Ontario Energy Board
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March 6, 2026

Re: Draft Phase Two Benefit-Cost Analysis Framework - EB-2023-0125

The Atmospheric Fund (TAF) appreciates the opportunity to comment on the draft Phase Two Benefit-Cost Analysis (BCA) Framework. We support the Ontario Energy Board's (OEB) efforts to enhance transparency and strengthen the evaluation of the full impacts of non-wires solutions (NWSs) in Ontario's evolving electricity sector.

TAF welcomes the OEB's consideration of a non-energy benefit (NEB) adder into the BCA Framework and **strongly recommends incorporating this formally into the final Framework.**

Recognizing that NWSs deliver environmental, economic, and social benefits beyond direct energy system impacts ensures that demand-side options are properly valued in distribution planning. Research commissioned by the Independent Electricity System Operator (IESO) in 2021 highlighted that NEBs associated with many conservation and demand management measures can be equivalent to or even exceed the energy benefits. This underscores the importance of integrating NEBs into the BCA Framework to ensure a comprehensive evaluation capturing the full spectrum of benefits and costs.

Recommendation: Provide an option to incorporate measure-specific NEBs into the BCA Framework

The draft Framework references previous Ontario practice of NEB accounting for both natural gas DSM programs under the OEB's DSM Framework and electricity conservation and demand-side management programs delivered by the IESO using a 15% NEB adder. While TAF supports the use of the 15% NEB adder in the BCA Framework, the IESO NEB Study found that many measures have NEBs far exceeding 15%. Relying exclusively on a deemed 15% NEB adder fails to motivate LDCs to develop programs that maximize NEBs while meeting system needs.

TAF recommends that the BCA Framework allow proponents the option to quantify program-specific NEBs based on evidence, rather than relying exclusively on the generic 15% adder. Since the value of benefits varies significantly based on the specific measures involved, they can materially influence cost-effectiveness results.

Allowing proponents to substitute measure-specific NEB values based on evidence would improve accuracy and better reflect the diverse value provided by NWSs. This flexibility is in line with the IESO's Cost Effectiveness Guide for Energy Efficiency, which recommends calculating NEBs using per-sector and per-benefit $/kWh, providing the 15% NEB adder as a simplified alternative where detailed quantification is not feasible. As recommended in the IESO NEB research paper, custom NEBs could be capped at a reasonable level to ensure they do not disproportionately impact cost effectiveness testing results.

Thank you for considering our feedback. TAF appreciates he OEB's continued commitment to ensure non-wires solutions are assessed in a way that fully reflects their broad environmental, social, and economic value. We look forward to the finalization and implementation of the Framework.

Sincerely,

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About the Atmospheric Fund

The Atmospheric Fund (TAF) is a regional climate agency that invests in low-carbon solutions for the Greater Toronto and Hamilton Area (GTHA) and helps scale them up for broad implementation. Please note that the views expressed in this submission do not necessarily represent those of the City of Toronto or other GTHA stakeholders. We are experienced leaders and collaborate with stakeholders in the private, public and non-profit sectors who have ideas and opportunities for reducing carbon emissions. Supported by endowment funds, we advance the most promising concepts by investing, providing grants, influencing policies and running programs. We're particularly interested in ideas that offer benefits in addition to carbon reduction such as improving people's health, creating local jobs, boosting urban resiliency, and contributing to a fair society.