathways ("SREP") application.

Response:

Please refer to the response to OEB Staff-7.a.

SEC-4

[p.26] Please provide a revised DST results table, excluding the impact of the SREP contribution.

Response:

Please refer to GBE's response to OEB Staff-7, including "GBE_IRR_OEB-Staff-7.c_20260217 ".

SEC-5

[p.28-29] With respect to the rate rider proposal:

a. Please confirm that under the Applicant's proposed approach, it will over-collect in year 1 and 2 compared to what it spends during those years.

b. For each class, please provide rate riders for each of the three years of the proposal individually, based on the forecast costs of the program in each year. Please provide all supporting calculations.

Responses:

(a) Confirmed, however, GBE notes that given 2026 rate riders are only in place from May 1 through December 31. GBE anticipates over recovery of approximately $54k in 2026 and $235k in 2024, followed by under-recovery of $275k in 2028; all of which are below GBE's materiality threshold clarified in OEB-Staff-18.

(b) Please see below:

2026 Riders: May 1 - Dec 31 2026

Energy+ Rate Zone / Rate Class		Unit	Distribution Revenue (%)	Allocated Costs	Metered kWh (8 Months)	Metered kW (8 Months)	Rate Rider
RESIDENTIAL SERVICE CLASSIFICATION		kWh	51.8%	$365,329	361,806,325	-	0.0010
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION		kWh	12.2%	$86,111	145,885,130		0.0006
GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION		kW	22.5%	$158,678		1,127,665	0.1407
GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION		kW	7.0%	$49,106		304,347	0.1613
LARGE USE SERVICE CLASSIFICATION		kW	3.1%	$21,677		218,840	0.0991
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION		kWh	0.2%	$1,335	1,443,115		0.0009
STREET LIGHTING SERVICE CLASSIFICATION		kW	2.0%	$14,002		11,252	1.2444
SENTINEL LIGHTING SERVICE CLASSIFICATION		kW	0.0%	$304		303	1.0017
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - HYDRO ONE CND		kW	0.1%	$1,053		19,065	0.0552
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - WATERLOO		kW	0.7%	$4,612		93,865	0.0491
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - BRANTFORD		kW	0.0%	$88		793	0.1110
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - HYDRO ONE #1		kW	0.3%	$2,376		13,533	0.1756
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - HYDRO ONE #2		kW	0.0%	$0		113,224	0.0000
			100.0%	**$704,670**			

2027 Riders: Jan 1 - Dec 31 2027

Energy+ Rate Zone / Rate Class		Unit	Distribution Revenue (%)	Allocated Costs	Metered kWh	Metered kW	Rate Rider
RESIDENTIAL SERVICE CLASSIFICATION		kWh	51.8%	$467,393	542,709,487	-	0.0009
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION		kWh	12.2%	$110,168	218,827,695		0.0005
GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION		kW	22.5%	$203,009		1,691,497	0.1200
GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION		kW	7.0%	$62,825		456,521	0.1376
LARGE USE SERVICE CLASSIFICATION		kW	3.1%	$27,733		328,261	0.0845
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION		kWh	0.2%	$1,708	2,164,673		0.0008
STREET LIGHTING SERVICE CLASSIFICATION		kW	2.0%	$17,914		16,878	1.0614
SENTINEL LIGHTING SERVICE CLASSIFICATION		kW	0.0%	$389		455	0.8543
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - HYDRO ONE CND		kW	0.1%	$1,347		28,598	0.0471
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - WATERLOO		kW	0.7%	$5,901		140,797	0.0419
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - BRANTFORD		kW	0.0%	$113		1,189	0.0947
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - HYDRO ONE #1		kW	0.3%	$3,040		20,299	0.1498
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - HYDRO ONE #2		kW	0.0%	$0		169,835	0.0000
			100.0%	**$901,538**			

