GrandBridge Energy Inc.

2027-2031 Non-Wires Application

EB-2026-0248

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IN THE MATTER OF the *Ontario Energy Board Act, 1998,* S.O. 1998, c.15 (Schedule B) (the OEB Act);

AND IN THE MATTER OF an Application by GrandBridge Energy Inc. to the Ontario Energy Board pursuant to section 78(3) of the OEB Act for an Order or Orders approving or fixing just and reasonable rates and other charges for the distribution of electricity as of May 1, 2027.

1. APPLICATION

GrandBridge Energy Inc., (the Applicant or GrandBridge Energy or GBE), is a corporation incorporated under the Ontario *Business Corporations Act* and is licensed by the Ontario Energy Board (the OEB) to own and operate electricity distribution facilities under licence number ED-2021-0280.

GrandBridge Energy hereby applies to the OEB pursuant to section 78(3) of the *Ontario Energy Board Act, 1998*, as amended (the OEB Act), for orders approving funding for its Non-Wires Solutions Program (NWS Program or NWS) for the GrandBridge Energy GBE(BPI) Rate Zone and GBE(E+) Rate Zones (defined below), through distribution rate riders effective May 1, 2027 (the Application).

By way of background, effective May 2, 2022, Energy+ Inc. (E+ or Energy+) and Brantford Power Inc. (BPI) amalgamated pursuant to the provisions of the Ontario *Business Corporations Act*, to continue as one corporation under the name "GrandBridge Energy Inc."[1] Although both service territories are now under one distribution licence, each of the service territories will continue to require separate tariffs of rates and charges until rates are harmonized through the filing of one cost of service rate application, which is expected to be effective for 2032 distribution rates, based on the 10-year deferral period. For reference purposes, the service territory for the City of Cambridge, Township of North Dumfries and County of Brant (including newly annexed section of the City of Brantford) will be referred to as the "GBE(E+) Rate Zone" and the service territory for the City of Brantford will be referred to as the "GBE(BPI) Rate Zone". This Application will impact both GrandBridge Energy's GBE(E+) Rate Zone and GrandBridge Energy's GBE(BPI) Rate Zone.

This Application is prepared in accordance with the OEB's:

a. *Non-Wires Solutions Guidelines for Electricity Distributors*, EB-2025-0156, issued on July 7, 2026 (NWS Guidelines),

b. *Benefit-Cost Analysis Framework for Addressing Electricity System Needs*, issued May 16, 2024 (BCA Framework),

c. *Chapters 2, 3, and 5 of the OEB's Filing Requirements for Electricity Distribution Rate Applications.*

[1] EB-2021-0280, March 17, 2022, OEB Decision and Order: Brantford Power Inc. and Energy+ Inc., Application for approval to amalgamate and continue operations as a single electricity distribution company.

d. *Filing Guidelines for Incentives for Electricity Distributors to Use Third-Party DERs as Non-Wires Alternatives,* issued March 28, 2023 (NWS Incentive Guidelines),

e. *Handbook for Utility Rate Applications (the Rate Handbook), dated October 13, 2016, and*

f. *Section 11, Margin on Payments Incentive Mechanism, of the Distribution System Code, in force on November 25, 2025.*

The OEB's NWS Guidelines provide guidance on the role of non-wires solutions for rate-regulated electricity distributors and address the treatment of NWSs in distribution rate applications. Section 3 of the NWS Guidelines provides more details on the OEB's expectations and evidentiary requirements for consideration of NWSs and applications for NWS funding. Chapter 3 of the NWS Guidelines includes references to using the OEB's BCA Framework by distributors when assessing the economic feasibility of NWSs to address defined electricity system needs.

This Application is consistent with the NWS Guidelines and BCA Framework. This Application is supported by pre-filed written evidence, which may be amended from time to time. For the reasons set out in this Application, GrandBridge Energy submits that the proposed distribution rates are just and reasonable.

1.1. Proposed Effective Date and Decision Date

GrandBridge Energy requests that the OEB make its Final Rate Order effective May 1, 2027. If the OEB does not expect that the Final Rate Order will be issued by such date, the Applicant requests that the OEB approve the recovery of any differences in the NWS Program revenue between the effective date of May 1, 2027 and the implementation date of the OEB's Decision and Order establishing final rates and charges. GrandBridge Energy requests that the OEB issue its Decision in this proceeding by April 1, 2027, to allow GrandBridge Energy sufficient time to begin the NWS Program procurement process and execute participant agreements for the start of the NWS Program operating period on June 1, 2027. If the OEB's Decision and Order is issued after April 1, 2027, GBE may need to adjust the timing of the initial procurement and obligation period to align with the timing of approval.

1.2. Form of Hearing Requested

As per the OEB's NWS Guidelines, GrandBridge Energy requests that this Application be heard in writing by a panel of Commissioners.

1.3. Materiality Threshold

GrandBridge Energy has relied upon a materiality threshold of $279k in preparing this Application. This amount is equal to 0.5% of the combined distribution revenue requirements of GrandBridge Energy's predecessor utilities, as approved in EB-2018-0028 (Energy+ Inc. 2019 Cost of Service) and EB-2021-0009 (Brantford Power Inc. 2022 Cost of Service).

1.4. Use of Generative Artificial Intelligence

Generative artificial intelligence was used to generate content within this filing for the limited purpose of conducting research, summarizing document content, and providing editing assistance for content prepared by GrandBridge Energy.

GrandBridge Energy confirms that such content has been verified for accuracy without the assistance of generative artificial intelligence.

1.5. Contact Information

GrandBridge Energy requests that copies of all documents filed with the OEB by each party to this proceeding be served on the Applicant, the Applicant's counsel, and the Applicant's consultant as follows:

Applicant's Name:	GrandBridge Energy Inc.
Applicant's Service Address:	39 Glebe Street, PO Box 1060
	Cambridge, ON N1R 5X6
Primary Contact for Electricity	
Distribution License:	Sarah Hughes, CPA, CA, C. Dir.
	President & CEO
	Phone: (519) 621-3530 ex: 2638
	Email: regulatoryaffairs@grandbridgeenergy.com
Primary Contact for this Application:	Gaetana Girardi
	Director, Regulatory Affairs & Revenue Assurance
	Phone: (226) 755-2273
	Email: regulatoryaffairs@grandbridgeenergy.com
Applicant's Internet Address:	https://grandbridgeenergy.com/
Applicant's Legal Counsel:	John A.D. Vellone
	Partner at Borden Ladner Gervais LLP.
	Bay Adelaide Centre, East Tower,
	Toronto, ON, Canada M5H 4E3

Phone: 416-367-6277
Email: jvellone@blg.com

Applicant's Consultant: Andrew Mandyam
Vice President at Utilis Consulting Inc.
PO Box 833 Uxbridge STN Main
Uxbridge, ON, Canada L9P 1N2
Phone: 416-569-7102
Email: andrew.mandyam@utilisconsulting.ca

1.6. Customer Affected

Those affected by this Application are the electricity distribution customers of GrandBridge Energy and include customers residing in the following service territories and GBE (BPI) and GBE (E+) Rate Zones: (i) the City of Brantford; (ii) the County of Brant, including the areas of Paris, St. George, Cainsville, and Burford.

1.7. Certification of Senior Officer

Certification of Evidence

As Vice President, Grid Modernization of GrandBridge Energy Inc., I certify, to the best of my knowledge, that the evidence filed in this 2027 NWS Program Application is accurate, consistent, and complete. The filing is consistent with the requirements of the OEB's NWS Guidelines for Electricity Distributors, EB-2025-0156, issued on July 7, 2026, and the OEB's Benefit-Cost Analysis Framework for Addressing Electricity System Needs, issued May 16, 2024.

Certified by:

Original Signed by Umar Waqas

Date: October 9, 2026

Umar Waqas, P.Eng, MBA, Vice President, Grid Modernization

Certification of Personal Information

As Director, Regulatory Affairs & Revenue Assurance of GrandBridge Energy Inc., I certify, to the best of my knowledge, that the document and evidence filed in this 2027 NWS Program application does not contain any personal information (as the phrase is defined in the Freedom of Information and Protection of Privacy Act), that is not otherwise redacted in accordance with Rule 9A of the OEB's Rules of Practice and Procedure.

Certified by:

Original Signed by Gaetana Girardi

/s/ Gaetana Girardi

Date: October 9, 2026

Gaetana Girardi

Director, Regulatory Affairs

2. EXECUTIVE SUMMARY

GrandBridge Energy Inc. (the Applicant, GrandBridge Energy or GBE) is applying to the Ontario Energy Board (OEB) for multi-year rate riders and use of its proposed NWS Program Cost Variance Account (NWS-PCVA) to enable the implementation of a Non-Wires Solution Program (NWS Program or NWS or Brant County/Brantford NWS Program) in 2027. GBE is also requesting approval of a Margin-on-Payment (MoP) incentive for its implementation and delivery of the NWS Program, consistent with Section 11 of the Distribution System Code (DSC), and associated OEB guidance. The NWS Program is required to address a defined, location-specific distribution capacity and reliability need affecting the City of Brantford and County of Brant from 2027 through 2031. GBE proposes the NWS Program as a bridge resource until the planned long-term approximately two (2) 200 MVA transformer stations supplied from the M20D/M21D 230 kV system, together with associated transmission and distribution investments, can be placed in service, currently anticipated in 2032 or earlier.[2]

Capacity Need and the Load Forecasts

Section 3.1 – Current System Landscape & Constraints describes the current configuration and capacity constraints affecting GBE's Brant County and Brantford service areas (collectively, referred to as the Brant Area in the regional planning context and referred to as GBE's South Service Area in the context of its distribution planning). The Brant Area is supplied through the Brant Transformer Station (TS) and Powerline Municipal Transformer Station (MTS) on the 115 kV transmission system and Brantford TS on the 230 kV system. Regional planning has identified an immediate and evolving supply constraint affecting these facilities. The applicable load meeting capability (LMC) for Brant TS and Powerline MTS is 134 MW under circuit-outage conditions, compared with 165 MW when all relevant transmission elements are in service. GBE can use switching automation to facilitate transfers between the 115 kV and 230 kV supply areas and manage loading across the affected stations, subject to applicable station and transmission-system limits; however, those transfers may increase loading at Brantford TS, which has a Limited Time Rating (LTR) of 188 MW and is forecast to reach 190 MW in 2027 under the Reference Scenario and 202 MW in 2027 under the High Scenario (see Table 6 below). Across all three stations, GBE forecasts demand to increase from 324 MW in 2027 to 368 MW in 2031 under the Reference Scenario, and from 336 MW to 412 MW under the High Scenario. The combined three-station LMC under circuit-outage conditions is forecast to be exceeded by 2028 under the Reference Scenario and by 2027 under the High Scenario. Accordingly, the capacity and reliability needs begin by 2027 and become increasingly pronounced over the period before the permanent solution is available.

Section 3.2 - Integrated Regional Resource Planning. Regional planning confirms that the Brant Area need reflects both local load growth and broader transmission-system constraints. The IESO's December 2024 Burlington to Nanticoke Integrated Regional Resource Plan (B2N IRRP) identified the 134 MW LMC for the Brant 115 kV subsystem and recommended interim operating measures, including opening station bus-tie breakers and transferring load to Brantford TS. Hydro

[2] The IESO's 2024 B2N IRRP identified two new transformer stations supplied from the M20D/M21D 230 kV system as the regional planning direction for the Brant Area. The final configuration of GBE's long-term solution, including the number and location of transformer stations and the associated transmission and distribution arrangements, has not yet been finalized. GBE continues to work with IESO and Hydro One Networks Inc. to develop and assess the permanent solution.

One Networks Inc.'s (Hydro One) June 2025 Regional Infrastructure Plan (RIP) similarly referenced the 134 MW limit and the need to transfer load to Brantford TS. The regional planning process also identifies a long-term solution involving two new approximately 200 MVA transformer stations supplied from the M20D/M21D 230 kV system, together with associated transmission and distribution investments. In the interim, GBE may rely on a load rejection scheme (LRS) at Brantford TS that permits loading above its 188 MW LTR up to approximately 232 MW, but only by automatically shedding load following a qualifying transmission contingency. The proposed NWS Program provides an additional means of reducing peak demand, creating operating margin, and reducing reliance on load transfers, load rejection and other remedial actions until a permanent solution is available.

Section 3.3 - Consistency with Historical Distribution System Plans (DSPs). GBE's historical DSPs provide further context for the current need. The BPI DSP recognized that higher-than-forecast growth and additional industrial block loads could create future supply constraints. Load growth has subsequently exceeded earlier expectations, while regional planning has identified additional constraints on the transmission capability available to serve the Brant Area, driven by constraints in the Hamilton and Woodstock areas served by the 115 kV system.

The Energy+ DSP similarly identified capacity pressures on the 115 kV system supplying Brant TS and Powerline MTS. It documented investments expected to increase supply capability to 165 MW, an increase of 61 MW from the then-existing capability, and recognized that continued growth in the Brant County area would increase peak demand and the need for additional system capacity. As discussed further in Section 3.3, this need therefore reflects the evolution of capacity and growth pressures identified in GBE's predecessor utilities' DSPs.

Section 3.3 of this Application provides a targeted update to GBE's distribution system planning evidence for the stations affected by the proposed NWS Program. It identifies the following interrelated needs as they apply to this Application: the Brant 115 kV contingency transfer requirement; the resulting Brantford TS receiving-station and feeder constraint; and the longer-term Brant Area supply requirement (i.e., building the transformer stations supplied from the 230 kV system in 2032). It assesses the capital plan and how the NWS Program addresses these capacity and system constraints. GBE is finalizing its broader South Service Area Plan 2027–2031 (the Plan), which it will include in its first consolidated DSP, expected to be filed in early 2027.

The Plan describes how the NWS Program provides GBE the opportunity to avoid or defer investment in identified Brantford TS breaker positions, and associated distribution feeders, as well as switches otherwise planned for in-service in 2029. The benefits of these potential avoided or deferred investments have been included in this Application on a probability-weighted basis. Section 3.3 below describes the Plan in further detail and how the NWS Program addresses the capacity constraints in GBE's South Service Area.

Why the NWS Program Is Required and How It Benefits Customers

Section 4 - Proposed Non-Wires Solution. Building on the experience and capabilities developed through GBE's existing NWS program approved in EB-2025-0265, GBE proposes to deliver the Brant County/Brantford NWS Program through its GridShare Program. The NWS Program will competitively procure verifiable peak-demand reductions from local demand response and behind-the-meter distributed energy resources that can respond to the identified constraints. GBE proposes to procure up to 5 MW in 2027, 10 MW in 2028, and 20 MW annually from 2029 through 2031, with activations focused on the June-to-September summer peak period.

These amounts are procurement targets intended to provide incremental capacity relief and operate together with the other interim operating and infrastructure measures described in this Application; they do not represent the entirety of the underlying system capacity need.

The proposed NWS Program is electrically and geographically distinct from the program approved in EB-2025-0265. That program targets capacity in and around Cambridge within the IESO's Kitchener-Waterloo-Cambridge-Guelph planning area, affecting Galt TS, Preston TS and MTS#1. By contrast, this Brant County/Brantford NWS Program targets capacity in and around the City of Brantford within the Burlington to Nanticoke planning area, affecting Brant TS, Powerline MTS and Brantford TS.

The IESO's 2024 B2N IRRP identified two new transformer stations supplied from the M20D/M21D 230 kV system as the regional planning direction for the Brant Area. Consistent with that direction, GBE, the IESO and Hydro One are continuing to develop and assess the permanent solution required to accommodate the loads presently served by Brant TS and Powerline MTS and future growth. While the current planning direction contemplates two new approximately 200 MVA transformer stations connected to the 230 kV transmission system, together with associated transmission and distribution investments, the final configuration, including the number and location of transformer stations and the associated transmission and distribution arrangements, has not yet been finalized.

The NWS Program is intended as a bridge to, not a substitute for, the required long-term transmission solution. Until that solution is available, the NWS Program will help manage the identified capacity and reliability constraints by providing additional operating margin, reducing reliance on load transfers and load rejection, supporting timely customer connections, and providing opportunities to avoid or defer certain distribution investments.

The NWS Program addresses a specific local distribution-system need. It is not dependent on IESO or third-party funding or on identifiable benefits to the bulk electricity system. The NWS instead requires resources with specific locational, availability, dispatch and performance characteristics beginning in 2027. GBE considered funding through the IESO's Stream 2 local eDSM framework. As indicated, the proposed NWS Program is intended principally to address specific local distribution capacity and reliability needs, and GBE has not identified quantifiable upstream electricity-system benefits to support allocating a portion of Program costs to the Global Adjustment. Given these considerations, together with the Stream 2 implementation timelines relative to the need for the Program to be available in early 2027, GBE has not pursued Stream 2 funding and proposes to recover Program costs through distribution rates (see Section 5.1).

Program Funding, Costs and Benefits, and Bill Impact

As a utility serving approximately 116,000 customers, the NWS Program costs proposed in this Application (representing a revenue requirement of approximately $5.9 million) are material and cannot be supported in existing rates without impacts to existing required capital and operational investments. This Application requests approval of rate riders for the amounts in Table 1 below, applicable to all GBE customers currently being serviced under the GBE(E+) Rate Zone and GBE(BPI) Rate Zone tariffs. The NWS Program costs are further described in Section 4.2.3 of this Application.

