



By EMAIL and RESS

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Our File: 20250156

Ontario Energy Board  
2300 Yonge Street  
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**Attn: Ritchie Murray, Acting Registrar**

Dear Mr. Murray:

**Re: EB-2025-0156 – Revised NWS Guidelines – SEC Submissions**

We are counsel for the School Energy Coalition (“SEC”). Pursuant to the OEB’s letter of March 31, 2026, this letter constitutes SEC’s submissions on the Revised Non-Wires Solutions Guidelines (the “Draft Guidelines”).

**General Submissions**

The underlying purpose of the Draft Guidelines is to facilitate encouragement of non-wires solutions by local distribution companies. Much of this will come through eDSM programs developed and implemented by LDCs.

The Draft Guidelines, including the new Appendix, are an excellent start to that process. Greatly assisted by the initial groundwork carried out by LDCs and IESO, the OEB has taken into account the input of many stakeholders, as well as its own longstanding practices and principles it applies to ratemaking. The material also has a lot of detail, which should reduce the challenges for many LDCs as they develop and propose their first eDSM plans.

It is important, however, to recognize that the government, IESO and the OEB are asking a lot of the LDCs. Enbridge has been delivering gas DSM programs for more than thirty years, and is still learning a lot about what is possible, and what isn’t. Every DSM regulatory proceeding for Enbridge allows its programs to evolve still further, in part because of the work of the utility, in part because of the input from the Commissioners and OEB Staff, and in part because of

ratepayer and environmental intervenors who bring substantial expertise – in Canada and international jurisdictions - to the table.

LDCs – even the largest or most sophisticated ones – will also have to go through a learning curve to become proficient at designing and delivering eDSM programs. They start with perhaps a significant advantage, in that the IESO has a lot of expertise to assist them, and they start with a more mature energy efficiency landscape. That having been said, the LDCs will be learning something relatively new (for them), and the Draft Guidelines should in our view be understood with that reality in mind.

This has two key implications:

- The Draft Guidelines will have to evolve quickly and often over the first few years as the regulator(s) and the LDCs gain experience in local eDSM delivery. This is perhaps obvious, but the point is that the OEB will have to resist the urge to treat the policy as “finished” once it is no longer draft. More than most OEB policies, this one should, in our view, be treated as highly dynamic.
- As detailed as the Draft Guidelines and Appendix are, there will be many issues that only surface as the first applications for approval are considered by the OEB. We have already seen this over the years in gas DSM. In our view, it will be important for the OEB to integrate the evidence and findings in those proceedings into the OEB policy in a timely manner. SEC believes it may be useful for the OEB to designate an individual or unit within OEB Staff with the express responsibility for this integration of adjudication and policy evolution.

With that (perhaps unnecessary) caveat, SEC is generally supportive of the Draft Guidelines as proposed. While we have a few specific comments below, for the most part the Draft Guidelines are moving in the right direction, and have been well thought out.

### **Specific Comments**

***NWS Guidelines, p. 11-12 (page references are to the blacklined version).*** The integration of NWS into system planning is highly complex. We have already seen with Enbridge and their IRP process that, whether through bias, narrow focus, or other reasons, facilities solutions are heavily preferred to non-wires solutions. This is particularly problematic if the “screening” paradigm is used to determine what NWS are even considered. LDCs should be encouraged to be more holistic in their approach to NWS.

In this respect, SEC believes that the positive reference to the “binary screening” process of Enbridge should be removed. The IRP Framework is under review. Once a revised IRP Framework is approved by the OEB, that will in our view be the appropriate time to consider whether to refer to it in the Draft Guidelines. The current reference is premature.

***NWS Guidelines, p. 13.*** SEC believes that, even if the NWS is the only viable alternative, a BCA should be required. The costs and benefits of an NWS are, in our view, always valuable information for the OEB.

*NWS Guidelines, p. 18, 20.* If the cost of an infrastructure solution is built into rates, and a less expensive NWS is subsequently implemented by the utility, in our view the LDC should be required to seek a rate decrease. The Draft Guidelines do not appear to include an obligation to do so. Of similar import is *Appendix, p. 22*, dealing with large decreases in program budgets.

*NWS Guidelines, p. 20.* In our view, the 30% variance band is higher than is appropriate at this early stage of this policy. A narrower band, such as 15%, would ensure that the OEB is able to exercise more timely oversight of these programs as they are implemented.

*Appendix, p. 14, 20.* Currently, the process contemplates that the OEB approval of an eDSM program will precede the Contribution Agreement between the LDC and IESO. This is necessary, but the OEB approval process will be dependent on the terms of that agreement. Therefore, in our view execution of a Contribution Agreement on substantially the same terms as presented to the OEB in the application for approval should be a condition of any approval. The approval and the agreement are in some senses sequential, but they are fundamentally interdependent. A standard condition of approval achieves that result.

*Appendix, p. 15.* The wording relating to “program adjustments” appears to suggest that LDCs have complete freedom to change approved eDSM programs as long as they don’t spend any additional funds. If this is the intent, it is not appropriate. Changes to eDSM programs can affect who should pay for them, and how they are targeted within the community. A clearer balance should be struck between giving the program administrator flexibility, and the implication that the approved program is no longer relevant after it is approved.

*Appendix, p. 18-19.* SEC agrees with assigning the responsibility for determining Delegated Authority to the Chief Commissioner. However, in our view the examples on these pages are not useful, for two reasons.

First, the examples imply that LDCs will be rewarded with “light-handed regulation” of eDSM programs if the LDC avoids being innovative. This is the last thing the OEB should want.

Second, early applications are more likely to be dealt with by a Panel of Commissioners, until the OEB and the LDCs gather more experience with eDSM applications. By setting out these examples, the OEB is indirectly encouraging LDCs to treat the examples as rules, when at the beginning they are less likely to be applied than later on.

A better approach, if examples are considered helpful, is to list the information to be provided in the application, without specifying the results of that information. As the first applications are considered by the OEB, they will themselves become examples, and will assist the Chief Commissioner in determining when Delegated Authority is suitable.

*Appendix, p. 37.* It is not clear to us why transmission capacity impacts, if quantified as part of the BCA, should be part of the costs of an eDSM program borne by distribution rates. It would be useful if this were clarified.

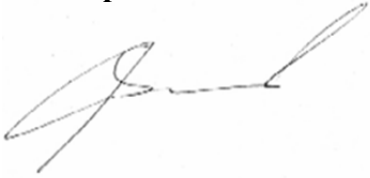
**Conclusion**

SEC believes the Draft Guidelines will provide a good starting point for the entry by LDCs into eDSM activities, and have the potential to facilitate expansion of energy efficiency in Ontario as LDCs gain experience.

All of which is respectfully submitted.

Yours very truly,

**Shepherd Rubenstein Professional Corporation**



Jay Shepherd

cc: Brian McKay, SEC (by email)  
Interested Parties (by email)