

VIA RESS

February 27, 2026

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

Dear Ritchie Murray:

**Re: Ontario Energy Board
An Integrated Approach to Utility Remuneration – Next Generation Rate
Framework
Consumers Council of Canada (CCC) Comments
OEB File No. EB-2026-0002**

In accordance with the OEB's letter, dated January 8, 2026, please find attached CCC's comments on the objectives, scope and topics for the Next Generation Rate Framework review.

Yours truly,

Lawrie Gluck

Lawrie Gluck
Consultant for the Consumers Council of Canada

Background

The Ontario Energy Board (OEB) issued a letter dated January 8, 2026 advising that it is moving forward with an integrated approach to work related to utility remuneration. In this regard, the OEB combined a number of related initiatives under the Next Generation Rate Framework (NGRF) review.

The OEB's letter sought comments from stakeholders regarding the proposed objectives, scope and issues that will be addressed in the NGRF review. The Consumers Council of Canada's (CCC) brief comments on Appendix A to the January 8, 2026 letter are set out in the section that follows.

CCC Comments

CCC fully supports the OEB's endeavor to combine a number of related existing initiatives and take an integrated approach to addressing potential changes to the manner that utilities are remunerated.

CCC also generally supports the objectives, goals and topics planned for the NGRF consultation as set out in Appendix A to the January 8, 2026 letter.

The OEB notes that the Renewed Regulatory Framework (RRF) was designed to be an enduring framework and it intends to maintain the four overarching performance objectives from the RRF and continue to offer a menu of rate-setting methods for Ontario utilities.¹ The OEB also describes its work in this consultation as an "evolution of performance-based regulation."² CCC has no direct concerns with maintaining the performance objectives and offering a menu of ratemaking options.³ With respect to the NGRF review being considered an evolution of performance-based regulation, we suggest that the outcome could go far beyond an "evolution" of the current policy and amount to a full transformation.

Regarding the topics that are planned to be addressed in the consultation, we have a few specific comments set out below.

¹ EB-2026-0002, [OEB January 8, 2026 Letter](#), Appendix A, p. 4.

² *Ibid.*, p. 2.

³ However, some of the current rate-setting options may need to be drastically changed.

The topic described as “update the Incremental Capital Module⁴” should include the potential that this mechanism should be eliminated in its entirety. An Incremental Capital Module may be inconsistent with certain ratemaking methodologies that are canvassed during the consultation.

Similarly, with respect to the consideration of the merits of refinements to the current menu of ratemaking options, the OEB should acknowledge that some of the options may be removed. For example, an outcome could presumably be that there is no more “Custom IR” option and instead there are additional versions of prescriptive options for performance-based regulation. The OEB now has significant experience with various types of proposals for custom incentive ratemaking (e.g., capital factors, growth factors, etc.) and the OEB may seek to prescribe different versions of price-cap and revenue-cap ratemaking as potential options that utilities can access.

Finally, we strongly support the OEB’s plan to consider alternative approaches to determining revenue requirement (including TOTEX). We recognize that this will be a significant undertaking, but it is important to start the review process with an open mind to all potential improvements to the OEB’s ratemaking approach.

⁴ Ibid., p. 4.