2028 Riders: Jan 1 - Dec 31 2028

Energy+ Rate Zone / Rate Class		Unit	Distribution Revenue (%)	Allocated Costs	Metered kWh	Metered kW	Rate Rider
RESIDENTIAL SERVICE CLASSIFICATION		kWh	51.8%	$731,721	542,709,487		0.0013
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION		kWh	12.2%	$172,472	218,827,695		0.0008
GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION		kW	22.5%	$317,818		1,691,497	0.1879
GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION		kW	7.0%	$98,355		456,521	0.2154
LARGE USE SERVICE CLASSIFICATION		kW	3.1%	$43,417		328,261	0.1323
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION		kWh	0.2%	$2,673	2,164,673		0.0012
STREET LIGHTING SERVICE CLASSIFICATION		kW	2.0%	$28,045		16,878	1.6616
SENTINEL LIGHTING SERVICE CLASSIFICATION		kW	0.0%	$608		455	1.3375
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - HYDRO ONE CND		kW	0.1%	$2,109		28,598	0.0738
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - WATERLOO		kW	0.7%	$9,238		140,797	0.0656
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - BRANTFORD		kW	0.0%	$176		1,189	0.1482
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - HYDRO ONE #1		kW	0.3%	$4,759		20,299	0.2344
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - HYDRO ONE #2		kW	0.0%	$0		169,835	0.0000
			100.0%	**$1,411,391**			

SEC-6

[p.31] The Applicant proposes that it be allowed through a proposed DVA "recovery of costs that are as much as 30% in excess of the OEB approved NWS Program Costs in the NWS-PCVA (30% Provision)." Is the Applicant proposing that these amounts in excess of the approved NWS Program costs be subject to a prudence review, or that there would be automatic recovery?

Responses:

Yes, GBE expects its future request for disposition of balances in the NWS-PCVA, including amounts in excess of the approved NWS Program costs, will be subject to a prudence review. Please see the response to OEB Staff-15.

SEC-7

[p.35] With respect to the avoided unplanned outage benefit:

a. Please provide the basis and all supporting evidence that it is reasonable to expect the Applicant will avoid 1 unplanned outage over the 3-year period through the NWS Program.

b. [Attachment 2, Tab 'Benefits 1'] If the Applicant is expecting 1 unplanned outage over the 3 year period, calculated by 1/3 probability each year, please explain why the benefits calculation before probability weighting, is based on 2 NWS activations per year.

c. For each of the Galt TS, Preston TS, and MTS #1, please list each unplanned outage since 2010, the cause, length of outage, number of impacted customers, event CAIDI, and how if the NWS Program was in place, the outage would have been avoided.

Responses:

(a) GrandBridge Energy's estimate is grounded in a review of historical unplanned outages at Galt TS, MTS#1, and Preston TS from 2010 to February 2026, combined with a forward-looking assessment of how future system conditions will differ materially from historical conditions.

During the historical period, system capacity utilization at the transformer station and transmission levels was significantly lower than what is forecast beginning in the summer of 2026. Peak transformer station utilization during this period was approximately 72%, and neighbouring utilities showed similar utilization levels. Under those conditions, most large outages could be mitigated through load transfers between feeders and stations, even when multiple elements were out of service.

GrandBridge Energy reviewed historical outage records and focused on outages with high levels of Customer-Hours lost, as these represent events where extended restoration times were avoided only because sufficient spare system capacity was available. The review identified 13 outages over the past 15 years—across Galt TS, MTS#1, and Preston TS—where extensive load transfers were required to restore service following equipment failures, weather events, vehicle impacts, or other contingencies.

Examples include:

- Loss of a major supply element during planned maintenance at Galt TS, where full station load had to be transferred to MTS#1 and Preston TS.

- Multiple weather-related outages involving trees or wind damage requiring feeder-to-feeder or station-to-station transfers.
- Equipment failures affecting entire buses or multiple feeders, requiring large-scale switching and prolonged transfers to neighbouring stations.

In all of these cases, restoration was possible because system capacity was available at the time. However, GrandBridge Energy expects that beginning in 2026–2027, system conditions will be fundamentally different. Forecasts show transformer station utilization reaching approximately 88% of LTR and Transmission utilization approaching 99% of available capacity during peak periods. Even with planned transformer upgrades at Preston TS, there will be little practical margin for load transfers, particularly during peak demand or contingency conditions.

Under these forecasted conditions, similar outage events would likely result in sustained and significantly longer outages because load transfers would be restricted or unavailable. An NWS Program would allow demand to be reduced during these periods, freeing up capacity and enabling load transfers that would otherwise not be possible. Based on the frequency and nature of historical large outages and the materially higher future utilization levels, GrandBridge Energy considers it reasonable to expect that the NWS Program would avoid one extended unplanned outage over the three-year period, with an estimated eight hours of outage time avoided.

