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April 6, 2026

**EB-2025-0156 Consultation on the Regulatory Treatment of Local Electricity Demand-side Management (Stream 2) Programs**  
**Pollution Probe Comments on Draft Non-Wires Solutions Guidelines Update**

Dear Mr. Murray:

On March 31, 2026, the Ontario Energy Board (OEB) issued the Draft OEB's *Non-Wires Solutions Guidelines for Electricity Distributors (NWS Guidelines) Update* and requested stakeholder review and comments. The NWS Guideline Update is intended to align with the 2023 and 2024 Letters of Direction from the then Minister of Energy and Electrification and is expected to provide distributors with greater opportunities to design, fund and deliver cost-effective local eDSM programs.

Pollution Probe is a strong supporter of the potential benefits of eDSM, including expedient and expansive Stream 2 program development and execution to unlock the eDSM results needed for Ontario energy consumers. Tangible results in a timely manner is the primary metric of success that the OEB, Province and stakeholders should use to determine if the Stream 2 Programs and NWS Guideline Update is successful. It is key to monitor progress and make expedient adjustments if the intended results are not being achieved by the approach put in place by the OEB.

It is also important to note that the NWS Benefit-Cost Analysis (BCA) Framework is also under review and update at this time to mitigate some issues that have restricted the successful leveraging of local NWSs in Ontario. It will be important that the gaps and issues in the NWS Framework also be resolved in order to appropriately unlock NWS results. Pollution Probe submitted comments on the proposed BCA Framework Update on March 6, 2026<sup>1</sup>. The issues outlined in that submission are not repeated below, but will need to be considered in a holistic manner by the OEB in order to ensure that the NWS Framework effectively supports NWSs in Ontario, including Stream 2 Programs. These issues and opportunities require an integrated and holistic approach, including the recognition of the social and environmental attributes

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<sup>1</sup> EB-2023-0125 PollutionProbe\_Comments\_BCA\_20260306.

which accrue from NWSs. Treating NWSs in a siloed manner will not achieve the intended results.

From reading the NWS Guidelines in conjunction with the updates, it has become apparent that there is an emerging challenge with terminology. The OEB has been able to consider terminology on a case-by-case basis for past initiatives (e.g. Future of Energy Innovation, etc.), but the integrated nature of the energy transition requires more consistent use of best practice terminology. Adding extra conditions to the NWS Guidelines which do not match North American best practice industry terminology has the potential to impact the policy use of terms in a manner which may not be intended by the OEB. For example, the NWS Guidelines Update suggests that NWSs that provide consumer benefits but do not create incremental grid benefits are excluded. Distributed energy resources (DERs) are a subset of NWSs. Energy conservation and load management is a subset of DERs. The definition being applied for NWSs does not represent the typical scope used for that term. Redefining industry terms differently in each guideline or OEB initiative can cause confusion and inefficiencies. The NWS Guideline is being modified in a manner that aligns with the narrow scope of some IESO programs, rather than being a true NWS document. This could have long term implications and restrict NWSs that do not fit within the narrow definitions from the Stream 2 eDSM Program. It is the tail wagging the dog. A complete overhaul of the NWS Guidelines may be required to enable the full range of NWSs to meet policy needs, while enabling a more narrow set of criteria for Stream 2 eDSM.

The best practice industry definition of DERs from the National Standard Practice Manual for DERs<sup>2</sup>, includes the following elements within the definitions of DERs (NWSs include DER and would be even more broad):

*Distributed Energy Resources (DERs) are resources located on the distribution system that are generally sited close to or at customers' facilities. DERs include EE, DR, DG, DS, EVs, and increased electrification of buildings. DERs can either be on the host customer side of the utility interconnection point (i.e., behind the meter) or on the utility side (i.e., in front of the meter). DERs are mostly associated with the electricity system and can provide all or some of host and/or support the utility system by reducing demand and/or providing supply to meet energy, capacity, or ancillary services (time and locational) needs of the electric grid.*

Industry terminology includes a broad range of programs and technologies that the proposed NWS Guidelines would now exclude. When restrictions to NWSs are applied in the NWS Guidelines, it could mislead OEB Commissioners, LDCs or other stakeholders to believe that there has been an intentional change to these terms (e.g. NWS, DER, etc.) with broader implications. Pollution Probe has continuously highlighted the importance of using terminology consistently and embracing North American best practices.