Table 1: NWS Program Funding Request[3]

Item ($000's)	2026	2027	2028	2029	2030	2031	Total
OM&A Program Costs	$121	$503	$720	$1,368	$1,368	$1,368	$5,448
Capital-Related Revenue Requirement	$7	$28	$26	$27	$27	$12	$126
Legacy Capital-Related Revenue Requirement (EB-2025-0265)[4]	$0	$0	$0	$126	$124	$58	$308
Total NWS Revenue Requirement	**$128**	**$531**	**$746**	**$1,521**	**$1,519**	**$1,438**	**$5,882**

As outlined above, GBE is investing in the NWS Program to address urgent near-term capacity and reliability constraints in the Brant County and Brantford areas before the permanent transmission and distribution infrastructure required to accommodate forecast load growth can be placed in service. GBE anticipates financial benefits associated with the NWS Program for customers and is mindful of the OEB's guidance that "Electricity distributors are to include a distribution service analysis (i.e., DST inputs and results, and consideration of any distribution service qualitative factors) in their filings to the OEB when requesting ratepayer funding for NWS.[5]" GBE has calculated these financial benefits in accordance with the Distribution Service Test (DST) as outlined in the OEB's BCA Framework. The results of the DST are shown below, as further described in Section 4.2.4 and Attachment 1 of this Application:

Table 2: Distribution Service Test Results[6]

Costs ($ millions)	
PV of Program Costs (Excluding MOP)	**$4.36**
Benefits ($ millions)	
PV of Avoided Planned Outages (Reliability)	$4.60
PV of Avoided Unplanned Outages (Reliability)	$0.574
PV of Asset Avoidance Benefits	$9.45
PV of Avoided Transmission Charges (Other Benefits)	$2.23
PV of Benefits	**$16.85**
Net Benefits: ($ millions)	
Net Benefit to Customers	$12.50
DST Ratio	**3.87**

Despite the substantial benefits associated with GBE's NWS Program, the bill impacts of the funding requested are modest to immaterial for customers, with total bill impacts of 0.17% and 0.92% for typical residential customers in the GBE (E+) Rate Zone and GBE (BPI) Rate Zone,

[3] These amounts include the margin-on-payment shown in Table 9. The BCA Model, DST Cost-NWS tab excludes margin-on-payment amounts.
[4] See Table IT Revenue Requirement OEB-2025-0265 in Attachment 3 below for supporting calculations.
[5] OEB BCA Framework, page 17.
[6] All net present value (PV) figures are discounted to the year 2027 relying on a societal discount rate of 4%.

respectively. A full summary of bill impacts for all customer rate classes is provided in Section 5.3 of this NWS Application.

GBE's NWS proposal meets the OEB's policy guidance as outlined in the NWS Guidelines, BCA Framework, and NWS Filing Requirements. Please find as Attachment 4 a document titled "GBE_Attachment_4_NWS_Checklist_20261009" which provides a structured checklist demonstrating GBE's compliance with OEB requirements and providing references to where each requirement is met within evidence.

GBE's written evidence supporting the proposed NWS is structured as follows:

- **Section 3 - Distribution System Needs:** A description of the portions of GBE's system which require and will be affected by the NWS, including identification of the need underpinning the NWS, and the risks mitigated by the NWS until permanent capital investments are placed in service;
- **Section 4 - Proposed Non-Wires Solution:** A detailed description of GBE's NWS proposal, including forecast results, budget, a summary of the benefit-cost analysis conducted, and project timelines; and
- **Section 5 - Funding, Rate Design & Bill Impacts:** Clear articulation of the manner in which GBE's NWS proposal is consistent with OEB requirements and eligible for distribution funding in rates, as well as GBE's proposals for cost recovery of the proposed NWS costs, as well as the resulting customer impacts.

GBE has also included a written benefit-cost analysis at Attachment 1 to this Application, consistent with the OEB's BCA Framework, accompanied by an Excel-based benefit-cost analysis model attached as file name: GBE_Attachment 2_NWS_BCA_20261009.xls.

3. DISTRIBUTION SYSTEM NEEDS

3.1. Current System Landscape & Constraints

For regional electricity planning purposes, the County of Brant and City of Brantford are defined by the electricity infrastructure serving the City of Brantford and the County of Brant, rather than solely by municipal boundaries (i.e., Brant Area). This area is supplied through three principal step-down stations: Brant TS, Powerline MTS and Brantford TS. Brant TS and Powerline MTS are supplied from the 115 kV network, while Brantford TS is supplied from the 230 kV network. The 2015 Brant IRRP[7] described these as two supply sub-systems that are normally operated independently, with limited emergency transfer capability between them. This configuration is important to the present need because capacity at one station or supply path is not fully interchangeable with capacity elsewhere in the Brant Area.[8]

Current Context

The electricity system serving the Brant Area faces considerable capacity constraints in the immediate future due to both forecast customer load growth and a series of planning-driven adjustments required to the regional transmission system. As further described in this Section and in Tables 3 and 5 below, GBE is forecasting that utilization of the combined Limited Time

[7] "Brant Area, Integrated Regional Resource Plan", Part of the Burlington-Nanticoke Planning Region, April 28, 2015 (2015 Brant IRRP)
[8] IESO, Brant Area IRRP, 2015, pp. 13–14

Rating (LTR) of the Brant, Powerline and Brantford transformer stations will rise from 76% today (306 MW/403 MW) to 91% by 2031 (368/403MW) in a Reference Scenario, or up to 102% by 2031 (412 MW/403 MW) in a High Scenario, as a result of local load growth. More urgently, however, a series of IESO planning documents have indicated a need to transfer significant load from Brant TS and Powerline TS to Brantford TS in the immediate future, with a longer-term intention of moving all Brant TS and Powerline TS load from their current supply point on the 115kV system to a new extension of 230kV, with two new ~200MVA stations serving GBE, by 2032. Section 3.4 of this Application describes the station and transmission assets subject to capacity constraints, the forecast load growth affecting these constrained assets, and the technical solutions under analysis to mitigate it.

Figure 1 below provides a map of GBE's service territory. Figures 2 and 3 below demonstrate the position of these three transformer stations on GBE's distribution system and Hydro One's transmission system, respectively. Brant, Powerline, and Brantford TSs collectively serve the vast majority of GBE's customer demand in the Brantford and Brant County portions of its service territory.

Figure 1: GBE's Service Territory

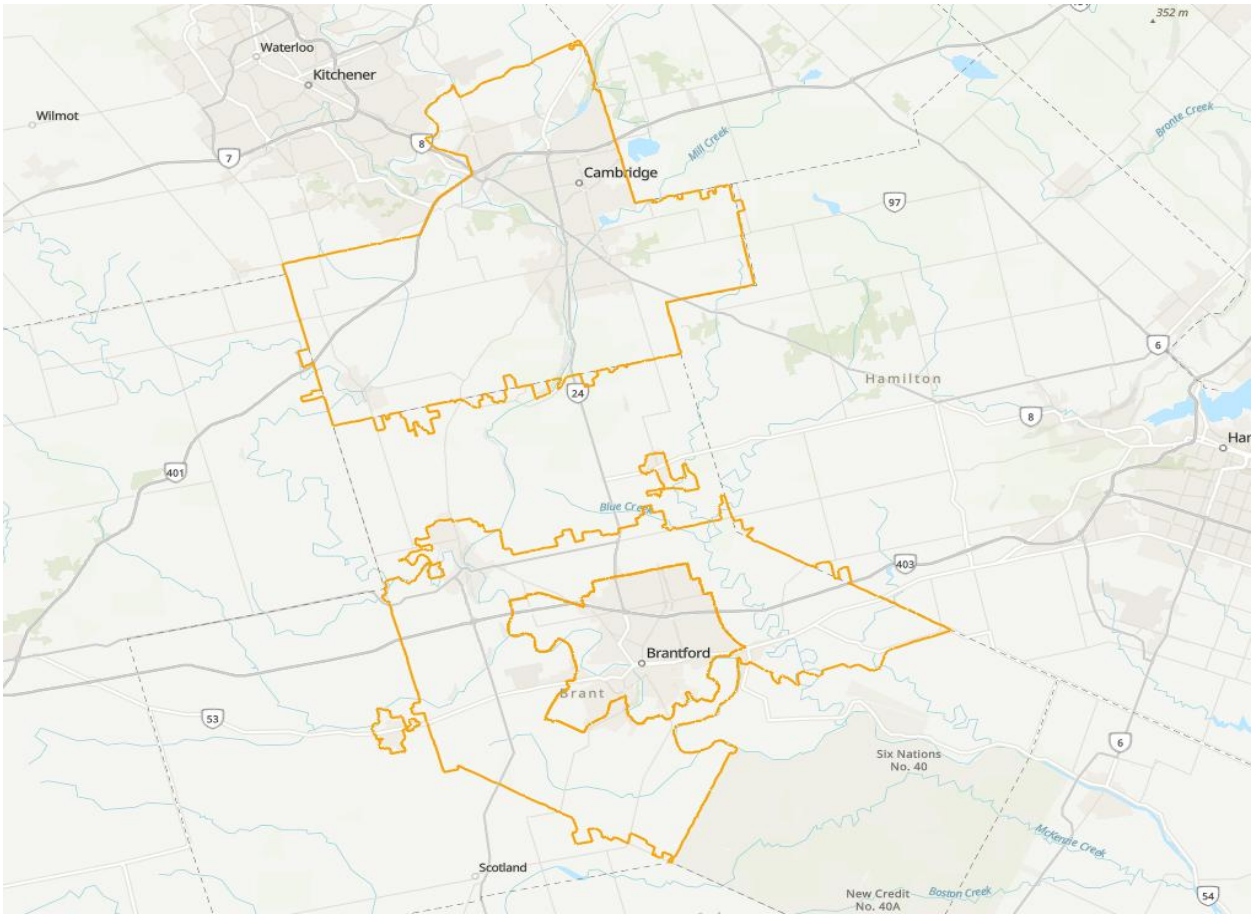
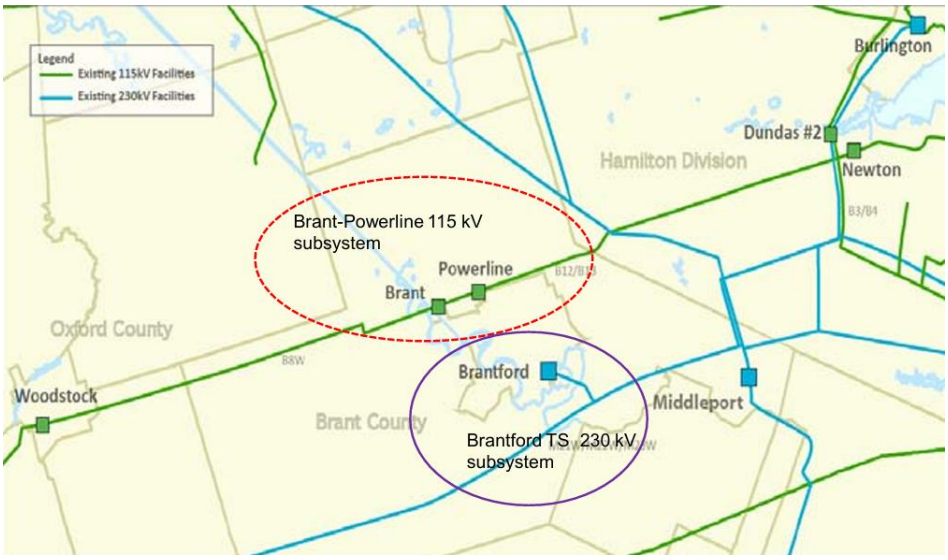


Figure 2: Location of Brant TS, Powerline MTS, Brantford TS on GBE Distribution System



Figure 3: Location of Brant TS, Powerline MTS, Brantford TS on Hydro One Transmission System



The combined LTR of the Brant, Powerline and Brantford TSs is 403 MW, as shown in Table 3 below:

Table 3: Brant TS, Powerline MTS, Brantford TS LTR

Station	LTR (MW)
Brant TS	101
Powerline MTS	114
Brantford TS	188
Total	**403**

Upstream of these three stations, GBE is working with the IESO and Hydro One to manage short- and mid-term capacity constraints on the regional transmission grid. As further described in Section 3.2 below, the IESO's December 2024 B2N IRRP identified the total LMC of Brant and Powerline TS combined as 134 MW served off the local 115kV system, representing a drop from the 165 MW of LMC agreed to via Capital Cost Recovery Agreements (CCRAs) signed between GBE[9] and Hydro One in 2017. Table 4 below shows the LMC of Brant and Powerline TS, served by the 115kV system, and Brantford TS, served by the 230kV system:

Table 4: 115kV and 230kV System Capability Limits

System	Load Meeting Capability (LMC) (MW)
115 kV (Brant TS + Powerline MTS) - Under Circuit Outage	134
230 kV (Brantford TS)	188
Total (Under Circuit Outage)	**322**
115 kV (Brant TS + Powerline MTS) - All Elements In-Service	165
230 kV (Brantford TS)	188
Total (All Elements in Service)	**353**

GBE understands that the 165 MW LMC for Brant and Powerline TSs is available when all relevant transmission elements are in service. However, broader regional transmission constraints in both the Hamilton and London areas present an ongoing capacity risk. As a result, the 165 MW LMC established through the 2017 CCRAs cannot be relied upon under all system conditions, with the applicable LMC reducing to 134 MW under circuit-outage conditions. GBE was able to manage peak loading to this level through control room switching; however, this remains above the 134 MW circuit-outage LMC. By comparison, combined peak demand at Brant and Powerline TSs reached 172 MW in August 2025.

An additional option made available to GBE is to exceed loading on the Brantford TS beyond its 188 MW LTR up to 232 MW. While this additional option provides GBE more flexibility to manage the complex constraints in the Brant Area, this option has only been made available on the basis

[9] The 2017 CCRAs were between Energy+ and BPI, respectively, and Hydro One. GBE has assumed both CCRAs as part of the merger of Energy+ and BPI into GBE.

of a load rejection scheme, which could see substantial portions of GBE's customers being 'dropped' in the event a system contingency is required.

Table 5 below depicts GBE's most up-to-date forecast of peak demand across the Brant, Powerline, and Brantford TSs from 2026 through 2031 in both Reference and High case Scenarios. Table 6 is the adjusted forecast that reflects the underlying demand forecast after accounting for the planned load transfers and NWS Program peak reductions described in GBE's South Service Area Plan (as discussed in Section 3.3 below)[10].

Table 5: Reference and High Scenario Demand by Station (MW) [11]

Scenario	Station	2026	2027	2028	2029	2030	2031
Reference Scenario Demand (MW)	Brant TS	87	91	94	98	101	104
	Powerline MTS	88	99	102	109	113	117
	Brant/Powerline Sub-Total	175	190	197	207	214	221
	Brantford TS	131	134	137	140	144	147
	TOTAL	**306**	**324**	**334**	**347**	**357**	**368**
High Scenario Demand (MW)	Brant TS	89	96	101	107	113	118
	Powerline MTS	90	103	110	120	127	134
	Brant/Powerline Sub-Total	179	199	211	227	239	252
	Brantford TS	132	138	143	148	154	160
	TOTAL	**312**	**336**	**354**	**375**	**393**	**412**

Table 6: Table Reference and High Scenario Demand by Station (MW), Adjusted for GBE's South Service Plan and GridShare Program

Scenario	Station	2026	2027	2028	2029	2030	2031
Reference Scenario Demand (MW)	Brant TS	62	62	62	62	62	62
	Powerline MTS	72	72	72	72	72	72
	Brant/Powerline Sub-Total	134	134	134	134	134	134
	Brantford TS	172	190	200	213	223	234
	South Service Area Sub-Total	**306**	**324**	**334**	**347**	**357**	**368**
	NWS Program Adjustment	0	-5	-10	-20	-20	-20
	TOTAL	**306**	**319**	**324**	**327**	**337**	**348**

[10] Table 6 is based on applicable annual NWS procurement targets being available to reduce peak demand.

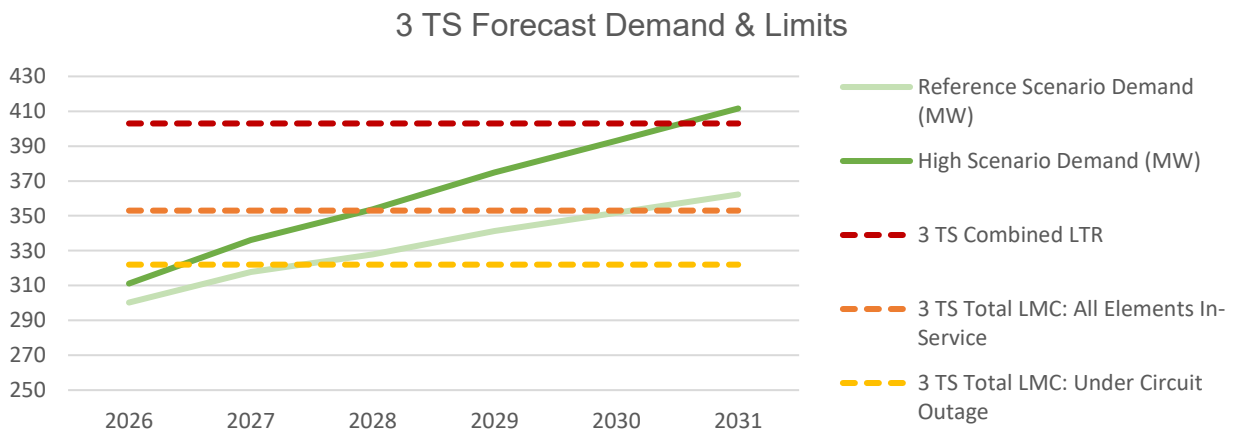
[11] These forecasts are GBE's latest forecast figures; they include values that encompass all station load (GBE and Hydro One). The forecasted load growth only reflects GBE growth on its feeders. GBE's growth. Numbers may not sum due to rounding. These numbers are unadjusted for the South Service 2027-2031 Area Plan and the NWS Program.

Scenario	Station	2026	2027	2028	2029	2030	2031
High Scenario Demand (MW)	Brant TS	62	62	62	62	62	62
	Powerline MTS	72	72	72	72	72	72
	Brant/Powerline Sub-Total	134	134	134	134	134	134
	Brantford TS	178	202	220	241	259	278
	South Service Area Sub-Total	**312**	**336**	**354**	**375**	**393**	**412**
	NWS Program Adjustment	0	-5	-10	-20	-20	-20
	TOTAL	**312**	**331**	**344**	**355**	**373**	**392**

As shown in Tables 4 and 5, the combined LMC of the three TSs under circuit outage will be exceeded by 2027 under the Reference Scenario and under the High Scenario. To the extent that all elements are in service, combined LMC will be exceeded by 2030 under the Reference Scenario, and by 2028 under the High Scenario. In the High Scenario, the combined LTR of the three individual stations will be exceeded in 2031 regardless of where load is routed among the three TSs. Notably, the above forecasts do not include Hydro One load growth also served off the assets in question, understating when infrastructure limits are reached.