(b) The avoided unplanned outage benefit assumes a total reduction of eight hours of outage duration over the three-year period. Each NWS activation is assumed to provide up to four hours of support. As a result, two NWS activations are required to deliver the full eight-hour benefit. This explains why the unweighted benefits calculation is based on two NWS activations per year, even though the expected avoided outage is represented probabilistically as a single event over the three-year period.

(c) GrandBridge Energy extracted detailed outage listings for Galt TS, MTS#1, and Preston TS covering all unplanned outages since 2010. These records include outage cause, duration, impacted customers, and customer-hours lost, and were provided in spreadsheet form as attachments. The attached file has the information for all three stations: “GBE_IRR_SEC-7.c_20260217.xlsx”.

There are no historical outages during this period that could have been completely avoided by NWS, because system loading was never high enough to restrict load transfers at the time of the events. However, the historical data demonstrates numerous instances where large customer interruptions were avoided only through the availability of spare system capacity and extensive switching

As system utilization increases to unprecedented levels, similar outages would no longer be manageable in the same way. NWS would not prevent the initiating event, but it would materially reduce the duration of customer outages by freeing up system capacity and enabling load transfers during peak and contingency conditions. The

historical outage record therefore provides a reasonable and practical basis for estimating future avoided outage benefits under the NWS Program.

GrandBridge Energy has extracted listings of each unplanned outage since 2010 from its outage database to an Excel spreadsheet for each station (Galt TS, Preston TS and MTS#1). Please refer to attached files. The default sort in each file is by date. We have provided the best available data given limited time frame to reply and the volume of information requested over the 15+ year period.

SEC-8

[p.36] With respect to the avoided planned outage benefit:

a. Please provide the basis and all supporting evidence that it is reasonable to expect the Applicant will avoid 2 unplanned of 4 hours each the year period to the NWS Program.

b. For each of the Galt TS, Preston TS, and MTS #1, please list each planned outage since 2010, the cause, length of outage, number of impacted customers, event CAIDI, and how if the NWS Program was in place, the outage would have been avoided.

Responses:

(a) Planned load transfers are routinely required to support system maintenance, asset replacement, customer connections, and planned work by both GrandBridge Energy and Hydro One. These transfers most often occur between Galt TS, Preston TS, and MTS#1, with MTS#1 frequently serving as a critical transfer point due to its geographic location and 27.6 kV connectivity.

Historically, this work could be completed without customer outages because system loading levels were moderate. Beginning in 2026, system conditions are forecast to change materially. Peak loading at MTS#1 is forecast to reach approximately 97.9 MW in summer 2026 against an LTR of 102 MW, leaving minimal capacity for load transfers during peak periods.

Recent examples of planned work that required extensive load transfers include:

- The Hydro One Preston TS Sustainment Project began in 2025 and will continue until the end of 2027. Load transfers were required from Preston TS to Galt TS and MTS#1 multiple times throughout 2025 and this will continue in 2026 and 2027. Most of this work is scheduled outside of peak loading but not all of it.
- An example of planned work requiring the transfer of load was a pole change on Winter Avenue in 2025. The load of two Galt TS feeders had to be transferred to MTS#1 to provide the necessary isolation. MTS#1 already had additional load from the Preston TS work. If loadings had been higher as they are expected to be in 2026 and beyond then this type of work will require an outage or not be able to proceed at certain times of the year.
- Another example of planned work requiring the transfer of load was a pole change on Industrial Road at Dunbar Road. With expected increased loading beginning in 2026, it is likely that this project could not be completed at certain times of the year without an outage.

- In 2025, MTS#1 was completely offloaded for SCADA commissioning. With expected increased loading beginning in 2026, it is likely that projects of this type could not be completed at certain times of the year without an outage.
- In 2025, there were two periods where one of the two 27.6kV busses at MTS#1 were isolated to allow feeder reconductoring. With expected increased loading beginning in 2026, it is likely that projects of this type could not be completed at certain times of the year without an outage.

  Under forecasted loading conditions beginning in 2026, similar work would likely not be feasible at certain times of the year without planned customer outages. The NWS Program would reduce system load during targeted periods, freeing up capacity and enabling these planned load transfers to proceed without customer interruptions. Based on the frequency of such work, GrandBridge Energy considers it reasonable to expect that the NWS Program would avoid two planned outages of approximately four hours each per year.