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<sup>2</sup> [National Standard Practice Manual - NESP](#)

As LDCs continue to enhance and deliver Distribution System Operator (DSO) capabilities, the local solutions set to meet customer and system needs must continue to grow in impact and importance. LDCs are best placed to identify local benefits and the BCA Framework and NWS Guidelines must enable all benefits to be included. The local benefits extend beyond what the IESO typically includes in the EST and DST, which could lead to under-estimation in cost effectiveness and constrain NWSs that are in the public interest

It must be recognized that restarting local eDSM program development following several years of central program delivery will take significant effort and support for LDCs. The resources that LDCs relied on in the past for CDM (NWS) program development and delivery are significantly dwindled and, in some cases, entirely gone.

The following comments are referenced against the track changes version of the Draft NWS Guidelines Update<sup>3</sup> and the Appendix<sup>4</sup>.

- The vast majority of the NWS Guideline updates are updates to administrative language to align with current terminology. Pollution Probe has no proposed changes to those administrative updates.
- Until the NWS Guideline can be overhauled to address the broader range of NWSs, it is important to note up front that the NWS Guidelines are not intended to restrict the other NWS requirements and options available to LDCs.
- It is recommended that the OEB publish publicly the details of Stream 2 programs approved or denied to promote efficiency and sharing of information from Stream 2 program applications.
- It is recommended that annual public reporting be published, including the following information:
  - The number of Stream 2 Programs launched during the year,
  - The overall number and details of all active Stream 2 Programs,
  - The forecasted and actual savings by program, and
  - Tracking against the Stream 2 Program budgets (including the \$90 million IESO funding over three years, plus an OEB funding approved for LDCs).
- Pollution Probe supports the use of the utility incentives which embeds a performance-based incentive in the Stream 2 budgets and remunerates distribution meeting or exceeding program objectives.
- Page 12 – For efficiency and relevancy, it is proposed to delete reference to Enbridge Gas’s Integrated Resource Planning (IRP) Framework. The IRP Framework was developed by using best practice elements from the IESO Regional Planning Process, but it does not include any other incremental elements that LDCs would need to consider. The reference is out of place and it does not make sense to reference an external document unless there is specific wording in it that are relevant. If there is a specific

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<sup>3</sup> OEB\_Draft NWS Guidelines\_20260331.

<sup>4</sup> OEB\_Draft NWS Appendix\_20260331.

elements that the OEB intended to highlight, it would be better to specifically note that so LDCs do not need to try to interpret the full IRP Framework for any relevant items.

- Appendix – Pollution Probe has assumed that the OEB has made specific trade-offs and decisions as it considered which stakeholder feedback to apply to the NWS Guidelines updates. Stakeholder recommendations that were not used by the OEB have not been reiterated.
- Appendix, page 5 – Pollution Probe anticipates ongoing changes to the NWS Framework as it changes to align with best practice approaches. It may be more appropriate to refer to the Cost-Effectiveness Tests in the NWS Framework, instead of specific reference to the Distribution Service Test and the Energy System Test. Commissioners on an OEB panel have the ability to make decisions based on factors beyond those included in the NWS Framework. As LDCs become more innovative and responsive to policy drivers, it is expected that approvals will expand beyond the current framework and guideline. In some cases, this has already happened and it should be encouraged.
- Appendix, page 7, Figure 1 – There are no timeline estimates or service levels associated with any of the steps noted in Figure 7. This could increase timeline uncertainty, particularly early on when there are few examples to reference. How can an LDC get internal approval to begin this process if they have no idea of the timelines and resources involved. Best practice is to provide timeline estimates to help guide expectations. Even if the timelines are not binding, it provides a signal on the level of efficiency expected from the process. Similar treatment to other sections with the same references.

Pollution Probe is a strong supporter for maximizing the significant and broad benefits of energy efficiency and demand response across all sectors in Ontario. The Province and the OEB have recognized that energy efficiency is far more cost-effective than generating incremental energy. Pollution Probe encourages the OEB to track the program outcomes that result from the NWS Guideline changes it decides to make. If the results in the first year or two do not match expectations, it would be prudent to make real time adjustments.

Respectfully submitted on behalf of Pollution Probe.



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