Figure 5 below depicts forecast demand against identified asset limits from 2026 to 2031.

Figure 5: Reference and High Scenario Demand by Station (MW)

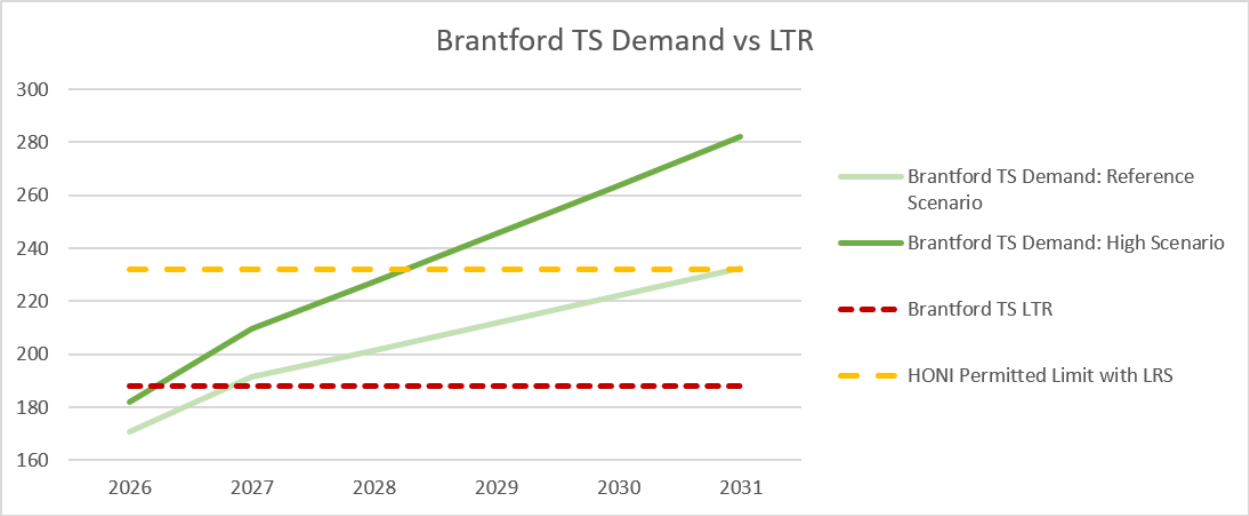


With an LMC of 134 MW on the 115 kV system serving Brant TS and Powerline MTS, GBE has planned distribution switching automation and load transfers between the 115 kV and 230 kV supply areas to manage demand and capacity requirements across the affected stations. This approach is consistent with IESO expectations.

As shown in Tables 3 and 6, however, maintaining demand at Brant TS and Powerline MTS below the 134 MW LMC would require Brantford TS to be loaded above its 188 MW LTR beginning in 2027 under both the Reference and High Scenarios. To manage this condition on an interim basis, a load rejection scheme is planned for Brantford TS to permit the station to operate at loading

levels of up to approximately 232 MW, subject to the automatic rejection of load following a qualifying transmission contingency. While the load rejection scheme provides additional operating flexibility, it does not provide additional firm capacity and introduces a material reliability risk for customers. For example, if Brantford TS were loaded to 232 MW (above the 188 LTR), a contingency affecting its 230 kV supply could result in the immediate need to transfer approximately up to 44 MW of customer load. However, with the LMC limit being approached on the 115 kV system supplying Brant TS and Powerline TS, this may result in needing to shed up to approximately 44 MW of customer load in order to return station loading to within its 188 MW LTR. The NWS Program therefore provides an additional means of reducing peak demand and limiting GBE's reliance on load rejection while permanent transmission and distribution solutions are developed. Figure 6 below depicts Brantford TS exceeding its LTR under both scenarios.

Figure 6: Brantford TS Demand vs LTR (MW)



As noted above, the applicable capability of the 115 kV system is now better understood following extensive regional planning and technical study. The 165 MW LMC for Brant TS and Powerline MTS is available only when all relevant transmission elements are in service; under contingency conditions, the lower 134 MW LMC applies. As system planning must account for credible contingencies, GBE must manage loading on Brant TS and Powerline MTS with regard to the 134 MW contingency limit, including through switching automation needed to facilitate transfers between the 115 kV and 230 kV supply areas.

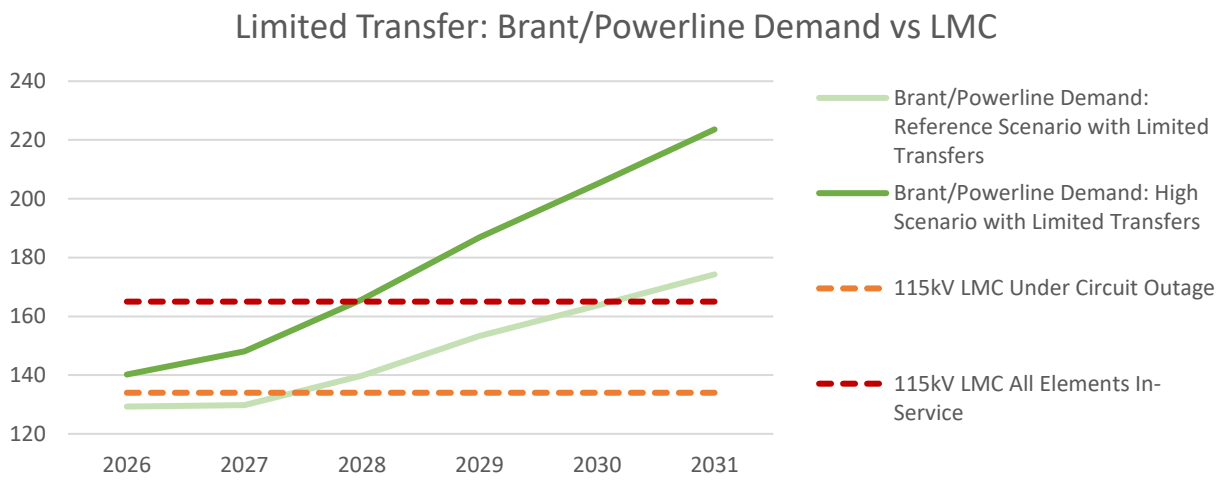
However, the ability to transfer additional load to Brantford TS is constrained by its 188 MW LTR. As described above, this constraint is expected to be managed on an interim basis through the planned load rejection scheme at Brantford TS, which permits the station to operate above its LTR, subject to automatic load shedding following a qualifying contingency. Under the Reference Scenario, this interim arrangement is expected to provide sufficient operating flexibility until approximately the end of 2031, when the planned long-term transmission solution is anticipated to be available.

As discussed further in Section 3.4, Section 4.2.4, and Appendix 1, approval of the proposed NWS Program is necessary to provide GBE with a critical additional tool and flexibility to allow for the interim solution to bridge the planning gap to 2031. Absent the NWS Program, GBE would require additional investments to be placed in-service at Brantford TS in 2029 to expand from 10

to 12 breaker positions, with accompanying investment in two distribution feeders. There remains a possibility these assets are ultimately required, particularly in a circumstance where the long-term 230kV solution replacing Brant and Powerline TSs is delayed beyond 2032. GBE's Benefit Cost Analysis, summarized in Section 4.2.4 and provided as Attachment 1, addresses this possibility through probability weighting.

Figure 7 illustrates the system implications if incremental demand that cannot be accommodated at Brantford TS were instead allocated to Brant TS and Powerline MTS. Under such a scenario, the combined loading of Brant TS and Powerline MTS would ultimately exceed the capability of the existing 115 kV transmission system. This is particularly evident under the High Scenario, which cannot reasonably be accommodated through the existing 115 kV and 230 kV supply arrangements and interim operating measures alone. Figure 7 is provided for illustrative purposes and does not represent a proposed operating configuration or an intention by GBE to exceed applicable LMC requirements.

Figure 7: Brant/Powerline TS Demand vs. LMC under a Limited Transfer Scenario (MW)



In summary, forecast demand growth in the Brant Area is accelerating over the 2026 to 2031 period. Allocating substantial portions of incremental load to the Brant and Powerline TSs served by the 115kV transmission system will exceed the 115kV system's LMC under all scenarios; both under the Reference or High forecast Scenarios, and under the LMC established 134 MW or 165MW, depending on system conditions. The logical and proposed technical solution to the 115kV constraint is allocation of load away from Brant and Powerline TSs, towards Brantford TS on the 230kV system. Under both Reference and High Scenarios, this approach will exceed the Brantford TS LTR of 188 MW by 2027. While GBE has been afforded the opportunity to overload Brantford TS up to 232MW, this is at the expense of a load rejection scheme which could see up to 44MW of Brant Area load dropped from service in the event of a contingency. Even leveraging this additional overloading capacity, the Brantford TS will exceed 232 MW of load by 2031 under a Reference Scenario, and by 2029 under a High Scenario (see Table 6).

All of the above considered, GBE is working with the IESO and Hydro One on a long-term traditional solution to manage load growth and the constraints identified, as further articulated in Section 3.2 below. In the immediate future, the identified constraints require GBE to use all available tools to manage a dynamic and complex technical environment. This Application proposes the use of an NWS to manage these constraints and create benefits for customers.

3.2. Integrated Regional Resource Planning

Evolution of Regional Planning

Regional planning for the Brant Area shows how supply needs have evolved as demand forecasts and system conditions have changed. The 2015 Brant IRRP identified near- and medium-term reinforcements expected to address the then-current forecast, while requiring continued monitoring of load growth and development of further options if higher growth materialized[12] . By 2022, Hydro One's updated Needs Assessment had identified a renewed Brant Area supply need, and the IESO concluded that coincident Brant load was expected to exceed the capability of the 115 kV supply within the planning horizon. Importantly for this Application, the IESO identified the need as primarily peak-demand driven and stated that non-wires alternatives should be considered as a potential deferment strategy alongside traditional infrastructure[13].

Regional planning subsequently identified broader system interactions affecting the Brant Area. In September 2024, the IESO moved to a coordinated B2N IRRP reflecting updated demand forecasts and the tight interconnection among the sub-regions. This evolution is directly relevant to GBE because the capacity available to serve the Brant Area is influenced not only by local station ratings and customer growth, but also by the capability and operating requirements of the interconnected regional transmission system. (IESO, B2N Scoping Assessment Update, September 27, 2024, p. 2.)

2024 B2N IRRP, Interim Measures and Long-Term Regional Solution

The purpose of this section is to explain how regional planning has identified and responded to the evolving capacity constraints affecting the Brant Area, and why an interim solution is required before the long-term transmission solution can be placed in service. In summary, regional planning has identified reduced capability on the 115 kV system serving Brant TS and Powerline MTS, increasing reliance on load transfers and other interim operating measures, and the eventual need to transfer these loads to new 230 kV-supplied transformer stations. The discussion below describes how these conclusions evolved through the IESO and Hydro One regional planning processes and the resulting timing gap that the proposed NWS Program is intended to help address.

The IESO completed the most recent B2N IRRP in December 2024, in which it first published a 134 MW LMC applicable to Brant and Powerline TSs served by the 115kV transmission system. The IRRP also expressed an expectation that, by 2035, GBE would transfer the Brant TS and Powerline TS loads to two new TS served by the 230kV system. The IRRP described these stations as each having an LTR of approximately 200 MVA, located in the vicinity of the County

[12] Brant Area IRRP, April 28, 2015
[13] IESO B2N Region Scoping Assessment Outcome Report, 2022, pp. 6, 8, and 10; Appendix 2, p.15

of Brant and connecting to the Middleport to Detweiler corridor[14]. The Kitchener-Waterloo-Cambridge-Guelph IRRP subsequently updated expectations for these assets to "2031 or earlier."

With respect to the LMC of the 115kV system serving the Brant Area, the B2N IRRP stated:

> The Brant 115 kV Subsystem has an immediate need of 3 MW in 2023 and a long-term need of 129 MW in 2042. The LMC of the Brant 115 kV Subsystem is presently limited by thermal limitations on circuits B12BL and B13BL to 134 MW, but following that, voltage constraints limit the LMC to nearly the same limit of 137 MW. (IESO B2N IRRP, page 38).

The revised 134 MW LMC represented a change from the 165 MW capability contemplated through the prior B2N regional planning cycle. That earlier planning had recommended the installation of a capacitor bank at Powerline MTS and new switching facilities at Brant TS, which together were expected to increase the combined LMC of Brant TS and Powerline MTS to 165 MW. GBE's predecessor utilities had also entered into CCRAs relating to the 115 kV switching facilities, under which they financially guaranteed the cost of the work through expected incremental revenues. Those agreements were assumed by GBE following the merger and remain in effect.

Following the prior B2N IRRP, IESO planning methodologies evolved to assess the regional transmission system more comprehensively. In preparing the 2024 B2N IRRP, the IESO analyzed the interconnected 115 kV subsystems serving Brant, Hamilton and Woodstock to identify system interdependencies. This analysis identified dependencies within the Hamilton 115 kV subsystem that, in turn, limited the capacity available to the Brant 115 kV system. Subsequent regional planning has also identified broader dependencies affecting the London area.

The 2024 B2N IRRP identifies interim operating measures to manage loading on the 115 kV system while medium- and long-term solutions are developed. In particular, the IRRP identifies opening station bus-tie breakers as a potential interim measure, stating:

> Load security: The recommended interim solutions to open station bus-tie breakers can be violations to the load security criteria. However, the LDCs and transmitter can apply for exemptions until the medium /long-term plans to address the needs are placed in service after which opening bus-tie breakers would not be needed.[15]

Current planning provides GBE with the ability to open the Powerline MTS tie breaker as an interim operating measure. No additional exemption is presently anticipated for this arrangement. Opening the Brant TS tie breaker is not part of the current operating plan.

The longer-term regional plan contemplates transferring load currently supplied by the Brant and Powerline 115 kV subsystem to new assets connected to the 230 kV transmission system.

Following the B2N IRRP, in June 2025, Hydro One published its RIP applicable to the B2N area, in which 134 MW was referenced as applicable to the Brant 115kV subsystem, noting that GBE would "transfer loads to Brantford TS to adhere to the 134 MW limit." The B2N IRRP made similar

[14] Burlington to Nanticoke IRRP, page 18.
[15] IESO 2024 B2N IRRP, page 40.

reference to load transfers as the expected means of managing the new 134 MW LMC applicable to Brant and Powerline TSs:

> The three stations supplying the Brant subregion, Powerline MTS, Brant TS and Brantford TS, were forecasted in the IRRP to exceed station capacity within the next decade. For a time, overloading at Brant TS and Powerline MTS can be addressed through distribution-level load transfers to Brantford TS until Brantford TS exceeds its capacity. However, by 2031 Brantford TS would no longer have capacity to provide relief, and new capacity is needed in the subregion. Additionally, the technical requirements and cost of upgrading the distribution system may limit the feasibility or viability of load transfer to Brantford TS[16].)

Recognizing the timing of the longer-term solution, Hydro One committed in its RIP to preparing an Addendum addressing the supply capacity issues affecting Brant TS and Powerline MTS. Hydro One noted:

> Since the capacity need is in 2029 timeframe and a 230 kV solution takes at least 5-7 years to implement. A 230kV solution alone may not be a viable alternative to meet need timelines of 2029. Since a new interim alternative has emerged the TWG further recommends assessing the new 115 kV options that may provide sufficient time for the implementation of the 230 kV solution recommended in the IRRP. The assessment of this interim solution will be published in addendum to this RIP[17]. The interim 115 kV solution identified in Hydro One's RIP contemplates reinforcement of the existing transmission corridor between Commerce Way TS in the Woodstock area and Brant TS. Hydro One notes that the existing approximately 30 km 115 kV line is a single circuit constructed on double-circuit transmission towers and that an additional 115 kV circuit could be installed on the existing towers (HONI B2N RIP, p. 41). GBE does not have information on the costs that may be associated with an interim solution of this nature, but it anticipates the project would require a Section 92 application to the OEB, limiting how quickly the solution could be implemented. Despite the potential bolstering of the 115kV system, GBE has been given the indication that Brant and Powerline TSs would nonetheless be subject to load rejection schemes.

Similarly, while GBE has since been given the opportunity to operate combined Brant and Powerline TS load up to 165MW, this opportunity is subject to a load rejection scheme. As recently as August of 2026, GBE was given an indication that regardless of any 115kV interim solution, the IESO's expectation continues to be the removal of Brant and Powerline TSs from the 115kV system to manage constraints arising from the Hamilton and London areas.

Conclusion

GBE is in a complex technical environment regarding transmission capacity serving the Brant Area, driven by a combination of local load growth and broader regional constraints. The current backstop proposed is to open bus tie-breakers and reject load, with potentially significant impacts on the reliability experienced by GBE's customers. In addition, GBE is expected to implement distribution-level switching automation in the near term to facilitate transfers between the 115 kV

[16] (IESO B2N IRRP, page 37
[17] HONI2N IRP, p. 42.

and 230 kV supply areas. Though plans to mitigate this circumstance are live between GBE, Hydro One, and the IESO, at present this situation will persist until a permanent solution is implemented, proposed for 2032 or earlier, as discussed in Section 3.4 below.

This timing mismatch creates the role for the proposed NWS Program. The long-term 230 kV solution is the enduring infrastructure response, but it cannot be placed in service on the same timetable as the near-term peak-demand and reliability pressures described above. GBE therefore proposes the NWS Program as a bridge resource, not as a substitute for the planned transmission solution. By procuring verifiable peak reductions from demand response and behind-the-meter resources during constrained conditions, the NWS Program is intended to create operating margin at the affected stations, reduce reliance on increasingly restrictive load transfers and other remedial operating actions, and lower the likelihood that planned outages, contingencies or peak conditions require customer load interruption before the permanent infrastructure is available.

3.3. Consistency with Historical Distribution System Plans

GBE's most recent DPSs were prepared and filed by GBE's predecessor companies: Energy+ in its 2019 Cost of Service, EB-2018-0028, covering the years 2019 to 2023 on a forecast basis (Energy+ DSP), and by BPI in its 2022 Cost of Service application (EB-2021-0009), covering the years 2022-2026 (BPI DSP). GBE is finalizing a consolidated DSP covering 2027-2031 and expects to file with the OEB in early 2027.