(b) GrandBridge Energy extracted detailed outage listings for Galt TS, MTS#1, and Preston TS covering all unplanned outages since 2010. These records include outage cause, duration, impacted customers, and customer-hours lost, and were provided in spreadsheet form as attachments. The attached file has the information for all three stations: "GBE_IRR_SEC-8.c_20260217.xlsx".

Historical transformer station utilization peaked at approximately 72% of LTR, whereas utilization is forecast to increase to approximately 88% of available LTR by summer 2027, even with planned transformer upgrades at Preston TS. Practical operating constraints further limit usable capacity, and transmission utilization during peak periods is forecast to reach approximately 99% by 2027.

As with unplanned outages, the planned outage benefit reflects future system conditions that differ materially from historical experience. Under these forecasted conditions, the NWS Program provides a reasonable and practical means of avoiding planned customer outages by enabling necessary load transfers during high-load periods.

SEC-9

[p.35-36] Please provide all input and outputs received from the I.C.E. 2.0 calculator used to determine the VOLL calculation.

Responses:

Please refer to GBE's response to CCMBC-20.a.

SEC-10

[p.36] With respect to avoided transmission charges:

a. Please explain how the Applicant, if at all, has incorporated the impact to all of its customers of reduced RTSR charges paid by NWS Program participants who have reduced their peak demand when activated, resulting in those amounts ultimately being recovered from all customers.

b. If not considered, please provide a calculation of the impact.

Responses:

(a) GBE has not incorporated any movement of transmission costs amongst customers as a result of NWS Program participants' peak demand shifting. GBE has included within its original and updated BCA Model (updated as GBE_2026_NWS_BCA_IRR_20260217) reduced transmission charges as a result of the NWS Program, which will occur regardless of any movement in RTSR charges.

(b) GBE is not able to reproduce hypothetical RTSR calculations to substantiate a precise impact at this time.

Vulnerable Energy Coalition of Canada – VECC

VECC-1

Ref: Page 19

As noted in the Energy+ DSP, GrandBridge Energy foresaw the need for MTS#2 and assessed other alternatives at a high-level.

a) Please provide a breakdown of spending on the MTS#2 to date since 2019 including both capital and OM&A.

b) At the time of the DSP, please provide the year GrandBridge Energy expected to require MTS#2.

Responses:

(a) The total capital spend on MTS#2 as of December 31, 2025 is $3,532,831.22. The estimated annual OM&A once MTS#2 is in service is $188,400 (2025 dollars) based on experience with MTS#1.

(b) It was unknown what year that MTS#2 would be required at the time of the DSP. Load growth at the time was moderate and Hydro One was proceeding with the replacement of the existing transformers at Preston TS which would increase transformer capacity. Both transformers are scheduled to be replaced in Q2, 2026.

VECC-2

Ref: Page 19

Subsequent to the Energy+ DSP's submission, large customers and data centres accelerated the need in the area over a short period of time.

Please provide the number and demand related to large customers and data centres by year since the Energy+ DSP.

Responses:

Large Use customers are defined in GrandBridge Energy (formerly Energy+) rates as greater than 5 MW. GrandBridge Energy only had one new Large Use customer since the Energy+ DSP submission, which occurred in 2025. The demand of this customer is confidential and not relevant to the matters at issue in this application.

VECC-3

Ref: Page 19

The core feature of the planned capital solution is MTS#2, a new 75 MVA station to alleviate current and future capacity constraints affecting Preston TS, Galt TS and MTS#1. In addition, MTS#2 is expected to require distribution investments to facilitate connection and integration with GBE's local grid.

a) When was the planned capital solution (MTS#2) approved by GrandBridge Energy?

b) Please provide the signed Business Case for the project.

c) Please provide the baseline capital budget for the MTS#2 project.

d) Please provide the baseline schedule for the MTS#2 project.

Responses:

(a) to (d)

The prudence of the MTS#2 project is not a matter at issue in this NWS Application. GBE intends to apply to the OEB for ICM approval associated with MTS#2 before any costs associated with this project will go into rates. Each of these questions can be addressed in that subsequent application process. Subject to the foregoing, the following addresses the current status of the MTS#2 project, such as it is.

