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March 5, 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
the Draft Phase Two Benefit-Cost Analysis Framework
OEB File No. EB-2023-0125**

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 the February 6, 2026 letter, to registered participants and stakeholders regarding Draft Phase Two Benefit-Cost Analysis Framework.

Yours truly,



Ali Naraghi
Associate Lawyer

cc: LIEN Legal Subcommittee
Judy Simon – Consultant for LIEN

1395-3041-7437, v. 1

Draft Phase Two Benefit-Cost Analysis Framework

Ontario Energy Board File No.: EB-2023-0125

LIEN's Comments in Response to OEB Staff's Questions posed to Stakeholders in the February 6, 2026 letter, to Registered Participants and Stakeholders regarding Draft Phase Two Benefit-Cost Analysis Framework

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 questions posed to registered participants and stakeholders by the Ontario Energy Board ("OEB") Staff contained in the OEB letter of February 6, 2026, as well as additional comment provided which is focused on proposed revisions in tracked changes in Benefit-Cost Analysis Framework for Addressing Electricity System Needs (dated in the draft document as May 2024 [DATE]).

Focus Questions Posed by the OEB

Non-Energy Benefit (NEB) Adder

- **Do you support the proposed approach to incorporating societal impacts through the application of an NEB adder for electricity conservation and electricity demand-side management (eDSM) NWS? Do you support the proposed NEB value of 15%? Please provide your rationale.**

LIEN supports the proposed approach to incorporating non-energy benefits through the application of an adder for eDSM non-wires solutions (NWS). This is a best practice in DSM in North America. In Ontario, both the IESO and the natural gas DSM framework of the OEB include an NEB of 15% in the calculation of the Total Resource Cost Test (TRC). LIEN supports the use of 15% as an NEB adder for NWS until such time as a better, more granular quantification of NEBs for NWS becomes available.

LIEN suggests the OEB develop a sector-specific approach to NEBs, a key finding in The Non-Energy Benefits Study: Phase II Quantified Benefits and Qualitative Insights (Dunsky, July 2021, p.51) prepared for the IESO. This study revealed that each sector has a unique combination of NEBs, and for those NEBs found in multiple sectors, there is considerable variation. The study also revealed that in many cases, the value of the NEBs within a given sector exceeds the value of the energy

savings. Taking a more granular and sectoral approach to NEBs would result in an improvement to the quantification of NEBs (eDSM) for NWS.

The Dunsky study included an investigation of non-energy benefits for residential, low-income, First Nations, commercial, institutional, industrial and agricultural sectors and identified a broad range, but not meant to be exhaustive list of NEBs including, reduced financial stress (most important for low-income participants), thermal comfort, reduced building & equipment operations and maintenance, improved indoor air quality, sense of control over energy decisions, improved lighting levels, reduced spoilage, improved business outcomes, and improved product quality. The study found that NEB values are likely higher than estimated in the study for some or all sectors. This points to the need and value of the OEB conducting an NEB study to determine the appropriate NEB sectoral value. This should provide a more accurate value for NEBs for each sector.

Energy System Test (EST)

- **Do you support the proposed requirement for collaboration between electricity distributors and the IESO to ensure more accurate and consistent completion of the EST? Please provide your rationale.**

LIEN supports the proposed requirement for collaboration between electricity distributors and the IESO to ensure more accurate and consistent completion of the Energy System Test (EST). The EST considers the benefits and costs associated with a given NWS from the perspective of the bulk system of Ontario. The mandatory quantified inputs for the EST beyond including the Distribution System Test (DST) inputs include avoided energy costs and avoided generation capacity costs. Since the purview of the IESO is the bulk system in Ontario, the IESO is best able to determine and assess the quality of the bulk system inputs to the EST, and to provide as necessary, any required input values to the EST.

The proposed OEB requirement is for the electricity distributor to consult with the IESO when completing the EST. The OEB expects that any Benefit-Cost Analysis (BCA) filing with a completed EST will include a Letter of Comment from the IESO, which will be completed following the completion of the distributor's consultation with the IESO. The Letter of Comment may include the IESO's position on both the quantitative and qualitative impacts considered by the distributor regarding the EST. The distributor is expected to confirm with the IESO whether an NEB is applicable to bulk system benefits and ensure there is no risk of double counting NEBs in the DST and EST. If the NEB is applicable to the bulk system, the IESO is to inform the distributor of the appropriate NEB value.

The proposal to consult with the IESO on the EST is consistent with what the IESO-LDC Regulatory Working Group has proposed to the OEB regarding the review of Stream 2 eDSM applications. These applications include an EST for the proposed program. In this Stream 2 consultation, the IESO would review the electricity distributor's Stream 2 funding request, including the review of its Stream 2 EST. Upon satisfactory review by the IESO, the IESO would issue a Confirmation Letter to the distributor, which indicates IESO approval of the Stream 2 program design and IESO commitment to cover the bulk system cost allocation for the eDSM program (EB-2025-0156,

Proposed Framework for Implementation of Local eDSM Framework, May 2025), if the Stream 2 application is approved by the OEB.

- **Do you support the proposed revision to make the EST mandatory? Please provide your rationale or explanation for your position.**

LIEN supports making the EST mandatory for all NWS's. LIEN expects that most (and possibly all) NWS's will have a bulk system benefit, and as a result NWS applications will require both an EST and DST. Requiring an EST will ensure that all bulk system benefits and costs are identified and can be properly attributed.

To ensure that all bulk system benefits and costs associated with a given NWS are identified and included in an EST appropriately, the NWS should be reviewed by the organization with the mandate to manage the bulk system, and that organization is the IESO. To assist the OEB in making a more informed decision on the NWS application, a written response from the IESO - Letter of Comment – regarding the EST should be filed by the distributor in the proceeding for the NWS approval.

Other Considerations

- **Do you believe the BCA Framework (in whole or in part) would benefit from further clarification or usability improvements? If so, please identify the applicable sections and briefly describe how they could be improved.**

The BCA Framework would benefit from further clarification, especially once the OEB has decided upon the Stream 2 approvals process and related filing requirements. There is an opportunity to harmonize the processes, especially when the electricity distributor wishes to submit a Stream 2 eDSM application to the IESO for Global Adjustment (GA) costs attribution for the bulk-system benefits and costs to be incurred for the proposed Stream 2 project. For example, instead of having two letters from the IESO, a Letter of Comment and a Confirmation Letter, only the Confirmation Letter would be required as it is more comprehensive (covers GA cost identification and attribution as well as review of EST) than the proposed Letter of Comment.

Applicable sections of the BCA Framework for Addressing Electricity System Needs include but may not be limited to: Section 4.3 EST, Section 5.2 Energy System BCA Benefits and Costs, and Section 6.1 Filing Format/Template. These sections could be improved once the OEB has delineated the Stream 2 approvals process, by referring to the Stream 2 approvals for eDSM and how they are harmonized with the NWS approvals by having one letter from IESO, the Confirmation Letter, and describing what that letter will contain. Section 6.1 would be updated to reflect the harmonization of the filing requirements for NWS and for Stream 2 eDSM.