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February 25, 2026

Ritchie Murray
Acting Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Mr. Murray:

**Re: Submissions of Low-Income Energy Network re Consultation on
An Integrated Approach to Utility Renumeration – Next Generation Rate
Framework - OEB File No. EB-2026-0002**

Willms & Shier Environmental Lawyers LLP is counsel for the Low-Income Energy Network (“LIEN”) in the above referenced consultation.

LIEN encloses its comments below, in response to Ontario Energy Board (“OEB”) Staff’s questions posed in Appendix A to stakeholders in the OEB’s letter to registered participants and stakeholders regarding Proposed Objectives, Scope and Topics for Next Generation Rate Framework Consultation, dated January 8, 2026.

Yours truly,



Ali Naraghi
Associate Lawyer

cc: LIEN Legal Subcommittee
Judy Simon – Consultant for LIEN

1394-7887-4396, v. 1

LIEN’s Comments in Response to OEB Staff’s Questions posed in Appendix A to Stakeholders in the January 8, 2026, Letter to Registered Participants and Stakeholders regarding Proposed Objectives, Scope and Topics for Next Generation Rate Framework Consultation

As a joint program of the Advocacy Center for Tenants Ontario and the Canadian Environmental Law Association, the Low-Income Energy Network (“LIEN”) occupies a unique intersection of anti-poverty and public interest environmental advocacy and represents over 75 member groups across Ontario. As a network representing the intersection of interests related to low-income consumers and energy sustainability, LIEN’s focus is on reducing the energy bills of all low-income consumers and providing low-income consumers with the opportunity to better manage their electricity bills. LIEN also advocates for low-income communities to be part of future approaches to energy generation and consumption, and for sustainable solutions to societal challenges such as climate change.

LIEN has prepared responses to the questions posed to registered participants and stakeholders by the Ontario Energy Board (“OEB”) Staff contained in the OEB letter of January 8, 2026, Appendix A, regarding EB-2026-0002, Next Generation Rate Framework consultation.

Proposed Objectives, Scope and Topics for Comment

- **Are the proposed objectives and goals of this consultation clear and appropriate? Why or why not?**

LIEN finds the objectives and goals of this consultation to be clear and appropriate, and suggests some refinements to two of the specific goals to enhance their clarity:

- 1) Regarding “Strengthen incentives for achieving outcome consumers value, including improved or maintained service quality”, LIEN suggests modifying it to “Strengthen and better align incentives for achieving outcomes consumers value, including improved or maintained service quality.” This modification will make it clear that the objective is not only to strengthen by increasing the level of incentives as appropriate but also by improving their design to better align with achieving outcomes consumers value.
- 2) Regarding “Support timely buildout for electrification and economic growth and ensure that risks remains appropriately shared between utilities and consumers in the context of a changing energy landscape”, LIEN suggests modifying it to “Support timely buildout for electrification and economic growth, while effectively addressing affordability and ensuring that risks and impacts remain appropriately shared between utilities and consumers in the context of a changing energy landscape.” This modification will provide explicit

consideration regarding affordability which will better address the provincial priority of affordability and will also consider the impacts of risks which will facilitate risk mitigation.

- **Is the proposed scope of the consultation to build on the OEB's current rate-setting framework, the RRF, clear and appropriate? Why or why not?**

LIEN supports the proposed scope of the consultation which is an evolutionary approach to performance-based regulation and designed to build on the Renewed Regulatory Framework (RRF), which was established by the OEB in 2012. LIEN concurs with the proposed inclusion of performance incentive mechanisms (PIMs) into the new framework and has provided written comment to the OEB during the PIMs consultation.

LIEN appreciates the OEB's aim to be clear about the applicability of any proposed changes and/or new mechanisms to rate-regulated utilities throughout the consultation. LIEN suggests that the OEB continue its practice to provide background research and reports to stakeholders and in consultation meetings, in addition to these types of documents, provide a slide deck which will facilitate dialogue and enhance the quality of feedback received.

- **Have the right proposed topics been identified as this next generation rate framework is developed? What other topics, if any, should the OEB consider?**

LIEN supports the list of topics identified for development of the next generation rate framework and suggests the OEB leave open the possibility to add to or modify this list as the development of the framework and related consultation progresses.

Below, LIEN provides some suggested clarifications to topics 4 and 5:

Topic 4: Regarding "Consider merits of refinements to the Price Cap Incentive Regulation (IR), Custom IR and/or Annual IR Index rate-setting methods to strengthen incentives, level playing field for solutions, share risk and/or mitigate risk due to uncertainty", LIEN suggests modifying it to "Consider merits of refinements to the Price Cap Incentive Regulation (IR), Custom IR and/or Annual IR Index rate-setting methods to strengthen and better align incentives with customer and government objectives, level playing field for solutions, including considering incorporation of social cost of carbon and non-energy benefits, share and attribute risk appropriately and/or mitigate risk due to uncertainty"

Topic 5: Regarding "Consider the merits of additional or alternative approaches to determining the revenue requirement, such as TOTEX (which allows a return on portions of both capital expenditures and operational expenses), that can help strengthen incentives, level the playing field for solutions, share risk and/or mitigate risk due to uncertainty", LIEN suggests modifying to "Consider the merits of additional or alternative approaches to determining the revenue requirement, such as TOTEX (which allows a return on portions of both capital expenditures and operational expenses), that can help strengthen and better align incentives with customer and government objectives, level playing field for solutions, including considering incorporation of social cost of carbon and non-energy benefits, share and attribute risk appropriately and/or mitigate risk due to uncertainty"

- **Is there anything else the OEB should consider as it develops proposals for a next generation framework?**

LIEN suggests the OEB continue to monitor and assess best practices in other jurisdictions regarding performance-based regulation and present and incorporate these, as appropriate, into the development of the next generation framework. LIEN also suggests that the OEB make use, as appropriate, of the Innovation Sandbox to test new approaches and encourage Local Distribution Companies (LDCs) to leverage the Innovation Sandbox to do so. In developing the next generation framework, LIEN suggests the OEB take a comprehensive approach to identifying and assessing a broad range of risks and impacts and effective attribution of these as part of the identification and evaluation of options for the next generation framework.

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