BPI DSP

While the BPI DSP did not identify material system constraints within its original horizon through 2026 (i.e. the end of the DSP forecast period), the plan explicitly noted "…expectations that evolving load growth may create system capacity constraints and adversely impact the reliability and quality of BPI's supply."[18] Similarly, the BPI DSP foresaw that under a high growth scenario, "Supply constraints will leave the LDCs unable to connect new customers without additional supply in the Area. Consequently, the Working Group agreed to develop a strategic plan to consider higher demand growth based on the Places to Grow assumptions or additional industrial block loads."[19]

Since 2021, significant forecasted lump-load commitments have emerged across GBE's South Service Area, on the Brant Area system. Although these loads have not fully materialized as of now, these projects are expected to contribute significantly to peak demand by 2031. This expansion is driven by the development of large residential subdivisions, industrial connections, expansions of existing facilities, multiple smaller projects, and general population growth in Brantford and the surrounding areas. This represents a material increase in demand forecast during the period of the NWS program.

Over the next 5 years, growth is expected to accelerate further as additional lump loads and continued population growth materialize. These include, but are not limited to, additional industrial facilities, recreational facilities, commercial-zoned development, and additional residential

[18] EB-2021-0009, Exhibit 2, Attachment 2-A DSP, Section 5.4.3, page 180
[19] EB-2021-0009, Exhibit 2, Attachment 2-A DSP, page 640

subdivision development, with an expected materialization of additional incremental demand by 2031; above and beyond the load referenced above. This growth necessitates urgent system service projects in GrandBridge Energy's South Service Area as part of its internal South Service Area Plan, including but not limited to SCADA-enabled switches, feeder rebuilds and extensions, a load rejection scheme at Brantford TS, breaker positions at Brantford TS, and the development of a new station.

The current outlook is therefore consistent with the higher-growth conditions contemplated in the BPI DSP. Although the BPI load forecast included only BPI load, current forecasts for the broader Brant Area show that growth will exceed earlier expectations. The BPI DSP anticipated that material supply investments would not be required through 2026, but that constraints could emerge beyond the DSP forecast period under higher-growth conditions. Those conditions have now developed, while upstream transmission planning has also evolved to introduce additional constraints and requirements affecting GBE.

Energy+ DSP

The Energy+ DSP provides further historical support for the capacity need underlying this Application. At the time the Energy+ DSP was prepared, regional planning had already identified a capacity limitation affecting the 115 kV system supplying Brant TS and Powerline MTS. The DSP documented the installation of capacitor banks at Powerline MTS and the planned Brant TS switching facilities as near- and medium-term measures to increase supply capability. Under the 2017 CCRAs with Hydro One, the switching facilities were expected to increase the total supply capability to 165 MW, an increase of 61 MW from the then-existing supply capability.[20]

The Energy+ DSP has references to capacity in the Brant County area. The expected capacity increase for the Brantford/Brant County area was 61 MW upon completion of the switching facilities project at Brant TS. At the time of the Energy+ DSP, capacity in the Brant area was not a concern. The 2024 IRRP reduced the 115 kV load-meeting capability with an element out of service from 165 MW to 134 MW which changed the situation.

The Energy+ DSP also recognized that continued development in the Brant County area would place increasing demands on the electricity system. The DSP expressly identified residential and non-residential growth as having a direct impact on peak demand and the requirement for new transmission and distribution capacity. Its longer-term development forecast for Energy+'s Brant County service area estimated approximately 51.9 MW[21] of gross incremental peak demand between 2014 and 2031, with the majority associated with industrial, commercial and institutional development. The DSP recognized that the actual amount and timing of this growth would be affected by load diversity, conservation, the nature of industrial development and the timing of individual developments.[22]

GBE's 2027–2031 South Service Area Plan (Plan)

More recent regional planning has materially changed the planning context for GBE's South Service Area. As described in Sections 3.1 and 3.2, the combined 165 MW capability of Brant TS and Powerline MTS cannot be relied upon under all transmission conditions. As a result, GBE must plan not only for continued load growth, but also for increasing transfer requirements

[20] EB-2018-0028, Exhibit 2, pages 129 and 508
[21] EB-2018-0028, Exhibit 2, pages 1004-1005
[22] EB-2018-0028, Exhibit 2, pages 996-1005

between the constrained 115 kV subsystem and the 230 kV-supplied Brantford TS. This has resulted in the development of the South Service Area Plan (the Plan).

The Plan responds to these dynamic circumstances through a coordinated sequence of interim and long-term measures and uses a staged approach over the 2027–2031 period. This includes:

(1) Managing the Brant 115 kV contingency constraint, where GBE will establish switching automation needed to facilitate transfers between the 115 kV and 230 kV supply areas, with automated distribution switching planned for 2027 and additional switching planned for 2029.

(2) Introducing a load-rejection scheme at Brantford TS.

(3) Developing additional distribution capability at Brantford TS, including two additional breaker positions and associated feeder egresses planned for 2029.

(4) Developing long-term South Service Area supply, including additional transformer station capacity.

Role of the NWS Program within the Plan

The NWS Program is a bridge within GBE's broader distribution plan. It provides additional operating margin during the period in which GBE, the IESO and Hydro One are developing the permanent supply solutions, while preserving the ability to proceed with conventional distribution investments if NWS performance or the timing of the long-term solution does not support their avoidance.

Table 7 below summarizes the Plan components as they relate to the assets impacted by GBE's NWS Program in this Application,

Table 7: South Service Area Plan: Capital Plan and GridShare-Enabled Plan Comparison

Plan Component	Capital Investment Plan	GridShare-Enabled Plan	Cost treatment Capital Investment Impact
Five Automated Switches	Proceed in 2029	Avoided (50% chance)	$0.5M identified capital avoidance
Two Brantford TS Breaker Positions	Develop during 2028–2029 for 2029 in-service	Planned for avoidance (50% chance). May instead be deferred (25% chance) to approximately 2032 if the 230 kV solution is delayed beyond 2031	$7.5M identified capital avoidance
Two Brantford TS Feeder Egresses	Develop with the breaker positions during 2028–2029 for 2029 in-service	Planned for avoidance (50% chance). May instead be deferred (25% chance) to approximately 2032 if the 230 kV solution is delayed beyond 2031	$7.33M identified capital avoidance
GridShare South	Not included	Procure 5 MW in 2027, 10 MW in 2028 and 20 MW annually from 2029 through 2031	Approximately $5.6M preliminary five-year program cost; recovered through the separate NWS Application rate riders.

Conclusion

The circumstances underlying this Application have subsequently evolved since GBE's legacy DSPs. Load growth has continued, while more recent regional planning has established a 134 MW LMC for the Brant-Powerline 115 kV system under circuit-outage conditions, rather than the 165 MW capability contemplated when all relevant transmission elements are available. The proposed NWS Program is therefore consistent with the direction of the historical Energy+ and BPI DSPs: it responds to previously identified growth and supply-capacity risks and provides an interim means of managing those risks until the planned long-term transmission and distribution solution is placed in service.

The proposed NWS Program and this Application are consistent with the 2022 BPI and 2018 DSPs.

3.4 Asset Solution

To facilitate sustained and timely customer connections and economic growth, maintain a safe and reliable system, and comply with regional planning requirements, a long-term capital solution is required in the affected portions of GBE's service territory.

Regional planning undertaken by the IESO has identified the need for additional long-term supply in the Brant Area. Potential solutions under consideration include two new approximately 200 MVA stations connected to the 230 kV transmission system, the conversion of one or both existing 115 kV-supplied stations to 230 kV, or a combination of new and converted stations. The final regional solution has not yet been determined and will require associated transmission and distribution investments.

Through its Plan, GBE has preliminarily identified the need for at least one future 230 kV-supplied South-area transformer station, targeted to be in service by 2032, together with associated distribution network ties. The Plan advances the planning and studies required to establish the station's location, transmission connection, configuration and associated distribution investments. GBE continues to work with the IESO and Hydro One to determine the appropriate long-term regional solution.

GBE is preparing its first consolidated DSP since the merger of E+ and BPI in 2022 and plans to file it with the OEB in early 2027. The consolidated DSP will incorporate the South Service Area Plan and set out GBE's planned investments for 2027–2031 to address capacity, supply and reliability needs in GBE's Brant County and Brantford service areas, also referred to as GBE's South Service Area.

Until the permanent solution is available, the proposed NWS Program would provide an interim bridge by reducing peak demand, creating operating flexibility and avoiding or deferring certain distribution investments.

Absent the NWS Program proposed in this solution, GBE would not have the resources and flexibility to manage this challenging circumstance through 2031, when the long-term asset solution is planned to be in-service. To manage constraints, GBE would require investments at Brantford TS; specifically, the addition of 2 breaker positions at Brantford TS with accompanying distribution feeders. This investment may still be required, in the event planning timelines require

installation of the long-term solution later than currently planned. As described in Attachment 1 (BCA) below, GBE anticipates that two new breaker positions at Brantford TS can be avoided or deferred due to the NWS Program. Through the deployment of the NWS Program, GBE expects to avoid the need for these investments indefinitely, resulting in significant savings for customers.

GBE is not proposing approval of the two noted stations, the line extension(s), or their costs in this Application. GBE is proposing the NWS Program to meet the needs of GBE's customers and system, as described in the sub-sections above; including the management of reliability under a worsening set of constraints and interim load rejection plans. Under planned timelines, the new 230kV stations are anticipated for 2032 or earlier.

While GBE cannot defer or avoid the long-term transmission solutions described in the B2N IRRP or Hydro One RIP, implementation of an NWS will provide GBE the opportunity to pursue deferral or avoidance of distribution investments prior to 2031; notably, some of the load transfers to manage near term constraints, as well as breaker and feeder investments at Brantford TS. GBE forecasts a probability-weighted net present value of $9.4M in avoided distribution infrastructure investments as a result of the NWS Program. Avoided investments are discussed further in Section 4.2.4, and Attachments 1 and 2 to this Application.

4. PROPOSED NON-WIRES SOLUTION

4.1. Overview

GBE's system and customers require an immediate solution to address the complex and immediate capacity constraints discussed throughout this Application. A long-term technical solution involving traditional infrastructure upgrades has been identified: two new approximate 200 MVA transformer stations, offloading Brant and Powerline TSs from the 115kV transmission system, and associated distribution investments.

GBE is actively consulting with the IESO and Hydro One to plan for these assets; however, the present timeline for in-service dates is 2032. To bridge the immediate gap and generate customer benefits, GBE proposes to scale procurement from up to 5 MW in 2027, to 10 MW in 2028, and up to 20 MW annually from 2029 through 2031, during which time the required traditional infrastructure investment can be planned and constructed. Similar to the GBE NWS application approved by the OEB in EB-2025-0265, this approach allows for immediate capacity relief while providing sufficient time for traditional assets to be delivered without compromising reliability, customer connections, or economic growth. The planned NWS is consistent with the capacity auction program GBE recently operated in the Cambridge service territory and will leverage experience and capabilities gained from the early implementation of that program.

4.2. GrandBridge Energy's NWS Capacity Auction

4.2.1. NWS Program Description

The GBE NWS Program, known as the GridShare Program, aims to alleviate capacity constraints and enhance grid resiliency by leveraging local resources in the Brant Area. This includes incentivizing DR participants to reduce load during peak hours, promoting behind-the-meter DERs such as battery storage, and smart energy solutions to displace load, and conducting capacity

auctions to ensure cost-effective procurement of capacity, benefiting customers through competitive pricing.

To accomplish the required results, GBE will leverage the substantial foundation of behind-the-meter distributed generation (DG) totalling approximately 26 MW across the Brant, Powerline, and Brantford transformer stations. Table 8 summarizes the connected DG associated with GBE's affected transformers:

Table 8: Known Connected Distributed Generation Assets[23]

	Total Connected DG Capacity (kW)	% that are Dispatchable	Dispatchable Connected DG Capacity (kW)
Powerline MTS	8,956	51%	4,600
Brant TS	6,799	68%	4,600
Brantford TS	24,786	67%	16,710
TOTAL	**40,541**	**64%**	**25,910**

In addition to behind-the-meter DG, GBE expects results will be augmented by non-generating sources of DR, such as load curtailing and shifting time-of-use.

For the 2027 obligation period, GBE plans to launch the NWS Program simultaneously across the areas served by Brant TS, Powerline MTS, and Brantford TS, addressing the immediate need to provide capacity and flexibility across the three stations. The combined target auction capacity for 2027 is up to 5 MW. The program is expected to expand in subsequent years, with a combined target of up to 10 MW by 2028 and reaching a total of 20 MW by 2029 and maintaining this level through 2030 and 2031.

Participants will register via a secure web portal, submitting price-quantity pair offers in ascending price order, which are stacked and cleared competitively up to the target capacity. During the obligation period (June 1 to September 30), participants must respond to standby notices (issued by 7 a.m. EST on the day) and activation notices (issued at least 2 hours before activation) within the 11 a.m. to 9 p.m. EST availability window, with activations lasting up to 4 hours. Emergency activations may occur without standby notices, with optional response. Performance will be verified through measurement and verification, comparing delivered capacity against a baseline consumption calculated from the 15 highest consumption values over the last 20 business days, adjusted by a variation factor (0.8 to 1.2)[24]. To ensure fair market operations and accountability on the part of participants, performance charges may be applied if participants fail to meet their capacity obligations during the obligation period. These performance charges shall be in the form of liquidated damages and not penalties. To ensure demand response readiness, a maximum of one test per period may be performed, and a machine-learning-enhanced tool will aid daily load forecasting and decision-making. See Attachment 6 for further details of the NWS Program, including the Program Rules and form of participant and aggregator agreements.

[23] The table values are as of June 6, 2026.
[24] The variation factor is used to account for variation in the average consumption of the NWS Program participant, at hour H, on the activation day, compared to the average consumption in the past 20 regular business days. This is described in section 15 of the NWA Program Rulebook.

4.2.2. NWS Forecasting

The NWS Program operates under several market assumptions and forecasts to achieve its goal of procuring up to 5 MW of capacity across the Brant, Powerline and Brantford TSs for the 2027 obligation period (June 1 to September 30):

- **Demand for Capacity**: The NWS Program relies on the local sufficiency of DR and DERs articulated above. The minimum capacity obligation of 25 kW (single or aggregated) articulates GBE's expectation that medium-to-large commercial or industrial customers, or aggregators, will be the focus of the NWS Program.
- **Competitive Bidding**: The capacity auction relies on a competitive market where participants submit price-quantity pairs, with prices not exceeding the reference price of $500/MW-day. GBE's forecast assumes that bids will be sufficiently low and varied to clear the 5 MW target cost-effectively, as offers are stacked from lowest to highest price.
- **Grid Constraints**: The NWS Program forecasts peak demand constraints across Brant, Powerline and Brantford TS during the availability window (11 a.m. to 9 p.m. EST on business days), necessitating up to two (2) contracted monthly activations, with potential for additional or emergency activations. This is supported by the analysis of historical load data.
- **Participant Behaviour**: It is assumed that capacity market participants will reliably respond to standby and activation notices, with performance incentives ($250/MWh for additional activations, $500/MWh for emergency activations) and performance charges (capacity dispatch and obligation charges), ensuring compliance.
- **Expansion Forecast**: The NWS Program anticipates scaling capacity targets to 10 MW by 2028 and 20 MW by 2029 through 2031 across the three stations.

The NWS Program is supported and informed by robust analysis, completed with the assistance of a third-party expert in the design of demand-response programs; leveraging the foundation established by GBE's existing NWS serving customers in the Cambridge service area. The following highlights key pieces of the NWS Program design:

- **Market Structure**: The NWS Program uses a reverse auction program structure, which, unlike a forward market or standard offer program, encourages participants to compete by offering price-quantify pairs that have the highest likelihood of winning. This competitive market design indicates a sophisticated economic model being utilized for the NWS Program that allows for optimization of resource procurement.
- **Load Forecasting**: The machine-learning forecasting tool relied on by GBE analyzes historical load and real-time weather data to predict peak demand at Brant, Powerline and Brantford TS, enabling precise issuance of standby and activation notices.
- **Measurement and Verification (M&V)**: The NWS Program uses a robust M&V process to ensure market integrity, calculating baseline consumption from the 15 highest consumption values over the last 20 business days (up to 35 days prior), adjusted by a variation factor (0.8 to 1.2). This data-driven approach verifies participant performance, supporting forecasts of reliable capacity delivery.

- **Performance Incentives and Penalties**: The structure of capacity obligation payments ($500/MW-day max), incentive payments ($250/MWh), emergency payments ($500/MWh), and performance charges (with non-performance factors of 4.0 to 8.0)[25]reflects an analysis of participant incentives and grid reliability needs, ensuring accountability and encouraging competitive bidding.

As part of this Application, GBE is providing the NWS Program Rulebook and participant and aggregator agreements in Attachment 6. The Rulebook explains the NWS Program in detail.

4.2.3. NWS Program Budget

The total costs of GBE's proposed Brant County/Brantford NWS Program are made up of software licensing and maintenance, professional consulting fees, allocated staffing costs, participant payments, margin-on-payment incentives, and the capital cost of implementing the required software, as summarized in Table 9 below. These costs are specific to the NWS Program in GBE's County of Brant and Brantford service areas.