The MTS#2 project has not yet received formal GBE Board approval. The project is currently in the planning and preliminary engineering phase and is supported by a Class D cost estimate, reflecting an early-stage assessment of anticipated costs (see response to OEB Staff-5.a). Preliminary engineering work is underway, and critical path items, including transformers, have been procured to maintain the project schedule, consistent with prudent project management practices. A formal business case and baseline budget have not yet been finalized; these will be developed and submitted for approval as the project progresses through further engineering, procurement, and cost refinement activities in accordance with the organization's governance and approval processes. The target in-service date for MTS#2 is June 30, 2028, established based on the availability of critical path transformers, and represents the planned schedule under current project assumptions.

VECC-4

Ref: Pages 9-10, 27

Concurrent to this Application, GrandBridge Energy sought funding through the federal government's Smart Renewables and Electrification Pathways (SREP) Program in April 2025, but has not as of the submission of this Application received final confirmation of funding approval. GrandBridge Energy's NWS Program has been accepted by NRCan and is in the due diligence stage of enrollment.

a) Please provide the status of GrandBridge Energy's SREP funding request and as part of the response explain the submission and approval process.

b) Please provide a forecast of when GrandBridge Energy expects to receive confirmation of funding approval.

c) Please provide and discuss the impact on the NWS application request if SREP finding is not approved.

Responses:

VECC-4(a)

See response to OEB Staff-7.a.

VECC-4(b)

See response to OEB Staff-7.a.

VECC-4(c)

See response to OEB Staff-7.b & c.

VECC-5

Ref: Page 23

Table 9 provides the NWS Program budget.

a) Please provide a detailed breakdown of the costs related to GridS2 services.

b) Has the Grid Innovation Specialist position been filled and if so, when? If not, please discuss the status and timing of the hiring of the Grid Innovation Specialist position.

c) Please provide and explain the allocation of the Grid Innovation Specialist position to the NWS program.

d) Please provide the participant payment calculation for each year.

Responses:

(a) Below is a breakdown of the GridS2 costs. Please refer to Attachment 3, GBE NWS Program Budget Details, in the Application.

GridS2 Description and Type	Budget
NWS Program Platform, CapEx	$475,000
Annual Licensing Costs, OpEx	$50,000/annually for 5 years

(b) The Grid Innovation Specialist position was filled on November 10, 2025.

(c) The NWS Program budget assumes that fifty percent (50%) of the Grid Innovation Specialist's time is spent on the NWS Program. Please refer to response to OEB Staff-17 and Attachment 3, GBE NWS Program Budget Details, in the Application.

(d) Please refer to response CCMB-15.b.

VECC-6

a) Please provide the capital budget in the form of Appendix 2-AA for each of the years 2026-2028.

b) Please provide the OM&A budget for each of the years 2026 to 2028.

c) Please explain why the NWS Program cannot be accommodated within the base capital and operating budget in each year.

Responses:

(a) GBE's 2026 Board-approved capital budget, in the form of Appendix 2-AA, is provided in tab "Capital" in the attached file "GBE_IRR_VECC-6_20260217.xlsx." GBE's 2027 and 2028 capital budgets have not been approved by the Board and therefore are not included.

(b) GBE's 2026 Board-approved OM&A budget is provided in tab "OMA" in the attached file "GBE_IRR_VECC-6_20260217.xlsx." GBE's 2027 and 2028 OM&A budgets have not been approved by the Board and, therefore, are not included.

(c) As explained on pages 27 and 28, and Section 3.3 of the Application, GBE does not have embedded OM&A or capital funding for the administration or participant costs of the NWS Program in its existing rates. The NWS Program was never identified in either of GBE's legacy utility Distribution System Plan (DSP) or the MAADs proceeding. The NWS Program, a first for GBE, represents a new, incremental activity not funded through existing distribution rates.

As indicated in tab "COS Analysis", in the attached file "GBE_IRR_VECC-6_20260217.xlsx.", GBE is recovering, through current distribution rates, $12.5 million in depreciation and $37.2 million in OM&A. GBE's current 2026 budget depreciation and OM&A 2026 budget are $14.7 million and $43.3 million,
respectively. Hence, demonstrating that the NWS Program capital and OM&A are beyond what is currently funded in GBE's rates. Also, please refer to response CCMB-17.b.

