

Mr. Ritchie Murray
Registrar
Ontario Energy Board
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2300 Yonge Street
Toronto, ON M4P 1E4

August 21, 2026

**EB-2026-0129 Toronto Hydro-Electric System Limited (“Toronto Hydro”)
Non-Wires Solution Incentive Mechanism Application
Pollution Probe Submission**

Dear Mr. Murray:

In accordance with Ontario Energy Board (OEB) direction, please find Pollution submissions below. As part of Toronto Hydro’s 2025-2029 Custom Rate Application and related OEB approval¹, Toronto Hydro’s is advancing non-wire solutions (NWSs). Approval and appropriateness of the proposed NWSs were already considered appropriate within that previous proceeding. Toronto Hydro did not apply for a NWS incentive mechanism as part of its rates application and has brought forward this application to request approval for an incentive mechanism in alignment with OEB requirements. Toronto Hydro has the right to apply for the NWS Incentive in this separate application and this is an efficient approach knowing that the NWSs proposed in its 2025-2029 rates application were supported and approved.

This Application was filed in accordance with the Ontario Energy Board’s (“OEB”) Benefit-Cost Analysis Framework for Addressing Electricity System Needs, the OEB’s Filing Guidelines for Incentives for Electricity Distributors to Use Third-Party DERs as Non-Wires Alternatives, and section 11 of the Distribution System Code.

Pollution Probe was a party to the OEB approved settlement in Toronto Hydro’s 2025-2029 rates case and was a participant leading to the OEB Decision in EB-2023-0195. To provide clarity prior to commencing with regular procedural steps in this NWS Incentive proceeding, the OEB requested certain clarification information from Toronto Hydro. Toronto Hydro provided a response to the OEB preliminary questions² on June 15, 2026, which provide the clarity needed to proceed. The responses provided by Toronto Hydro align with Pollution Probe’s understanding of the NWS Incentive Application and in particular in relation to the OEB approvals provided to Toronto Hydro in EB-2023-0195. This application is simply related to the NWS Incentive Mechanism that was not part of the previous rates proceeding. As confirmed by Toronto Hydro, no changes to the OEB approvals from EB-2023-0195 are required.

¹ EB-2023-0195.

² THESL_Ltr_Response to Preliminary Questions_20260615.

As is appropriate and expected, the information provided in this application reflects current information related to the NWSs and how they relate to the requested incentive³. The cost effectiveness estimate is robust and the significant net benefits reduce risk even if actual results vary. Although OEB approval for the requested NWS Incentive is required now, the incentive payment will apply to actual results that are filed with the OEB following implementation of the NWSs. Review and approvals by the OEB of actual results will follow the normal OEB process when Toronto Hydro applies to clear the related deferral account. This removes uncertainty risk and provides an opportunity for OEB review of actual results prior to final clearance of the appropriate incentive.

Provincial policy and OEB requirements have been put in place to specifically advance and incent NWSs, exactly like the kind proposed by Toronto Hydro. It is critically important that the OEB support utility leaders like Toronto Hydro in advancing these NWSs. These solutions not only advance appropriate and cost-effective⁴ NWSs in the Toronto Hydro service territory, but provide broader value to utilities across Ontario as they work to develop and implement NWSs to meet the future needs of the Ontario. The Province and OEB have spent significant time and resources advancing a regulatory framework to support NWSs, but without real project implementation no tangible progress will result. Toronto Hydro has provided a good summary and references to relevant Provincial policy and OEB requirements and it is not necessary to repeat that again in this submission⁵. Pollution Probe believes that information provided by Toronto Hydro is accurate and appropriate in support of the NWS Incentive requested in its application.

Pollution Probe recommends that the OEB approve Toronto Hydro's request for the 25% Margin-on-Payment (MoP) incentive and the proposed Margin-on-Payment Incentive Deferral Account ("MoPIDA") as Toronto Hydro satisfies all relevant criteria and filing requirements under Section 11 of the DSC and the Filing Guidelines.

Respectfully submitted on behalf of Pollution Probe.



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³ OEB Staff-3.

⁴ OEB Staff-3.

⁵ THESL_NWS Incentive Mechanism Application_20260410, THESL_Ltr_Response to Preliminary Questions_20260615 and THESL_NWS MoP_Argument in Chief_20260818.