Table 9: GBE Brant County/Brantford NWS Program Budget

Cost ($000's)	2026	2027	2028	2029	2030	2031	Total
Software Licensing & Maintenance	$0	$25	$25	$63	$63	$63	$238
Professional Consulting and Services	$82	$95	$5	$4	$4	$4	$193
Allocated Staffing Costs	$39	$77	$77	$77	$77	$77	$424
Participant Payments	$0	$245	$490	$980	$980	$980	$3,675
Margin on Payment	$0	$61	$123	$245	$245	$245	$919
Total Operating Costs	**$121**	**$503**	**$720**	**$1,368**	**$1,368**	**$1,368**	**$5,448**
IT Software Implementation	$108	$0	$0	$0	$0	$0	$108
Total Capital Costs	**$108**	**$0**	**$0**	**$0**	**$0**	**$0**	**$108**
Total NWS Program Cost	**$229**	**$503**	**$720**	**$1,368**	**$1,368**	**$1,368**	**$5,556**

GBE is requesting recovery of the operating costs and capital-related revenue requirement costs of the NWS Program for recovery in rates. Attachment 3 describes and provides justification for these costs. These costs are associated with the development and operation of the proposed NWS Program that will operate in GBE's South Service Area, as well as support in the preparation and adjudication of this Application. For rate-making purposes, GBE is proposing cost recovery via average rate riders per Section 5.2 below, which has the effect of smoothing all cost recovery across the 5-year period. This approach is consistent with common practice for cost-based applications under the OEB's Chapter 2 Filing Requirements, and recognizes the OEB's approval of similar costs in EB-2025-0265. Table 10 below presents the operating and capital-related

[25] The Rulebook Pre-Auction Report (in Attachment 6) outlines that the non-performance factor for the 2027 obligation period is a number between 4.0 and 8.0, depending on the month of the year, and accounts for the severity of the grid constraint during a particular month.

revenue requirement associated with the NWS Program. In addition, GBE is requesting approval to recover the remaining capital-related revenue requirement associated with IT capital investments approved in EB-2025-0265. This IT infrastructure continues to provide value beyond the 2028 expiry of the NWS Program approved in EB-2025-0265 and facilitates delivery of the NWS Program proposed in this Application. As such, recovering the remaining capital-related revenue requirement associated with this undepreciated asset in this proceeding is reasonable and appropriate.

Table 10: GBE NWS Revenue Requirement

Item ($000's)	2026	2027	2028	2029	2030	2031	Total
OM&A Program Costs	$121	$503	$720	$1,368	$1,368	$1,368	$5,448
Capital-Related Revenue Requirement	$7	$28	$26	$27	$27	$12	$126
Legacy Capital-Related Revenue Requirement (EB-2025-0265)	$0	$0	$0	$126	$124	$58	$308
Total NWS Revenue Requirement	**$128**	**$531**	**$746**	**$1,521**	**$1,519**	**$1,438**	**$5,882**

Reconciliation of Program Costs and Revenue Requirement

Table 9 presents the forecast costs of delivering the NWS Program, including operating expenditures and capital investments. Table 10 converts those forecast costs into the annual revenue requirement proposed for recovery from customers. Operating expenditures are reflected in the revenue requirement in the year they are incurred, while capital expenditures are recovered through the associated capital-related revenue requirement, including depreciation, return on rate base and applicable income tax impacts, rather than through immediate recovery of the full capital expenditure.

In addition, the proposed revenue requirement includes the remaining 2029–2031 capital-related revenue requirement associated with the GridS2 platform investment previously approved in EB-2025-0265, which will be used for the Brant County/Brantford NWS Program. Accordingly, the total NWS revenue requirement shown in Table 1 and Table 10 consists of: (i) forecast OM&A costs for the Brant County/Brantford NWS Program; (ii) the capital-related revenue requirement associated with new capital investments proposed in this Application; and (iii) the remaining capital-related revenue requirement associated with the previously approved GridS2 investment. The resulting annual revenue requirement forms the basis for the rate riders described in Section 5.2.

The 30% Provision

GBE requests approval to recover NWS Program costs up to 30% above the OEB-approved NWS Program costs (the 30% Provision) through the NWS Variance Account described in Section 5.1 and Attachment 5, NWS Program Cost Variance Account Draft Accounting Order. GBE recognizes that the costs above the OEB-approved amount that will be considered for recovery, would remain subject to OEB review for prudence. GBE is requesting the provision from an operational perspective to provide a reasonable degree of flexibility in administering the NWS Program over its five-year term.

The NWS Program will operate in an evolving market for demand response and distributed energy resources. The main driver of the Provision is to accommodate variability in participant-payment costs arising from competitive procurement and program performance and is not intended to provide a general 30% increase to all NWS Program cost categories. The 30% Provision will

provide GBE with flexibility to accept participation above the targeted procurement level where additional subscribed capacity would improve the availability and reliability of the NWS resource, and to respond to changes in the level of participant compensation required to attract and retain sufficient resources. This flexibility is particularly relevant given recent increases in IESO capacity auction payments relative to the participant payment levels reflected in GBE's current NWS Program.

The 30% Provision will establish a defined operating envelope within which GBE can respond to participant uptake, system needs and changing market conditions without unduly constraining Program delivery. At the same time, the 30% limit provides customer protection by establishing a clear upper bound on the incremental Program costs that may be recorded for potential recovery. A similar 30% provision was approved by the OEB for GBE's existing NWS Program in EB-2025-0265. Lastly, the 30% Provision is aligned with the OEB's Advanced Capital Module (ACM) policy,[26] which balances program execution and customer protection from excessive NWS Program costs.

NWS MoP

GBE is requesting approval for an incentive associated with its administration of the proposed NWS Program, in accordance with the OEB's NWS Incentive Guidelines and section 11 of the DSC related to the MoP incentive.

As outlined in those NWS Incentive Guidelines, the OEB established a framework through which distributors may propose incentive mechanisms to promote the use of third-party-owned DERs as alternatives to traditional wires infrastructure. In line with that guidance, GBE proposes implementing a MoP incentive, whereby a reasonable margin will be added to payments made to third-party program participants delivering services under the NWS initiative. GBE will retain this margin as an incentive. GBE's MoP incentive proposal is in accordance with section 11 of the DSC, such that:

- The incentive amount should not exceed 25% of the total payments made to vendors or program participants; and
- The total incentive paid to the distributor should not exceed 50% of the net present value (NPV) of customer benefits.

GBE is proposing an incentive rate of 25% of payments made to NWS Program participants. Further, as shown in Table 11 below, GBE has determined that the MoP proposed is less than 50% of the NPV of customer benefits determined in the completed Distribution System Test (DST) described in Section 4.2.4, Attachment 1, and Attachment 2 to this Application. The DST customer benefits are inclusive of the quantified benefits of avoided or deferred distribution capacity, as well as the quantified benefits of avoided planned and unplanned outages and avoided transmission charges; as provided for under the OEB's BCA Framework.[27]

Importantly, GBE's NWS Program is expected to deliver significant net benefits to customers by avoiding or deferring traditional capital investments, avoiding planned and unplanned outages,

[26] Report of the OEB EB-2014-0219 New Policy Options for the Funding of Capital Investments: Supplemental Report, January 22, 2016, Appendix A

[27] BCA Framework, page 19 specifies that distributors may provide quantified values for benefits listed as qualitative in Table 1 where they have the means to do so.

and reducing transmission charges. The total proposed incentive constitutes 7% of the net benefits, which is below the 50% upper bound proposed by the OEB, as shown in Table 11 below:

Table 11: GBE NWS Margin-on-Payments Incentive

Cost ($000's)	NPV	2027	2028	2029	2030	2031	Total
Total Participant Payments	$3,331	$245	$490	$980	$980	$980	$3,675
Margin on Payment	$833	$61	$123	$245	$245	$245	$919
Margin on Payment (%)		**25%**	**25%**	**25%**	**25%**	**25%**	
Total Net Benefits	**$12,495**						
Margin on Payment as a % of Net Benefits	**6.%**						

Given the incentive's small size relative to overall customer benefits, GBE believes the proposed incentive level is fully aligned with the OEB's expectations and strikes a favourable balance for customers. GBE therefore submits that the proposed incentive is appropriate and should be approved in full.

Table 12: Summary of Proposed Incentive (per Section 2.3 of the NWS Incentive Guidelines)

Element	Details
Incentive Amount	Forecasted total incentive equals 25% of total vendor/program participant payments.
Methodology	Margin is applied on all eligible NWS participant/vendor payments. The amount is recorded and tracked against actual disbursements.
Incentive Term	The incentive term is equal to the full program delivery period (5 years), aligned with the term of contracted services.
Incentive Implementation	Incentive payments are embedded within the NWS program budget, which is funded via approved rate riders. A variance account has been proposed to allow for final reconciliation and true-up.

4.2.4. NWS Benefit-Cost Analysis Summary

Attachment 1 to this Application provides a written BCA completed by GBE in support of the NWS Program, while Attachment 2 provides a supporting BCA Model. The following is a summary of the results of the BCA.

As discussed above, GBE has identified a significant and emerging system capacity need in its Brant County/Brantford area that must be addressed to maintain system reliability, support customer connections, and accommodate continued growth. In evaluating potential solutions to this need, GBE determined that the NWS Program represents a technically effective and cost-

effective means of providing near-term capacity and operating flexibility while longer-term system reinforcements are developed. A BCA was completed, consistent with the OEB's BCA Framework, to assess the economic merits of the proposed solution and confirm that it provides value to customers.

Accordingly, the NWS Program was pursued in response to an identified system need, with the decision to proceed supported by the program's demonstrated cost-effectiveness relative to the benefits it is expected to provide.

In preparing its BCA, GBE followed the OEB's Phase 1 BCA Framework and applied the DST to evaluate the quantified costs and benefits of the NWS Program.

Because the OEB has not yet finalized Phase 2 of its BCA Framework, which will define the parameters of the Energy System Test (EST), GBE's assessment is limited to the DST. Nevertheless, it is understood that completion of an EST would likely capture additional system-wide benefits attributable to the NWS Program, such as avoided transmission or generation-level costs, emissions reductions, and enhanced system flexibility.

On a present value basis, the cost of the NWS Program over 5 years is estimated at $4.36 million, excluding the MoP incentive. The benefits of the NWS Program can be summarized as follows:

- **Avoided Traditional Investments:** The NWS Program will provide GBE the opportunity to avoid or defer $7.5 million for 2 breaker positions at Brantford TS otherwise required in-service in 2029; $7.3 million for 2 feeders egressing from Brantford TS corresponding with the new breaker positions otherwise required in-service in 2029; and avoid $500k in switches otherwise required in 2029. Each of these investments has been probability weighted between achieving avoidance, achieving deferral, or achieving neither.[28] The present value customer benefit of all these avoided or deferred investments on a probability weighted basis is approximately$9.5 million;

- **Avoided Unplanned Outages:** Considering the capacity constraints present at Brantford TS, Brant TS, and Powerline MTS, the risk of unplanned customer outages is elevated over the 2027 to 2031 period. Unplanned events happen at transformer stations due to factors such as equipment failures, weather conditions, and animal contacts. By reducing unplanned outages over this period, the NWS Program will deliver probability-weighted present value customer benefits of approximately $0.57 million for GBE;

- **Avoided Planned Outages:** The NWS Program will provide GBE the opportunity to avoid planned customer outages by deploying the NWS Program to free up capacity during planned maintenance or other activities. This will provide customer benefits of approximately $4.60 million on a present value basis; and,

- **Avoided Transmission Charges:** The NWS Program will be targeted to reduce GBE's demand at peak periods during the June to September period. As Network, Transformation Connection and Line Connection transmission charges are billed based on monthly station peaks, deployment of the NWS Program will reduce these charges paid

[28] With the exception of the $500k switching investment, which is probability weighted between avoidance and non-avoidance, with no probability assigned to investment deferral.

by GBE's customers over these months; providing customer benefits of approximately $2.23 million on a present value basis.

Table 13 below summarizes the results of the DST. Further details are provided in Attachment 1 (BCA) below and Attachment 2 (BCA Model)[29].

Table 13: Distribution System Test Results

Costs ($ millions)	
PV of Program Costs*	**$4.36**
Benefits ($ millions)	
PV of Avoided or Deferred Traditional Investments	$9.50
PV of Avoided Planned Outages (Reliability)	$4.60
PV of Avoided Transmission Charges (Other Benefits)	$2.23
PV of Avoided Unplanned Outages (Reliability	$0.57
PV of Benefits	**$16.86**
Net Benefits: ($ millions)	
Net Benefit to Customers	$12.50
DST Ratio	**3.87**

*Excluding MOP Costs

In addition to the net financial benefit of deferred and avoided capital as presented above, implementation of the proposed NWS will have the following unquantified benefits:

- **Avoided Delays in Customer Connections:** By addressing grid constraints through NWS, GBE mitigates significant delays in connecting new customers, ensuring timely service and supporting broader economic objectives.
- **Economic Growth**: By managing grid constraints, the NWS Program supports regional economic growth by ensuring sufficient capacity to support local economic development, critical housing developments, and new industrial and commercial growth and job creation.
- **Regulatory Alignment**: Aligns with the OEB's framework for cost-effective grid planning, facilitating a transition to a Distributor System Operator (DSO) model.
- **Reputation Risk Mitigation:** The NWS Program reinforces GBE's reputation, along with Ontario's distribution utilities, as proactive enablers of economic growth. It highlights forward-thinking grid planning and commitment to reliable service delivery.
- **Customer Empowerment**: The program enables customers to actively participate in energy management, incenting the use of DERs and DR, and enhancing their role in the clean energy ecosystem.

[29] Excel File: GBE_Attachment 2_NWS_BCA Model_20261009.xls

4.2.5. NWS Project Timeline

The NWS Program follows a phased implementation approach with three key milestones. The NWS solution implementation is targeted for completion by the end of December 2026, establishing the foundational system capabilities. Following this technical deployment, the first procurement and customer registration activities are scheduled to begin in Q1 2027, allowing participants to enroll in the NWS Program. Registration will take place yearly in Q1 and part of Q2 through to the last registration in 2031. The final phase, the operational phase, involves NWS activations, which are strategically planned for June through September 2027 through 2031 to align with the summer peak demand period when the system's demand response capabilities will be most valuable.

4.2.6. Existing NWS Program

GBE's existing NWS program, approved by the OEB in EB-2025-0265, operated its first summer season from July 1 to September 30, 2026. The first-year procurement target was 5 MW, with a reference auction price of $500/MW-day, consistent with the initial procurement target proposed for the NWS Program in this Application. The 2026 capacity auction received 6.175 MW of offers and cleared at $450/MW-day. Following the auction and contracting process, GBE secured 4.075 MW of capacity from 10 contracted participating organizations.

During the 2026 operating period, GBE issued seven standby notices and four subsequent activation notices. A standby notice was issued where forecast system conditions indicated that an activation could potentially be required. An activation notice was subsequently issued where updated forecasts and operating conditions indicated an anticipated system need that would benefit from dispatching GridShare resources. No more than two activations occurred in any month, and no emergency activations were required during the 2026 season.

Across the four activations, participant response averaged approximately 60% of contracted capacity. This was below the level of performance that GBE would seek to achieve from contracted resources over the course of the program. The first operating season provided valuable experience regarding participant readiness, communications, operational coordination, forecasting, dispatch procedures and performance monitoring. GBE will incorporate these learnings into the continued operation of the Cambridge program and the design and administration of the proposed Brant County/Brantford NWS Program.

GBE considers the first year of the Cambridge program to have demonstrated customer and aggregator interest in providing local flexibility, the ability to procure capacity competitively, and the practical operation of the regulatory, procurement, contracting and technology framework supporting the Program. At the same time, the first operating season identified opportunities to further strengthen participant performance and operational processes as the Program matures.

Additional information regarding the Cambridge program, including program expenditures, capacity procured, participant performance and other required reporting, will be provided through the annual and final reporting requirements established by the OEB in EB-2025-0265.

5. FUNDING, RATE DESIGN & BILL IMPACTS

The following sections outline the funding model proposed for the NWS Program, associated rate-making proposals, and resulting bill impacts for customers.

5.1. Funding Sources

GBE proposes that distribution rates fund the NWS Program to recover its forecast costs, which addresses the specific system needs described above in Sections 3 and 4.1. Though the needs faced by GBE are influenced by constraints and planning dynamics at the transmission level, the consequence of transmission constraints poses significant risk for the reliability of GBE's customers. As such, the need identified in this Application is a distribution need, and the benefits of the NWS Program will accrue directly to GBE's customers in the form of avoided outages, avoided transmission charges, and avoided and deferred traditional infrastructure investments as described in Section 4.2.4, NWS Benefit-Cost Analysis Summary (above) and Attachment 1, (BCA) below.

Without implementing the NWS Program, GBE may face delays in connecting new customers while a traditional capital solution is developed and executed, as well as challenges maintaining system reliability and resilience at levels that meet local customer expectations. Given that both the need and benefits are directly attributable to distribution customers, it is appropriate that funding for the NWS Program be sourced from distribution rates in a manner consistent with OEB policies.

Per the OEB NWS Guidelines, GBE has examined whether any third-party funding (including, but not limited to, the IESO) is available for its NWS Program. GBE does not have existing funding for the proposed NWS Program and cannot absorb the incremental costs of the NWS Program within its existing budgets. GBE is subject to a stretch factor under the OEB's Renewed Regulatory Framework of 0.15%, which drives the utility to strive for greater levels of efficiency and cost optimization. In the current environment characterized by high levels of customer and load growth, policy and customer prioritization of grid modernization, and new and evolving requirements of electricity distributors, GBE cannot prioritize operational funding away from existing costs towards the NWS Program. As such, the NWS Program's costs are not funded in existing distribution rates, and incremental funding is required.

GBE has assessed whether third-party funding, including funding through an IESO program, is available for the proposed NWS Program and has determined, at the time of preparing this application, that there is no opportunity for GBE to earn revenues through the IESO's wholesale markets related to its NWS Program. Based on this assessment, GBE is not proposing any third-party or IESO funding for the NWS Program in this Application. This differs from GBE's previously approved NWS Program application in EB-2025-0265, which included funding from the federal Smart Renewables and Electrification Pathways (SREP) Program.

GBE considered the IESO's Stream 1 and Stream 2 eDSM frameworks in relation to its NWS Program. GBE is a participant in the IESO Stream 1 eDSM programs. The goal of Ontario LDCs, like GBE, for the Stream 1 program is to raise awareness of and increase uptake of IESO-designed and delivered programs under the Save on Energy brand. The Stream 1 eDSM programs are entirely funded through the Global Adjustment, rather than through an LDC's distribution rates. While customers or resources eligible for the proposed NWS Program may also be eligible for an IESO eDSM Stream 1 program, the IESO's programs are not designed to

address the specific local capacity constraints affecting the Brant County and Brantford service areas or to provide capacity that meets GBE's location-specific availability, dispatch and performance requirements. The proposed NWS Program therefore complements, rather than duplicates, the IESO's Stream 1 programs by procuring dispatchable capacity specifically to address GBE's identified local distribution-system need.