VECC-7

Ref: Page 23

The incentive amount should not exceed 25% of the total payments made to vendors or program participants. Define “vendors”.

Responses:

A vendor or program participant are the same term and refer to capacity market participants, which are capacity auction participant that have been selected by GrandBridge Energy and have executed a participation agreement. A capacity auction participant is a person or entity that is authorized to participate in GBE’s GridShare NWS Program and submits capacity auction offers. They can either be a direct participant or an aggregator. Attachment 6, NWS Program Rules and Agreements, at page 47 of the Application defines direct participants and aggregators as follows:

Direct participant: A person that participates in the GridShare NWA program directly and not as an aggregator.

Aggregator: A person who is not a direct participant and has or will have User Rights over more than one contributor capacity auction resource and aggregates such contributor capacity auction resources for the purposes of participating in the GridShare NWA program.

VECC-8

Please provide the risk analysis undertaken for the NWS Program.

Response:

GBE undertook a qualitative risk analysis as part of the design and evaluation of the NWS Program to assess delivery, operational, financial, and system reliability risks and to inform program structure and mitigation measures. The risk analysis was integrated into program design rather than conducted as a standalone quantitative risk model.

Key elements of the risk analysis included:

- **System and Reliability Risk Assessment:**
  Evaluation of near-term capacity constraints and contingency risks affecting Preston TS, Galt TS, and MTS#1, including low-probability, high-impact transmission outage scenarios and the operational consequences of exceeding the 400 MW transmission constraint.
- **Program Deliverability Risk:**
  Assessment of the availability of demand response and distributed energy resources within the affected area, informed by known connected DER capacity, historical load profiles, and third-party expertise in demand response program design. Consulted with other utilities who have ran NWS Programs and aggregators who have participated for key lessons learned, during program design.
- **Performance and Operational Risk:**
  Consideration of participant under-performance risks, addressed through program rules including capacity obligations, performance charges, measurement and verification protocols, and test events.
- **Financial and Cost Risk:**
  Evaluation of potential variance between forecast and actual program costs, mitigated through competitive reverse auctions, price caps, staged capacity procurement, and proposed deferral and variance account treatment.
- **Implementation Risk:**
  Assessment of risks associated with implementing new software, forecasting, and operational processes, mitigated through the use of industry-tested tools, third-party expertise, and phased program ramp-up.
- **Regulatory and Planning Risk:**
  Consideration of alignment with OEB policy, the NWS Guidelines, the BCA Framework, and coordination with the IESO's Integrated Regional Resource Planning process.

VECC-9

Ref: Page 35

GBE determined it is reasonable to expect the NWS Program to avoid 1 unplanned outage over the 3 year period of 2026 to 2028. In order to quantify this benefit, GBE relied on the following inputs:

- The avoided unplanned outage will be 8 hours in duration;
- 62% of the impacted load will be non-residential, with the remaining 38% residential.

Please provide the basis for the above assumptions.

Responses:

GBE used a conservative assumption that two emergency activations of four hours each, representing a limited number of peak-load windows during which the NWS Program would be required to mitigate the capacity shortfall. This approach reflects realistic operational use of NWS resources and does not assume worst-case peak conditions for every day of the outage. The assumption is therefore conservative, and if peak constraints persisted for additional days or hours, or if similar events occurred in multiple years, the associated benefits would be higher.

For additional details, please refer to the response for SEC-7 (a).

The percentages are based on the peak 2024-day demand (June 19, 2024), by customer class for each of the three stations (Galt, MTS#1 and Preston) in GBE's service territory of the City of Cambridge, Township of North Dumfries and County of Brant. The data was provided to the IESO in May 2025. Below is a table with this information.

KW of Customer	KW Demand by Station				KW Demand by %			
Category Group	Galt TS	MTS#1	Preston TS	Grand Total	Galt TS	MTS#1	Preston TS	Grand Total
Commercial	19,742	16,537	7,400	43,679	15%	20%	9%	15%
Industrial	33,614	43,989	58,794	136,398	26%	54%	73%	47%
Residential	75,668	21,662	14,850	112,180	59%	26%	18%	38%
Grand Total	129,024	82,188	81,044	292,257	100%	100%	100%	100%

Note:
Demand values do not include other embedded wholesale points that are subtracted from the totalization tables