



Filed: 2026-04-21

EB-2025-0156

Page 1 of 4

ONTARIO ENERGY BOARD

C/O Regulatory Electronic Submission System (RESS)

**RE: Energy Storage Canada (ESC) Written Comments on the Regulatory Treatment of Stream 2 Local eDSM (EB-2025-0156)**

Energy Storage Canada (ESC) is the national industry association representing the full energy storage value chain, including electricity distributors, technology providers, and project developers. Our members are directly engaged in delivering cost-effective non-wires solutions (NWS) and supporting the successful implementation of Stream 2 local eDSM programs. ESC appreciates the considerable effort that has gone into updating the Draft Non-Wires Solutions Guidelines.

ESC supports the OEB's continued leadership in modernizing the regulatory framework for NWS and local eDSM. The updated draft Guidelines make meaningful progress. This is made evident through clearer expectations for integrating NWS into system planning, stronger alignment with the Benefit-Cost Analysis Framework, and a continued emphasis on avoiding duplication with IESO programs.

At the same time, several elements from ESC's initial submission about EB-2025-0156 (dated November 13, 2025) remain important to ensuring Stream 2 programs can operate effectively. ESC highlighted three foundational needs: clear eligibility for behind-the-meter (BTM) storage, standardized assumptions to support consistent evaluation, and continued collaboration to build operational experience with DER-enabled solutions. While the updated Guidelines reference storage generally, they do not explicitly clarify how BTM storage fits within the Stream 2 framework, which may lead to inconsistent interpretation across LDCs. The absence of updates to the IESO's Measures & Assumptions List (MAL) also continues to create uncertainty for program design and cost-effectiveness testing.

In addition, coordinated pilots and joint OEB-IESO guidance remain valuable tools for building confidence in advanced DER capabilities and ensuring Stream 2 programs are informed by practical experience. Together, these areas represent opportunities to strengthen the framework and support more consistent, scalable deployment of storage-enabled NWS solutions across Ontario.

ESC also sees opportunities to enhance the overall framework to better support Stream 2 implementation. Clearer direction on valuing and allocating costs for resources that provide both local and bulk system benefits would help ensure that storage and other DERs are assessed consistently and that their full value is recognized. Greater predictability around the approval pathway, particularly the role of Delegated Authority, would also help LDCs plan and propose projects with more confidence. Finally, several broader considerations, including longer program terms, more flexible planning requirements, reduced incrementality constraints, streamlined applications, and clearer coordination between the OEB and IESO, remain areas where targeted refinements could reduce administrative friction and support more effective participation in Stream 2. Please refer to the *Appendix* attached highlighting these concerns in more detail, including engagement that ESC hosted with members to develop an informed opinion for this submission.



ESC supports the overall direction of the updated draft NWS Guidelines and appreciates the OEB's efforts to modernize the regulatory framework. ESC welcomes continued engagement with the OEB and remains committed to supporting the development of a regulatory framework that fully enables the success of non-wires solutions.

Sincerely,

*Justin Rangooni*

Justin Rangooni  
Chief Executive Officer  
Energy Storage Canada

*Andrew Thiele*

Andrew Thiele  
Vice President, Policy & Government Relations  
Energy Storage Canada

A handwritten signature in black ink, appearing to read "Dena", written in a cursive style.

Dena Van de Coevering  
Policy Advisor  
Energy Storage Canada



Appendix: ESC’s Grid Modernization Working Group Discussion Overview on Stream 2 Local eDSM Regulatory Changes

Discussion Topic	Discussion Questions	General ESC & Member Feedback
Planning & Delivering DERs	<p>How do the OEB’s proposed Stream 2 changes affect your organization’s ability to plan or deliver storage and other DER solutions?</p> <p>What change or clarification from the OEB would most improve your ability to participate in or benefit from Stream 2 programs?</p>	<p>ESC would like to reiterate its original ask for longer program terms, explicit eligibility for BTM storage, and flexible planning requirements so DERs can be deployed as viable, scalable Stream 2 solutions.</p>
Cost-Sharing & Benefit Allocation	<p>How does the proposed cost-sharing approach influence your ability to develop or support local eDSM initiatives?</p> <p>What adjustments to the funding split or benefit-allocation method would make the framework more workable for your organization?</p>	<p>ESC would like to call for BTM storage to be added to the IESO’s MAL, clearer GA funding eligibility rules, and benefit-allocation methods that recognize the full value stack of storage.</p>
Application Requirements	<p>How workable are the proposed Stream 2 application requirements for your organization?</p> <p>Which requirement should the OEB streamline or clarify to make the process more practical?</p>	<p>ESC would like to restate its support for Delegated Authority as the default, shorter approval timelines, and reduced evidence burdens—especially where storage performance is well established. Please refer to the following section for further discussion about the importance of a Delegated Authority.</p>
Roles of Distributors & the IESO	<p>How do the proposed roles for distributors and the IESO affect coordination, program design, or implementation from your perspective?</p> <p>What change in roles or responsibilities would improve coordination or reduce administrative friction?</p>	<p>ESC members who previously engaged in the OEB’s eDSM Working Group provided feedback to ESC regarding recommendations that the Working Group had put forward but do not see reflected in the updated Guidelines. Please find further details on the challenges associated with the current approval structure.</p> <p>The Working Group proposed Delegated Authority by utilities as the default for Stream 2 approvals, with OEB panel review only in exceptional cases. The recent OEB proposal, however, appears to make panel review the default and Delegated Authority the exception, creating uncertainty about the approval path for each project. This lack of predictability makes projects riskier to plan and propose, which will discourage utilities from pursuing NWS projects altogether. We should push for clear early confirmation of the approval pathway, so projects aren’t subject to uncertainty after work has already started. If the OEB intends to maintain a role in</p>

		program-level approvals, the process should be clearly defined so LDCs have a high degree of confidence that a given project they propose will get approved by the panel.
Discussion Topic	Discussion Questions	General ESC & Member Feedback
Barriers & Risks	<p>What barriers or risks do you see in the proposed framework that could affect your ability to participate in or deliver Stream 2 programs?</p> <p>What specific regulatory or process change would best address the barrier or risk you identified?</p>	<p>ESC members who previously engaged in the OEB's eDSM Working Group provided feedback to ESC regarding recommendations that the Working Group had put forward but do not see reflected in the updated Guidelines. Please find further details on the challenges associated with the current approval structure.</p> <p>In the Stream 2 Report submitted to the OEB by the eDSM Working Group last year, we intended cost recovery certainty upfront, with a strong approval process removing the need for after-the-fact reassessment (BCA framework, IESO oversight, standardized assumptions). The recent OEB proposal, however, appears to leave the door open for cost-recovery risk at program closeout, by tying cost recovery to measured results rather than forecasts. This creates uncertainty and, therefore, significant disincentives for LDCs to pursue NWS projects, since full cost recovery is no longer assured, even when projects are well-designed, fully approved, and properly executed. We should push for clear, binding upfront approvals and protections so performance outcomes do not reopen cost recovery risk later.</p>