GBE also assessed whether the proposed NWS Program is potentially suitable for funding through the Stream 2 local eDSM framework. Stream 2 is intended for distributor-led programs that address a local distribution-system need while also providing upstream electricity-system benefits, with program costs allocated between distribution rates and the Global Adjustment in accordance with the beneficiary-pays principle. GBE's proposed NWS Program has been designed principally to address the specific local distribution capacity and reliability needs described in this Application. The NWS Program will be dispatched based on forecast conditions and constraints at Brant TS, Powerline MTS and Brantford TS and requires resources with specific locational, availability and performance characteristics. GBE is not relying on avoided energy costs, avoided generation capacity costs or other identifiable upstream electricity-system benefits to support the need for or cost-effectiveness of the NWS Program. Accordingly, GBE has not identified quantifiable upstream benefits to support allocating a portion of Program costs to Global Adjustment under the Stream 2 framework.

GBE also considered the timing of the Stream 2 process relative to the immediate need addressed by this Application. At the time GBE was preparing this Application, the Stream 2 implementation framework was still being operationalized. At the September 24, 2026 IESO/EDA information session, the IESO indicated that the Stream 2 toolkit will be available to LDCs in late September or early October 2026. The toolkit includes the Business Case Template, Cost-Effectiveness Tool, IESO Confirmation Letter and Contribution Agreement supporting the Stream 2 process. The IESO also indicated LDC information session planned for October 2026, that Contribution Agreement discussions with LDCs were continuing through fall 2026, and the timing for OEB funding requests starts in 2027.

The Stream 2 process requires an LDC to develop and submit a formal program proposal, including a Business Case and cost-effectiveness analysis, for IESO review and endorsement before proceeding to the OEB. The IESO advised that the technical review may take up to five weeks, depending on complexity, with further iteration potentially required before endorsement. Given the need for the proposed NWS Program to be available in early 2027, the status and timing of the Stream 2 implementation process at the time this Application was being prepared, and the principally local distribution-system benefits associated with GBE's NWS Program, GBE has not pursued Global Adjustment funding through Stream 2. Instead, the NWS Program is proposed for recovery through distribution rates based on the local distribution-system benefits demonstrated in GBE's Distribution Service Test.

Lastly, GBE reviewed NWS programs offered by other LDCs in the Brant Area, including Hydro One's Flexibility Initiative, and determined that the proposed NWS Program does not duplicate any existing programs available in the area and that no funding is available to GBE through those programs.

All requested Program funding would be recovered through distribution rates and would support benefits attributable to GBE's local distribution system and customers.

5.2. Rate Riders, Variance Accounts, and Reporting

The GBE NWS Program will implement a structured approach to recover costs and manage variances through a combination of rate riders and variance accounts, ensuring alignment with OEB principles. This approach supports the program's funding up to December 31, 2031, while maintaining transparency and accountability.

NWS Rate Riders

To recover operating and capital-related revenue requirement expenses associated with the NWS Program, GBE will implement rate riders applicable to both the GBE(BPI) Rate Zone and the GBE(E+) Rate Zone for all rate classes, as the assets addressed by the NWS Program benefit all GBE customers. The NWS Program is required to facilitate the continued delivery of safe and reliable service to customers and to facilitate the continued timely connection of new customers. These outcomes are baseline requirements expected from all customers, and as such GBE submits that all customers in its two Rate Zones should contribute to the outcomes.

As between the two Rate Zones, GBE has allocated the total cost of the NWS Program on the basis of relative consumption between the GBE(E+) and GBE(BPI) Rate Zones served by the assets in question. This division results in 23.6% of costs allocated to the GBE(E+) Rate Zone and 76.4% of costs allocated to the GBE(BPI) Rate Zone.

Subsequent to allocation of costs between the two Rate Zones, costs will be allocated to customer classes based on base distribution revenue, as outlined in Tab 9, Shared Tax – Rate Rider of GBE's most recently approved IRM models for the GBE(E+) Rate Zone and GBE(BPI) Rate Zone. GBE proposes rate riders be approved effective from May 1, 2027, to December 31, 2031, covering the program's implementation from 2027 to 2031.

GBE has implemented the Average Rate Rider approach approved by the OEB in EB-2025-0265 relating to its NWS Program serving the GBE's Cambridge service territory. This method calculates a single rate rider per rate class by dividing the total projected program costs by 56 months of billing determinants (i.e., May 1, 2027, to December 31, 2031), ensuring a consistent rate that reflects the average cost recovery required over the term. This approach simplifies administration and provides rate stability for customers. While the Average Rate Rider approach is anticipated to result in greater single-year variances as between NWS Program funding and NWS Program costs, the variance account proposed below will ensure that in the aggregate revenues and costs are well aligned, and that any net variance is returned as a debit or credit to customers.

Tables 14 and 15 below show the derivation of rate riders to recover the total of $5.88 million in operating and capital-related revenue requirement costs associated with the NWS Program over the 2027 to 2031 period:

Table 14: Derivation of 5-Yr Average Rate Riders for NWS Program Cost Recovery GBE(E+) Rate Zone

GBE (E+) Rate Zone	Unit	Distribution Revenue ($)	Distribution Revenue (%)	Total Metered kWh	Total Metered kW	Allocated Costs	56 Months of kWh/kW	Rate Rider (May 1, 2027 - Dec 31, 2031)
Rate Class								
RESIDENTIAL SERVICE CLASSIFICATION	kWh	17,528,595	51.8%	570,836,206	-	719,513	2,663,902,295	0.0003
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	4,131,617	12.2%	226,798,420	-	169,595	1,058,392,627	0.0002
GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION	kW	7,613,422	22.5%	499,153,890	1,539,307	312,516	7,183,433	0.0435
GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION	kW	2,356,119	7.0%	265,747,110	641,473	96,714	2,993,541	0.0323
LARGE USE SERVICE CLASSIFICATION	kW	1,040,061	3.1%	188,447,041	410,561	42,692	1,915,951	0.0223
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	64,042	0.2%	2,141,511		2,629	9,993,718	0.0003
STREET LIGHTING SERVICE CLASSIFICATION	kW	671,824	2.0%	6,062,066	16,923	27,577	78,974	0.3492
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	14,573	0.0%	66,876	180	598	840	0.7121
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - HYDRO ONE CND	kW	50,527	0.1%	13,615,661	26,127	2,074	121,926	0.0170
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - WATERLOO	kW	221,287	0.7%	70,090,504	135,267	9,083	631,246	0.0144
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - BRANTFORD	kW	4,224	0.0%	361,739	1,099	173	5,129	0.0338
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - HYDRO ONE #1	kW	114,004	0.3%	11,140,139	20,852	4,680	97,309	0.0481
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - HYDRO ONE #2	kW	0	0.0%	72,343,825	173,565	-	809,970	0.0000
Total		**33,810,294**	**100.0%**	**1,854,461,163**	**2,791,789**	**1,387,844**		

Table 15: Derivation of 5-Yr Average Rate Riders for NWS Program Cost Recovery GBE(BPI) Rate Zone Cost Recovery GBE(BPI) Rate Zone

GBE(BPI) Rate Zone	Unit	Distribution Revenue ($)	Distribution Revenue (%)	Total Metered kWh	Total Metered kW	Allocated Costs	56 Months of kWh/kW	Rate Rider (May 1, 2027 - Dec 31, 2031)
Rate Class								
RESIDENTIAL SERVICE CLASSIFICATION	kWh	11,351,386	58.8%	336,571,771	-	2,642,803	1,570,668,265	0.0017
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	1,772,561	9.2%	107,667,659	-	412,683	502,449,075	0.0008
GENERAL SERVICE GREATER THAN 50 KW SERVICE CLASSIFICATION	kW	5,612,828	29.1%	643,251,225	1,581,683	1,306,765	7,381,187	0.1770
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION	kW	222,978	1.2%	20,536,400	51,477	51,913	240,226	0.2161
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	34,742	0.2%	198,631	536	8,089	2,501	3.2337
STREET LIGHTING SERVICE CLASSIFICATION	kW	227,287	1.2%	3,644,112	10,190	52,916	47,553	1.1128
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	79,834	0.4%	1,571,793	-	18,587	7,335,034	0.0025
Total		**19,301,615**	**100.0%**	**1,113,441,591**	**1,643,886**	**4,493,757**		

NWS Variance Accounts

On September 3, 2026, the OEB issued a Decision and Order (NWSVA Order) establishing an OEB generic Non-Wires Solutions Variance Account (NWSVA). The NWSVA Order provides for distributors to propose a variance account that differs from the OEB generic NWSVA. As explained in section 4.2.3 above, GBE requests approval to recover NWS Program costs up to 30% above the OEB-approved NWS Program costs through an NWS Variance Account. As such, GBE is requesting the OEB to approve its proposed NWS Program Cost Variance Account (NWS-PCVA) Draft Accounting Order, as described in Attachment 5 below. GBE's proposed NWS-PVCA uses the same generic Group 2 accounts as outlined in Schedule A of the OEB NWSVA Order, as applicable to GBE's NWS Program costs and revenue. The text of GBE's proposed NWS-PVCA Draft Accounting Order is based on the NWS-PCVA Accounting Order approved by the OEB in EB-2025-0265 and includes the 30% Provision and the MoP incentive.

GBE proposes the 30% Provision to provide reasonable flexibility to respond to actual auction results and program performance where incremental expenditures are expected to support the identified system need and provide value to customers. GBE will document the rationale for any incremental expenditures, including the circumstances giving rise to the expenditure and the expected benefit to customers. Any amounts recorded in the NWS-PCVA above the OEB-approved forecast will remain subject to review for prudence when GBE seeks disposition of the account.

GBE is requesting approval to make entries in the NWS-PCVA related to the NWS Program described in this Application. The NWS-PCVA will record variances between the revenues collected through the OEB approved GBE (E+) Rate Zone NWS rate riders and the GBE (BPI) Rate Zone NWS rate riders and the OEB-approved revenues for the NWS Program. This account will ensure that any over- or under-collection of revenues is tracked transparently, maintaining financial accountability and protecting customers from unanticipated billing determinant variances. The NWS-PCVA Carrying Charges sub-account will record the carrying charges applied to the account monthly at the OEB prescribed rates. The NWS-PCVA true-up is described below. At this time, GBE's NWS Program does not have third-party funding or recoveries (e.g., IESO funding, government grants, or market revenues); however, GBE has included the Third-party Funding sub-account as described in the OEB NWSVA Order in its proposed NWS-PCVA Draft Accounting Order for use in the event GBE receives third-party funding or recoveries for the Program in the future.

The NWS-PCVA will record variances (symmetrically) between the total forecasted NWS Program OM&A and capital budget revenue requirement and the actual OM&A and capital revenue requirement for the NWS Program. Attachment 3 outlines the NWS Program OM&A and capital costs, including software licensing and maintenance, professional services, staffing costs, program participant payments, MoP incentive, and capital costs for IT hardware and software.

True-Up Process

For the disposition of a balance in the NWS-PCVA, GBE will follow the general requirements for deferral and variance accounts (DVAs), as described in Exhibit 9: Deferral and Variance Accounts

of Chapter 2 Filing Requirements, with respect to the NWS-PCVA. As the NWS Program term ends in 2031, GBE is requesting the ability to bring forward the five-year NWS-PCVA balances in its planned next cost of service application with a rebasing year of 2032. GBE will provide substantiating evidence to support the OEB's review and disposition of the NWS-PCVA amounts as described on pages 6 and 7 of the OEB NWSVA Order. The true-up process will ensure that any over- or under-recoveries in revenues, expenditures and any approved MoP are addressed appropriately, with adjustments proposed to rate riders or other mechanisms as needed to maintain cost neutrality for customers.

Reporting

Consistent with the OEB's Decision in EB-2025-0265, GBE will also file annual progress reports on the NWS Program, including annual program spending and capacity procured, and a final report upon completion of the Program addressing program results, system impacts, program spending and lessons learned.

5.3. Bill Impacts

As outlined in Section 5.2, GBE proposes implementing an average rate rider approach consistent with the structure of the previously approved average rate rider in EB-2025-0265, and to create rate riders for the GBE(E+) Rate Zone and GBE(BPI) Rate Zone rate classes. For residential customers, the estimated bill impact for a typical customer is $0.23/month in the GBE(E+) Rate Zone, representing a 0.17% total bill increase, and $1.28/month in the GBE (BPI) Rate Zone, representing a 0.92% total bill increase. Tables 16 and 17 below provide the distribution and total bill impacts of the NWS rate riders.

Table 16: Typical Bill Impacts of NWS Program GBE(E+) Rate Zone

	Distribution Bill	Total Bill	NWS Rider Revenue	Distribution Impact	Total Impact
GBE(E+) Rate Zone					
RESIDENTIAL SERVICE CLASSIFICATION	$34.23	$128.72	$0.23	0.66%	0.17%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	$59.18	$322.29	$0.40	0.68%	0.12%
GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION	$418.14	$3,765.71	$2.61	0.62%	0.07%
GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION	$10,796.43	$134,424.46	$64.60	0.60%	0.05%
LARGE USE SERVICE CLASSIFICATION	$43,750.04	$1,037,649.08	$356.80	0.82%	0.03%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	$9.04	$21.59	$0.03	0.33%	0.14%
STREET LIGHTING SERVICE CLASSIFICATION	-$6,935.04	$50,023.03	$244.44	-3.52%	0.49%
SENTINEL LIGHTING SERVICE CLASSIFICATION	$1,471.53	$3,175.19	$20.65	1.40%	0.65%
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - HYDRO ONE CND	$6,642.13	$213,898.51	$43.76	0.66%	0.02%
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - WATERLOO	$16,415.61	$86,791.77	$119.23	0.73%	0.14%
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - BRANTFORD	$418.19	$7,435.08	$0.91	0.22%	0.01%
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - HYDRO ONE #1	$3,519.00	$197,559.58	$112.55	3.20%	0.06%
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - HYDRO ONE #2	$197.84	$269,025.26	$0.00	0.00%	0.00%

Table 17: Typical Bill Impacts of NWS Program GBE (BPI) Rate Zone

	Distribution Bill	Total Bill	NWS Rider Revenue	Distribution Impact	Total Impact
GBE(BPI) Rate Zone					
RESIDENTIAL SERVICE CLASSIFICATION	$32.28	$138.31	$1.28	3.95%	0.92%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	$63.75	$343.96	$1.60	2.51%	0.47%
GENERAL SERVICE GREATER THAN 50 KW SERVICE CLASSIFICATION	$1,298.01	$23,424.21	$44.25	3.41%	0.19%
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION	$38,049.66	$525,861.90	$2,593.20	6.82%	0.49%
SENTINEL LIGHTING SERVICE CLASSIFICATION	$34.12	$57.66	$3.23	9.48%	5.61%
STREET LIGHTING SERVICE CLASSIFICATION	$27,502.61	$169,663.16	$2,114.32	7.69%	1.25%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	$12.82	$74.16	$0.70	5.46%	0.94%

ATTACHMENT 1: BENEFIT COST ANALYSIS

Need

GBE is facing a non-discretionary system need arising from projected supply capacity constraints at key transformer stations – Brant TS, Powerline MTS and Brantford TS – serving Brant County and the City of Brantford. Brant TS and Powerline MTS are served off a 115kV transmission system which the IESO has identified as experiencing regional constraints in the Hamilton and London areas. In response, the IESO has articulated an expectation that GBE transfer load from these two stations to Brantford TS, served by the 230kV transmission system, in the immediate term, and toward two new approximate 200MVA TS planned for construction on the 230kV transmission system in the early 2030's. The current loading of Brant TS and Powerline MTS exceeds the limits specified by the IESO under a contingency scenario, requiring the possibility that a tie-breaker be opened at Powerline MTS and customers be dropped in a contingency event. At the same time, the Brantford TS is expected to exceed its Limited Time Rating (LTR) in 2027. GBE has been permitted to exceed the LTR of Brantford TS as an interim solution, however this provision comes at the requirement for a load rejection scheme in which up to 44MW of customer load may be dropped in a contingency event.

The IESO's 2024 B2N IRRP identified two new transformer stations supplied from the M20D/M21D 230 kV system as the regional planning direction for the Brant Area. GBE, the IESO and Hydro One are continuing to develop and assess the permanent solution required to accommodate the loads presently served by Brant TS and Powerline MTS and future growth. In the immediate future, however, GBE is in a complex and challenging local environment to manage load between Brant TS, Powerline MTS, and Brantford TS, during a time of significant local load growth. Accordingly, GBE must act promptly to address this capacity need and ensure system reliability and customer service continuity.

Alternatives Considered

For this non-discretionary need, the traditional "poles-and-wires" infrastructure solution in the near-term would be the installation of two new breakers at Brantford TS, with accompanying investment in two new feeders from Brantford TS. GBE has identified an NWS Program as a viable and cost-effective alternative means to meet immediate needs and create benefits for customers, and provide GBE the flexibility to reach the installation of its long-term solution anticipated in 2032. In addition, absent the proposed NWS Program, GBE would otherwise have invested in an additional 5 distribution switching projects to provide necessary flexibility during a constrained operational period.

The NWS Program leverages demand response and behind-the-meter distributed energy resources to reduce peak demand, reduce planned and unplanned outages, and reduce transmission charges paid by GBE's customers. In doing so, the NWS enables GBE to maintain reliability, support new customer connections, and preserve system resiliency while the utility plans and executes an enduring capital solution.

Other alternatives considered include reliance on the Load Rejection Scheme at Brantford TS, and reliance on the use of the open tie-breaker at Powerline MTS. However, as indicated in previous sections, these are not best practices. Further, a 20 MW battery project was considered as a possible alternative but has been excluded due to cost. Finally, there is an option that the

IESO is studying as part of the Hamilton Addendum Working Group to add a 115 kV circuit in parallel with the existing circuit that runs between Brant TS and Commerce Way TS. However, this option is in preliminary discussions and is not considered to be sufficiently advanced to be considered as an alternative.

Cost-Effectiveness Test

GBE has completed a DST as part of this BCA, in accordance with the OEB's BCA Framework. The DST is intended to assess the cost-effectiveness of a proposed NWS from the perspective of the distribution system and its customers. The NWS Program represents a non-discretionary reliability investment and has been assessed against a set of traditional infrastructure investments which would otherwise be required, absent the NWS Program. The NWS Program is GBE's preferred cost-effective solution.

The DST has been applied not as a comparative test between multiple options, but as a comparison wherein the NWS Program is represented as a cost, and quantified avoided or deferred traditional infrastructure investments are represented as benefits. Avoidance or deferral benefits are accompanied by additional investments resulting from avoided planned and unplanned outages and avoided transmission charges. A completed version of the OEB's DST template, modified by GBE to reflect the circumstances of this Application, is provided as Attachment 2 to this Application.

Other BCA Considerations / Non-Quantified Benefits

Additionally, non-quantified benefits of the NWS include but are not limited to:

- **Avoided Delays in Customer Connections:** By addressing grid constraints through NWS, GBE mitigates significant delays in connecting new customers, ensuring timely service and supporting broader economic objectives.
- **Economic Growth**: By managing grid constraints, the NWS Program supports regional economic growth by ensuring sufficient capacity to support local economic development, enabling critical housing developments, and new industrial and commercial growth and job creation.
- **Regulatory Alignment**: Aligns with the OEB's framework for cost-effective grid planning, facilitating a transition to a Distributor System Operator (DSO) model.
- **Reputation Risk Mitigation:** The NWS Program reinforces GBE's reputation, along with Ontario's distribution utilities, as proactive enablers of economic growth. It highlights forward-thinking grid planning and commitment to reliable service delivery.
- **Customer Empowerment**: The program enables customers to actively participate in energy management, incenting the use DERs and FR, and enhancing their role in the clean energy ecosystem.

Risk Mitigation

The NWS program depends on voluntary customer participation and customer sign-ups. There is a possible risk that there is insufficient customer participation or capacity in any given year of the program. Additionally, it is possible that participants may underperform for any given activation

event. Finally, there is an unlikely risk that system peaks may be missed due to operational conditions.

The risk of insufficient customer participation is mitigated through expanded eligibility for participation and early customer and aggregator outreach. Participant underperformance risks are mitigated through program rules and strengthened performance requirements. The risk of missing system peaks is mitigated through continuous improvement of the underlying technology alongside the technology partner for the NWS Program. Due to the experience of GBE with the NWS Program approved under EB-2025-0265 in 2026, there is a material reduction in risk of implementation with the program in the South Service Area.

GBE notes the dynamic and challenging circumstances present in the Brant Area served by the NWS Program, and the uncertainty that remains in the near term despite implementation of the NWS Program. Across all three capital investments identified for deferral or avoidance, GBE has assigned a 50% probability that the asset investments can be indefinitely avoided via the NWS Program. The 50% avoidance probability weighting, as well as the 25% deferral probability weighting assigned to the breaker and feeder investments identified, reflects management's knowledge of the operational constraints described in this Application, as well as key risk factors such as the pace and scale of new load and the timing of the final infrastructure solution.

Outcome

Based on the completed DST, the NWS Program is the recommended alternative to address the system needs identified in this application.

Distribution System Test: Benefits

The DST quantifies the present value difference between total costs and benefits of each option to determine the net benefits of selecting one alternative over another. In this instance, the results of the DST show substantial benefits associated with the NWS Program proposed.

The avoided costs (benefits) included in the DST are outlined below.

A. <u>Distribution Capacity (Avoidance or Deferral Benefit)</u>

GBE has identified three traditional capital investments which can be avoided as a result of the NWS Program; two avoided breaker positions at Brantford TS, two feeder investments related to the avoided breaker positions, and five avoided load transfer switching investments.

GBE has estimated the benefits to customers of avoiding or deferring traditional investment via the cost-of-service method identified in Section 5.1.1.1 of the OEB’s BCA Framework. Specifically, GBE has calculated the Present Value (PV) of the capital-related revenue requirement for each investment discounted back to 2027. Where the investment is avoided entirely, this amount is treated as a DST benefit. Where the investment is deferred, the PV of capital-related revenue requirement is compared between two scenarios; one where the asset is installed on the timeline required absent the NWS, and one where the asset is installed on a deferred timeline as a result of the NWS. The difference between the two PV results is treated as a benefit in the DST.

This sub-section describes each of the avoided or deferred investments, as well as probability weighting of resulting benefits. Tab 'Benefit 4 – Avoid-Defer Capital' of Attachment 2 – BCA Model details the calculation of benefits, supported by tabs 4.1a through 4.3b of the same model.

(1) Breaker Positions at Brantford TS

GBE anticipates that two new breaker positions at Brantford TS can be avoided or deferred due to the NWS Program. Through the deployment of the NWS Program, GBE expects to avoid the need for these investments indefinitely, resulting in significant savings for customers. In light of the dynamic and constrained environment in which GBE is operating, there is a possibility of delays in the construction of the final solution. Under this scenario, the breaker position investment which would otherwise be required in 2029, would be deferred to 2032. Finally, GBE acknowledges there is a minority possibility this investment cannot be avoided or deferred as a result of evolving load growth and capacity constraint dynamics.

GBE estimates the cost of two breaker positions at Brantford TS would be $7.50M. If avoided entirely, the PV of revenue requirement associated with this investment would be $8.82M. If deferred from 2028 to 2032, the PV benefit of deferral would be $1.28M.

(2) Feeders Supporting New Breakers

As part of the breaker positions identified as possible investments that can be avoided due to the NWS Program, there is significant feeder work that would also be avoided. This consists of downstream feeder upgrades and development; required as a direct result of the two new positions installed at Brantford TS. Since the NWS Program results in GBE expecting to avoid the need for the identified breaker positions at Brantford TS, this downstream work would also be avoided indefinitely.

GBE estimates the cost of the feeder work would be $7.33M. If avoided entirely, the PV of revenue requirement associated with this investment would be $8.40M. If deferred from 2029 to 2032, the PV benefit of deferral would be $0.93M.

Load Transfer:

Lacking the NWS Program, GBE anticipates a load transfer investment would be required in 2029 to allow for continued provision of service through the 2031 period when the final traditional solution is anticipated. Through deployment of the NWS Program, GBE expects to avoid the need for this investment entirely; creating savings for customers. These load transfer investments consist of five SCADA enabled switches, previously scheduled for 2029.

GBE estimates the cost of the five switches would be $0.50M. If avoided entirely, the PV of revenue requirement associated with this investment would be $0.57M.

Probability Weighting

GBE notes the dynamic and challenging circumstances present in the Brant Area served by the NWS Program, and the uncertainty that remains in the near term despite implementation of the NWS Program. As such, GBE has probability weighted each of the three traditional investments identified above, as between a) full avoidance of the investment, b) deferral of the investment, and c) the investment can be neither avoided nor deferred.

Table 1 below summarizes the probability weighted DST benefits of avoided or deferred traditional investments. In total, GBE calculates avoidance and deferred benefits of $9.45M on a PV and probability-weighted basis.

Table 1 – Avoidance and Deferral Benefits (PV and Probability-Weighted)

Avoidance Benefit Summary	Capital Cost	Lifetime RR (PV)	Avoidance Benefit (PV)
2 Breaker Positions at Brantford TS	$7,500,000	$8,815,711	$8,815,711
2 Feeders Supporting New Breakers	$7,330,000	$8,401,026	$8,401,026
5 Switches	$500,000	$573,058	$573,058
Total	**$15,330,000**	**$17,789,796**	**$17,789,796**

Deferral Benefit Summary	Status Quo Lifetime RR (PV)	Deferral Period (Years)	Deferred Lifetime RR (PV)	Deferral Savings (PV)
2 Breaker Positions at Brantford TS	$8,815,711	3	$7,535,707	$1,280,004
2 Feeders Supporting New Breakers	$8,401,026	3	$7,468,482	$932,545
5 Switches	$573,058	3	$509,446	$63,611
Total	**$17,789,796**		**$15,513,635**	**$2,276,160**

Probability Weighting	Avoidance	Deferral	No Avoidance / Deferral	Total Probability Weighted Benefits of Avoidance and Deferral
Probability				
2 Breaker Positions at Brantford TS	50%	25%	25%	
2 Feeders Supporting New Breakers	50%	25%	25%	
5 Switches	50%	0%	50%	
Probability Weighted Benefits				
2 Breaker Positions at Brantford TS	$4,407,856	$320,001	$0	$4,727,857
2 Feeders Supporting New Breakers	$4,200,513	$233,136	$0	$4,433,649
5 Switches	$286,529	$0	$0	$286,529
Total	**$8,894,898**	**$553,137**	**$0**	**$9,448,035**

B. Reliability Benefits: Avoided Planned Outages

In order to quantify the benefit of maintained or improved reliability through avoided outages, GBE first set out to determine the Value of Lost Load (VOLL) applicable to its customers. VOLL is the economic cost experienced by customers when experiencing an outage, and as such can be used to quantify the economic benefits of outages which are avoided through the NWS Program. To calculate VOLL, GBE relied on the U.S. Department of Energy's Interruption Cost Estimator (ICE) 2.0, relying on data from New York, Michigan, Ohio, and Iowa as instructed in the OEB's Vulnerability Assessment and Storm Hardening Report.[30]

Through the use of the ICE 2.0, and the provision of GBE-specific inputs, GBE determined the VOLL for its customers was $12.98 per kWh for non-residential customers, and $0.97 per kWh, in 2025 USD. When converting these values to CAD and escalating for inflation, the resulting VOLL values are $18.69 2026 CAD per kWh for non-residential customers, and $1.40 CAD per kWh for residential customers.

With these figures calculated, GBE determined the economic value of avoided planned outages.

The benefits of avoided planned outages have been calculated relying on the VOLL assumptions above, the use of full NWS Program capacity, and the division of customers as between non-residential and residential. Based on analysis of demand, planned maintenance, and the supply constraints described in GBE's NWS Application, GBE assumes the NWS Program will avoid 2 planned outages of 4 hours in duration in each of 2027 through 2031. However, benefits associated with avoided planned outages in 2029, 2030, and 2031 are discounted, with a probability weighting of 75%. This is based on the 25% probability, as described in the previous section, that the two breaker positions at Brantford TS are neither deferred nor avoided and must be placed into service in 2029. Under this 25% probable scenario, planned outages will be avoided via investment in the two breaker positions, as opposed to being avoided via the NWS Program.

Tab 'Benefit 2 – Planned Outages' of Attachment 2 – Benefit Cost Analysis Model details the calculation of benefits, while Table 2 below summarizes them.

Table 2 – Avoided Planned Outages Benefit

Benefit 1 - Avoided Planned Outages (VOLL)	Residential	Commercial/ Industrial	Total	Present Value of Benefits	Probability Weighting	Probability Weighted PV of Benefits
2027	$28,780	$373,245	**$402,025**	$402,025		$402,025
2028	$58,711	$761,419	**$820,130**	$788,587		$788,587
2029	$119,770	$1,553,296	**$1,673,066**	$1,546,843	75%	$1,160,133
2030	$122,166	$1,584,362	**$1,706,527**	$1,517,097	75%	$1,137,822
2031	$124,609	$1,616,049	**$1,740,658**	$1,487,922	75%	$1,115,941
Total	**$454,036**	**$5,888,370**	**$6,342,406**	**$5,742,473**		**$4,604,508**

[30] EB-2024-0199, VASH Report, October 7, 2025, pages 25-26

C. Reliability Benefits: Avoided Unplanned Outages

The benefits of avoided unplanned outages have been calculated in a manner consistent with planned outages; relying on the same assumptions for VOLL, the use of full NWS Program capacity, and the division of customers as between non-residential and residential. The only differentiation in the derivation of avoided planned outage benefits is the number and duration of occurrences assumed.

GBE determined it is reasonable to expect the NWS Program to avoid a possible unplanned outage over the 5-year period of 2026 to 2031. Given GBE anticipates a 50% chance of an unplanned outage over the 5-year period, but cannot forecast which year, the resulting VOLL for each year is discounted to 10%, such that the VOLL associated with avoided unplanned outages is an average of 2027 to 2031. In order to quantify this benefit, GBE relied on the following inputs:

• The avoided unplanned outage will be 8 hours in duration

• The full NWS Program capacity available in each year (5 MW in 2027, 10 MW in 2028, and 20 MW in 2029, 2030, and 2031) will be leveraged to avoid customer outages; and

• 50.5% of the impacted load will be residential, 49.0% will be non-residential, and the remainder is other, for which no VOLL is assumed.

With these inputs GBE calculated the total VOLL for each of 2027, 2028, 2029, 2030, and 2031. Tab 'Benefit 1 – Unplanned Outages' of Attachment 2 – BCA Model details the calculation of benefits, while Table 3 below summarizes them.

Table 3 – Avoided Unplanned Outages Benefit

Benefit 1 - Avoided Unplanned Outages (VOLL)	Residential	Commercial/ Industrial	Total	Present Value of Benefits	Probability Weighting	Probability Weighted PV of Benefits
2027	$28,780	$373,245	**$402,025**	$402,025	10%	$40,202
2028	$58,711	$761,419	**$820,130**	$788,587	10%	$78,859
2029	$119,770	$1,553,296	**$1,673,066**	$1,546,843	10%	$154,684
2030	$122,166	$1,584,362	**$1,706,527**	$1,517,097	10%	$151,710
2031	$124,609	$1,616,049	**$1,740,658**	$1,487,922	10%	$148,792
Total	**$454,036**	**$5,888,370**	**$6,342,406**	**$5,742,473**		**$574,247**

D. Avoided Transmission Charges

The purpose of the NWS Program is to reduce GBE's peak demand across Brant TS, Powerline MTS and Brantford TS to manage system constraints. An additional outcome of this will be the reduction of transmission charges at these stations, as peak demand reductions in a given month will lower the MW charge determinants used to bill Uniform Transmission Rates (UTRs) to GBE and its customers. GBE recognizes that avoided UTR payments will not always represent an absolute savings to the broader Ontario electricity system, as in time avoided transmission

revenues from GBE would need to be absorbed by other transmission customers on a go-forward basis after the transmitters' next rebasing application. While this would potentially be relevant to an Energy System Test, GBE is completing a DST which is focused solely on costs and benefits to distribution customers. Within the context, avoided UTRs are a benefit to GBE's distribution customers, and should be included within the DST.

GBE conducted analysis to determine the impact on UTR charge determinants as a result of the NWS Program, and applied specific reductions to charge determinants in each of 2027 through 2031 to calculate avoided transmission charges.

Tab 'Benefit 3 – Transmission Charge' of Attachment 2 – BCA Model details the calculation of benefits, while Tables 4 to 8 below summarize them. In total, GBE is forecasting PV benefits of approximately $2.23 million in avoided transmission charges over the 2027 through 2031 period.

Table 4 – 2027 Avoided Transmission Charges

2027 ($ Savings in Transmission Charges)					
	Brantford	**Brant**	**Powerline**	**Total**	**Present Value**
Jun	$27,319	$13,493	$10,042	**$50,854**	**$50,854**
Jul	$27,319	$13,493	$10,042	**$50,854**	**$50,854**
Aug	$0	$13,493	$0	**$13,493**	**$13,493**
Sep	$27,319	$13,493	$0	**$40,813**	**$40,813**
Total	**$81,958**	**$53,972**	**$20,083**	**$156,014**	**$156,014**

Table 5 – 2028 Avoided Transmission Charges

2028 ($ Savings in Transmission Charges)					
	Brantford	**Brant**	**Powerline**	**Total**	**Present Value**
Jun	$55,721	$27,521	$20,481	**$103,723**	**$99,733**
Jul	$55,721	$27,521	$20,481	**$103,723**	**$99,733**
Aug	$0	$27,521	$0	**$27,521**	**$26,462**
Sep	$55,721	$27,521	$0	**$83,242**	**$80,040**
Total	**$167,163**	**$110,082**	**$40,962**	**$318,207**	**$305,969**

Table 6 – 2029 Avoided Transmission Charges

2029 ($ Savings in Transmission Charges)					
	Brantford	**Brant**	**Powerline**	**Total**	**Present Value**
Jun	$113,606	$56,110	$41,758	**$211,474**	**$195,520**
Jul	$113,606	$56,110	$41,758	**$211,474**	**$195,520**
Aug	$0	$56,110	$0	**$56,110**	**$51,877**
Sep	$113,606	$56,110	$0	**$169,716**	**$156,912**
Total	**$340,817**	**$224,440**	**$83,516**	**$648,773**	**$599,828**

Table 7 – 2030 Avoided Transmission Charges

2030 ($ Savings in Transmission Charges)					
	Brantford	Brant	Powerline	Total	Present Value
Jun	$115,868	$57,227	$42,607	**$215,703**	**$191,759**
Jul	$115,868	$57,227	$42,607	**$215,703**	**$191,759**
Aug	$0	$57,227	$0	**$57,227**	**$50,875**
Sep	$115,868	$57,227	$0	**$173,095**	**$153,881**
Total	**$347,604**	**$228,909**	**$85,214**	**$661,728**	**$588,273**

Table 8 – 2031 Avoided Transmission Charges

2031 ($ Savings in Transmission Charges)					
	Brantford	Brant	Powerline	Total	Present Value
Jun	$118,229	$58,393	$43,456	**$220,078**	**$188,124**
Jul	$118,229	$58,393	$43,456	**$220,078**	**$188,124**
Aug	$0	$58,393	$0	**$58,393**	**$49,915**
Sep	$118,229	$58,393	$0	**$176,622**	**$150,977**
Total	**$354,686**	**$233,573**	**$86,912**	**$675,171**	**$577,139**

Distribution System Test: Costs

The OEB's BCA Framework identifies 4 mandatory DST costs which must be accounted for. GBE has accounted for each of the 4 costs as follows:

- **NWS Capacity Acquisition Cost:** Included, and is representative of the cost of technology to facilitate GBE's capacity auction (represented as a capital-related revenue requirement), and participant payments;
- **NWS Operating, OM&A Costs:** Included, and is representative of ongoing software licensing and maintenance, staffing costs, and professional services;
- **Distribution System Ancillary Services Costs:** Not applicable to GBE's NWS Program; and,
- **Risks (Distribution System):** See the following section above "Risk Mitigation" for identified risks and mitigation measures. GBE has identified the probability weighting in its benefits analysis.

GBE's DER Acquisition Costs, relating to capital investment in technology to support the capacity auction and participant payments, have a PV of $3.58 million. GBE's DER OM&A costs, relating to software licensing and maintenance, staffing, and professional services, have a PV of $0.79 million. Tab 'DST Cost – NWS' of Attachment 2 – BCA Model details the calculation of DST Costs.

The net benefits of the NWS program are derived by subtracting the NPV of program costs from the NPV of program benefits. The DST ratio is determined by dividing the NPV of program benefits by the NPV of program costs.

Distribution System Test: Results

DST Benefits			
Benefit	**Benefit Type**	**NPV**	
Avoided or Deferred Distribution Infrastructure Investments (Probability Weighted)	**Distribution Capacity (Deferral or Avoidance Benefit)**	**$9,448,035**	
Avoided Planned Outages	**Reliability (Net Avoided Outage Costs)**	**$4,604,508**	
Avoided Transmission Charges	**Other**	**$2,227,223**	
Avoided Unplanned Outages	**Reliability (Net Avoided Outage Costs)**	**$574,247**	
Total DST Benefit		$16,854,013	
		DST Costs	
Cost	**Cost Type**	**NPV**	
NWS Capacity Auction & Technology	**DER Acquisition Cost**	**$3,582,993**	
NWS OM&A	**DER Operations, Maintenance, and Administrative (OM&A) Costs**	**$776,127**	
N/A	**Distribution System Ancillary Services Costs**	**N/A**	
N/A	**Risks (Distribution System)**	**N/A**	
Total DST Cost		$4,358,756	
NPV Net DST Benefit	**$12,495,257**	**3.87**	**DST Ratio**

Distribution System Test: General Assumptions

- **Inflation:** Applied at 2% to Avoided Transmission Charges and to escalate Value of Lost Load. DST Costs have not been escalated for inflation in the BCA model, as the costs provided are equal to GBE's requested NWS budget (exclusive of Margin-on-Payment).
- **Discount Rate:** Applied at 4% Societal Discount Rate to yield present values discounted to 2027.

Conclusion

The results of the BCA and DST indicate the NWS is highly cost-effective, yielding net benefits to customers and a DST ratio of benefits divided by costs of 3.87. In addition, the NWS Program yields substantial non-quantified benefits to customers now and into the future.

ATTACHMENT 2: BENEFIT COST ANALYSIS MODEL

Filed as Excel Model GBE_Attachment 2_NWS_BCA Model_20261009.xlsx.

ATTACHMENT 3: GBE NWS PROGRAM BUDGET DETAILS

The information below explains the components of the NWS Program Budget as outlined in Table 9 of the Application.

A. Capital Costs

1. IT Software Implementation

The IT capital cost budget for GBE's Brant County/Brantford NWS Program is $108,000 and reflects the incremental investment required to develop and expand the customized GridS2 software platform for GBE's South Service Territory. This investment is separate from the original $475,000 GridS2 platform investment approved by the OEB in EB-2025-0265.

In addition, GBE is seeking recovery of the revenue requirement of $307,529 for the period 2029 to 2031 associated with the remaining net book value of the original $475,000 GridS2 platform investment approved in OEB-2025-0265. "Table IT Revenue Requirement OEB-2025-0265" below provides details of the $307,529 calculation (for years 2029 to 2031), including depreciation, interest, return on equity and taxes.

In EB-2025-0265, the OEB approved recovery of the revenue requirement associated with the $475,000 investment for the period 2026 to 2028, corresponding to the term of the NWS Program approved in that proceeding. Although the Brant County/Brantford NWS Program will begin using the GridS2 platform in 2027, GBE is not seeking any additional recovery of the original $475,000 investment through the Brant County/Brantford NWS Program in 2027 or 2028. During this period, the Brant County/Brantford NWS Program will bear only the incremental $108,000 capital investment required to expand and adapt the platform for the new program.

The NWS Program approved in EB-2025-0265 ends in 2028. Beginning in 2029, the GridS2 platform will continue to support the Brant County/Brantford NWS Program. GBE is therefore seeking recovery through the Brant County/Brantford NWS Program of the remaining revenue requirement associated with the original $475,000 platform investment for the period 2029 to 2031. This treatment avoids any double recovery of the original platform investment while assigning to the Brant County/Brantford NWS Program the incremental costs required to expand the platform for that program.

GBE engaged GridS2 to provide a turnkey technical solution for the design and technology platform for its NWS Program. In addition, GridS2 is providing project management, advisory, and program rule development services. The technical solution includes developing a customized software platform for GBE to operate its own NWS Program, including short-term load forecasting, power flow analysis, an energy auction platform for soliciting demand response capacity from customers, and scheduling the dispatch of procured demand response capacity (also known collectively as DERMS and Energy Transaction Market Platform functionalities).

GridS2 is an experienced full-stack developer with proficiency in developing web-based applications. Stack expertise includes MongoDB, Next.JS, React, Node.JS and cloud platforms such as Azure and AWS. In addition to developing a Local Demand Response Program for GrandBridge Energy, GridS2 helped develop Toronto Hydro's Local Demand Response Program.

Prior to selecting GridS2, GBE completed a market needs assessment for its NWS Program that would integrate the following three capabilities into a single solution:

- Energy Market Transaction Platform: To facilitate the registration of NWS, bidding of flexible capacity offered by NWS, and dispatch of NWS for grid needs.
- Grid-Operational DERMS Functionality: Includes short-term load forecasting, basic power flow analysis, to enable operational decision-making to dispatch NWS.
- Settlement and Verification Tools: To determine accurate measurement of dispatched flexible capacity and financial settlements with participants.
- Program rule development
- Consulting, advisor and training services.

GBE assessed 11 vendors, and GridS2 emerged as the most aligned solution to meet GBE's needs. The competing solutions typically lacked one or more critical components or required significant additional integration with external systems (e.g., GIS, ADMS) or third-party providers, increasing complexity and cost. In addition, GridS2's successful implementation with Toronto Hydro's Local Demand Response Program and experience with GrandBridge Energy's GridShare program demonstrate relevant operational experience and a proven deployment model to continue with this GridS2.

Table IT Revenue Requirement OEB-2025-0265

Key Parameters			
ROE	8.98%		
Equity Share	40.0%	3.59%	
Interest	4.27%		
Debt Share	60.0%	2.56%	
EUL	5		
Depreciation Rate	20.0%		6.15%
CCA (Class 10) rate	30.0%	$	110,000.00
Societal Discount Rate	4%	$	6,767.20
Inflation	2%		
Combined Tax Rate	26.5%		

Capital Detail		
2026 Capital Investment	$	475,000
2025 Capital Deferred	$	-
2025 Capital Avoided	$	-

	Year	1	2	3	4	5	6
		2026	**2027**	**2028**	**2029**	**2030**	**2031**
CAPEX / ISA		$ 475,000					
Net Asset Balance		$ 427,500	$ 332,500	$ 237,500	$ 142,500	$ 47,500	$ -
Opening PPE		$ 237,500	$ 427,500	$ 332,500	$ 237,500	$ 142,500	$ 47,500
Depreciation		$ 47,500	$ 95,000	$ 95,000	$ 95,000	$ 95,000	$ 47,500
Closing PPE		$ 190,000	$ 332,500	$ 237,500	$ 142,500	$ 47,500	$ -
Average PPE		$ 213,750	$ 380,000	$ 285,000	$ 190,000	$ 95,000	$ 23,750
Depreciation Expense		$ 47,500	$ 95,000	$ 95,000	$ 95,000	$ 95,000	$ 47,500
Interest		$ 5,472	$ 9,728	$ 7,296	$ 4,864	$ 2,432	$ 608
ROE		$ 7,678	$ 13,650	$ 10,237	$ 6,825	$ 3,412	$ 853
UCC Open		$ 237,500	$ 332,500	$ 232,750	$ 162,925	$ 114,048	$ 79,833
CCA		$ 142,500	$ 99,750	$ 69,825	$ 48,878	$ 34,214	$ 23,950
UCC Close		$ 95,000	$ 232,750	$ 162,925	$ 114,048	$ 79,833	$ 55,883
Taxable Earnings		$ (87,322)	$ 8,900	$ 35,412	$ 52,947	$ 64,198	$ 24,403
Grossed-Up PILS		$ (31,483)	$ 3,209	$ 12,768	$ 19,090	$ 23,146	$ 8,798
Capital Related Revenue Requirement		**$ 29,166**	**$ 121,586**	**$ 125,301**	**$ 125,779**	**$ 123,991**	**$ 57,760**
NWS Aquisition Costs		*$ 325,983*	*$ 591,966*	*$ 1,063,931*			
NWS OM&A Costs		*$ 468,166*	*$ 127,010*	*$ 127,010*			
Total OM&A		**$ 794,149**	**$ 718,976**	**$ 1,190,941**	$ -	$ -	$ -
Revenue Requirement		**$ 823,315**	**$ 840,562**	**$ 1,316,242**	**$ 125,779**	**$ 123,991**	**$ 57,760**
NRCan Funding Offset		$ -	$ -	$ -	$ -	$ -	$ -
Revenue Requirement for Distribution Rates		**$ 823,315**	**$ 840,562**	**$ 1,316,242**	**$ 125,779**	**$ 123,991**	**$ 57,760**

NPV Cost of Revenue Requirement	**$2,994,006**	

B. Operating Costs

1. Software Licensing & Maintenance

The OpEx budget of $237,500 includes GridS2 annual licensing fees of $25,000 per year for 2027 and 2028 and $62,500 per year for 2029 to 2031. The increase beginning in 2029 reflects the pricing provided to GrandBridge Energy by the vendor, GridS2.

2. Professional Consulting Services

The total operating cost budget for Professional Consulting services, at $192,823, includes regulatory consulting services provided by Utilis Consulting Inc. (Utilis) and legal services provided by Borden Ladner Gervais LLP (BLG).

Utilis' budget is $60,000 and includes services for preparing the Brant County/Brantford NWS Program OEB application evidence, completing the benefit-cost analysis and rate design, providing regulatory strategic guidance, and supporting GBE throughout the application process. GBE has engaged Utilis in the past to assist with regulatory matters, and Utilis was actively involved in supporting all aspects of the NWS program in its Cambridge service territory, which the OEB approved in May 2026 (OEB EB-2025-0265). Utilis has over 70 years of combined experience in Canadian energy regulation, policy and business development. The Utilis team has the knowledge and tactics to deliver on GBE's regulatory needs.

BLG's budget of $132,823 includes providing strategic legal advice on all aspects of the pre-filed evidence and certain aspects of the application proceeding (e.g., interrogatories, argument process, decision implementation, etc.), and annual review of the NWS Program rules and participant agreements. BLG is GBE's legal counsel on regulatory and corporate matters. BLG brings extensive experience in developing similar NWS programs for other Ontario utilities. The legal costs for the Brant County/Brantford NWS Program are lower than the costs budgeted for in GBE's EB-2025-0265 application, as the Brant County/Brantford NWS Program Application does not include costs for the development of the NWS Program Rules and Participant Agreements.

3. Staffing Costs

The staffing budget of $423,555 reflects the portion of the Grid Innovation Specialist's time forecast to be dedicated to the Brant County/Brantford NWS Program, equivalent to approximately 50% of the position's cost over the Brant County/Brantford NWS Program term.

In GrandBridge Energy's EB-2025-0265 proceeding, the OEB approved costs associated with the Grid Innovation Specialist's support of the Cambridge GridShare program. The same resource will support both the Cambridge and Brant County/Brantford programs; however, costs will be allocated based on the time spent supporting each program. No hours or costs charged to the Cambridge GridShare program, or to other Grid Innovation activities, will be charged to the Brant County/Brantford NWS Program.

For the Brant County/Brantford NWS Program, the resource will support program implementation, customer and aggregator engagement, operational coordination, performance monitoring, measurement and verification, regulatory reporting, and continuous program improvement.

4. Participant Payment

The total operating cost budget for participant payments in GBE's NWS Brant County/Brantford Program is $3,675,000. This cost is based on the network analysis completed by GridS2 for the phased acquisition of 5 MW of capacity in 2027, 10 MW in 2028, and 20 MW in 2029, 2030, 2031

(total of 75 MW of capacity over 5 years) across all three transformer stations (Powerline MTS, Brant, and Brantford). This consists of the conservative assumptions that all auctions will clear at $500/MW-Day, that there will be 1 additional activation required per month, that there will be 4 hours of emergency activation per year, and that all targeted capacity will be procured.

5. Margin-on-Payment

Section 4.2.3 of the Application provides a description of GBE's Margin-on-Payment (MoP) incentive proposal. GBE's budget is $918,750. As this NWS Program does not include any third-party funding, the MoP incentive cost does not need to account for third-party funding.

ATTACHMENT 4: NWS APPLICATION FILING CHECKLIST

Filed as Excel model GBE_Attachment 4_NWS_Checklist_20261009

ATTACHMENT 5: NWS PROGRAM COSTS VARIANCE ACCOUNT DRAFT ACCOUNTING ORDER

GrandBridge Energy Inc.
Draft Accounting Order
Account 1508 – Other Regulatory Assets, NWS Program Cost Variance Account (NWS-PCVA)

GrandBridge Energy Inc. (GBE or GrandBridge Energy) shall establish the new variance account, "NWS Program Cost Variance Account (NWS-PCVA)", effective May 1, 2027, to capture variances (symmetrical) between:

1. The Ontario Energy Board (OEB) approved NWS Program revenue requirement, recovered through the NWS rate riders and consisting of both OM&A and capital related costs, and

2. The actual NWS Program OM&A and capital revenue requirement incurred during the 2027-2031 period, net of any third-party funding or recoveries.

The OM&A and capital costs recorded and included in the NWS-PCVA will include software licensing and maintenance, professional services, labour, participant payments, Margin on Payment (MoP) incentives, capitalized software implementation, and other OM&A and capital costs directly attributable to the NWS Program ("NWS Program Costs"). Any amounts recorded will be net of any third-party funding or recoveries (e.g. IESO funding, government grants, or market revenues), if applicable. Actual NWS capital additions placed into service will be converted into an equivalent revenue requirement using the same parameters and methodology that the OEB used to establish the NWS Program revenue requirement.

Amounts entered in the account can be debit or credit entries and will be debited or credited to the account annually. Carrying charges will be applied to the account monthly at the Ontario Energy Board's (OEB) prescribed rates.

Any third-party funding or recoveries received during the term of the NWS Program will be tracked and netted within the NWS-PCVA.

GBE will be allowed to recover costs that are as much as 30% in excess of the OEB approved NWS Program Costs in the NWS-PCVA ("30% Provision"). The 30% Provision is aligned with the

OEB's Advanced Capital Module ("ACM") policy[31] which balances program execution and customer protection from excessive NWS Program Costs. Specifically, the 30% Provision allows for a modest amount of payments to program participants that are greater than the amount included in the OEB approved NWS Program Costs, while protecting customers by limiting the program payments.

GrandBridge Energy will seek disposition of balances in the NWS-PCVA no earlier than its next Cost of Service application and will recommend either the continuance or discontinuance of the Sub-Account at that time. All amounts recorded in the NWS-PCVA will be subject to a prudence review prior to disposition.

GrandBridge Energy shall establish the following variance accounts effective May 1, 2027, to December 31, 2031, to record the amounts described above:

- Account 1508 -Other Regulatory Assets, Sub-Account NWS-PCVA- Program Costs
- Account 1508 -Other Regulatory Assets, Sub-Account NWS-PCVA- Carrying Charges
- Account 4245 -Government and Other Assistance Directly Credited to Income, Sub-account NWS third-party fund

The sample accounting entries for the variance accounts are provided below:

1. To record NWS Program revenues (including, if applicable, any revenues related to incentive amounts for an OEB-approved incentive mechanism) that are collected through OEB-approved rates.

   Dr. Account Receivable/Cash Account
   Cr. Accounts 4080 Distribution Services Revenue

2. To record eligible NWS Program Costs.

   Dr. Account 5085 Miscellaneous Distribution Expenses
   Cr. Accounts Payable/Cash Account

[31] Report of the OEB EB-2014-0219 New Policy Options for the Funding of Capital Investments: Supplemental Report, January 22, 2016, Appendix A.

3. To record actual eligible incentive amounts related to an OEB-approved incentive mechanism for the NWS Program. This journal entry is not needed if the incentive mechanism is not approved by the OEB on the respective NWS Program.

Dr. Account 5085 Miscellaneous Distribution Expenses
    Cr. Accounts Payable/Cash Account

4. To record third-party funds received for the NWS Program

Dr. Account Receivable/Cash Account
    Cr. Accounts 4245 Sub-Account NWS third-party fund

5. To net third-party funding received towards actual eligible NWS Program Costs.

Dr. Account 4245 Sub-Account NWS third-party fund
    Cr. Accounts 5085 Miscellaneous Distribution Expenses

6. To record annually the symmetrical difference between the actual costs associated with non-wires solutions operational and capital costs and the amounts recovered through non-wires solutions rate rider (on a revenue requirement basis and net of any third-party funding/recoveries) over the 2027-2031 period:

DR Accounts 4080 Distribution Services Revenue
    CR/Account 5085 Miscellaneous Distribution Expenses
    CR/DR Account1508 - Other Regulatory Assets, Sub-Account NWS-PCVA-Program Costs

7. To record the interest income on the monthly opening balance in Account 1508 - Other Regulatory Assets, Sub-Account NWSVA - Program Costs if the amount collected through OEB-approved rates (net of any third-party funding/recoveries) is greater than the revenue requirements of actual eligible NWS Program costs (including actual eligible incentive amounts)

DR/CR Account 6035 Other Interest Expense
    CR/DR 1508 - Other Regulatory Assets, Sub-Account NWS-PCVA-Carrying Charges

ATTACHMENT 6: NWS PROGRAM RULEBOOK AND PARTICIPANT AGREEMENTS

The following material makes up Attachment 6:

1. NWS Program Rulebook
2. NWS Program Rulebook Appendices:

    Appendix A: Definitions
    Appendix B: Eligibility Criteria
    Appendix C: Sample Registration Form
    Appendix D: Sample Offer Submission
    Appendix E: Sample Capacity Settlement Use Cases
    Appendix F: Sample Participant Agreement- Direct Participant
    Appendix G: Sample Participant Agreement- Aggregator
    Appendix H: Electricity Retailer Waiver
    Appendix I: Portal Terms and Conditions

3. NWS Program Rulebook, 2027 Pre-Auction Report