Ontario Energy Board | Commission de l'énergie de l'Ontario

BY EMAIL AND WEB POSTING

October 29, 2026

To: All Rate-Regulated Electricity Distributors
Independent Electricity System Operator (IESO)
All Participants in EB-2025-0060
All Other Interested Parties

Re: Distribution System Operator (DSO) Capabilities (EB-2025-0060)
Posting of DSO Roadmap and Invitation to Participate in Working Group

What You Need to Know

- **The Ontario Energy Board (OEB) has published *A Roadmap for Advancing Distribution System Operator (DSO) Capabilities in Ontario*.**
- **The Roadmap charts a staged, evidence-based approach to developing a regulatory policy framework for DSO capabilities that can maximize the value and opportunity of DERs while aligning implementation with consumer interests and system needs.**
- **To advance workstreams outlined in the Roadmap, the OEB is establishing a working group as part of its DSO Capabilities consultation. Participants are invited to nominate working group representatives, via email, by November 10, 2026.**

The OEB's report *A Roadmap for Advancing DSO Capabilities in Ontario* responds to the June 2025 Integrated Energy Plan Directive from the Minister of Energy and Mines, supporting the delivery of affordable, secure, reliable and clean energy that enables economic growth across the province.

The Roadmap charts a staged, evidence-based approach for advancing DSO capabilities in Ontario. It articulates a vision for DSOs and proposes to undertake four workstreams, in consultation with stakeholders, to help achieve this vision.

To support the next phase of this work, OEB staff is establishing a working group under the DSO Capabilities consultation (DSO WG). The DSO WG will provide subject-matter expertise, practical insights and advice to inform the following Roadmap workstreams:

Workstream 1 – Define DSO Capabilities:

This workstream will seek to define the full scope of DSO capabilities and conditions under which these capabilities should be developed. This should support electricity distributors in planning when and how to evolve their DSO capabilities, including identifying the need for requisite grid modernization.

Workstream 2 – Define Flexibility Services:

This workstream will investigate, and, where appropriate, standardize the services that distributed energy resources (DERs) can provide to distribution systems (collectively referred to as flexibility services) and the approaches and rules that govern their delivery. This should help drive consistency in the delivery of these services, provide clarity for consumers and sector participants, and support alignment with broader sector practices as well as with the IESO-administered electricity markets.

Working group discussions will also draw on lessons learned from pilots and demonstrations, where relevant, to inform future policy development. As noted in the Roadmap, the OEB is targeting completion of Workstreams 1 and 2 over 12 months. Both workstreams will be pursued in a co-ordinated manner, with exact staging, pacing and sequencing to be determined in conjunction with the DSO WG. Subgroups may also be formed to focus on specific areas. Following completion of Workstreams 1 and 2, the OEB will assess the timing for Workstreams 3 and 4 and engage the sector for broader input. The OEB understands the need to move quickly on this work.

Invitation to Participate in the Working Group

The OEB is seeking expressions of interest from those who would like to participate in the DSO WG and can provide relevant technical, operational or policy expertise needed to support a balanced and representative working group.

Stakeholders interested in participating in the DSO WG are invited to submit a letter of interest to the OEB by **November 10, 2026**.

Letters of interest should be emailed to **registrar@oeb.ca** with the subject line: **EB-2025-0060 DSO Working Group Participation.**

The letter should include:

- Organization name

- Name of proposed working group participant
- Contact information (phone number and email)
- A brief statement describing the individual participant's relevant expertise and identification of the Roadmap workstream areas of interest.

The OEB will select members with relevant experience and expertise, ensuring that the working group is appropriately sized for effective collaboration. Membership is expected to represent a balanced range of constituencies, including electricity distributors, the IESO, DER providers, consumers and service providers. Experience related to electricity distribution planning, operations, market design / electricity markets, and DER integration would be considered an asset. Members will be expected to engage with any stakeholder groups they represent, co-ordinate and consolidate input as needed, and participate fully in all working group meetings. DSO WG meetings will begin **December 10, 2026, from 9:30 a.m. – 11 a.m**., with subsequent meetings held approximately every four weeks (subject to change). DSO WG participation may be required through to the end of 2027.

While it may not be possible for all interested stakeholders to participate in the DSO WG, all meeting materials will be posted on the OEB's **Engage With Us** page, allowing stakeholders to stay informed about the working group's progress. All interested stakeholders will have the opportunity to comment on draft OEB policy materials that will have been informed by the DSO WG's input.

Cost Awards

When the OEB initiated the DSO Capabilities consultation (EB-2025-0060), it approved cost awards under section 30 of the *Ontario Energy Board Act, 1998,* to eligible participants. Cost awards will continue to be available under section 30 of the OEB Act to eligible participants. Participants previously found eligible and approved for cost awards in EB-2025-0060 will maintain their eligibility if participating in the DSO WG and are not required to reapply.

Any other stakeholders seeking cost awards for their participation in the DSO WG should indicate this in their letter of interest in joining the working group. Further information regarding cost awards is set out in **Appendix A** to this letter.

For questions regarding this consultation, please contact DSOcapabilities@oeb.ca
The OEB's toll-free number is 1-888-632-6273.

Yours truly,

Ritchie Murray

Digitally signed by Ritchie Murray
Date: 2026.10.29 13:47:01 -04'00'

Ritchie Murray
Registrar, Ontario Energy Board

Appendix A – Cost Award Matters

Cost Award Eligibility

The OEB will determine eligibility for costs in accordance with its *Practice Direction on Cost Awards*. Any person intending to request an award of costs must file with the OEB a written submission to that effect by **November 10, 2026**. The submission must identify the grounds on which the person believes that it is eligible for an award of costs (addressing the OEB's cost eligibility criteria as set out in section 3 of the *Practice Direction on Cost Awards*). An explanation of any other funding to which the person has access must also be provided, as should the name and credentials of any lawyer, analyst or consultant that the person intends to retain, if known. All requests for cost eligibility will be posted on the OEB's website.

If a licensed rate-regulated electricity distributor has any objections to any of the requests for cost eligibility, such objections must be filed with the OEB by **November 17, 2026**. Any objections will be posted on the OEB's website. The OEB will then make a final determination on the cost eligibility of the requesting participants.

Eligible Activities

Cost awards will be available to eligible participants for participation in working group activities. The maximum number of cost eligible hours per participant to prepare for, attend and report on working group meetings is up to two times the actual meeting duration. Additional hours for sub-groups or presentations will be considered on a case-by-case basis as those needs arise.

Cost Awards

When determining the amount of the cost awards, the OEB will apply the principles set out in section 5 of its *Practice Direction on Cost Awards*. The maximum hourly rates set out in the Cost Awards Tariff will also be applied. The OEB expects that groups representing the same interests or class of persons will make every effort to communicate and co-ordinate their participation in this process. In accordance with section 12 of its *Practice Direction on Cost Awards*, the OEB will act as a clearing house for all payments of cost awards in this process. For more information on this process, please see the OEB's *Practice Direction on Cost Awards*.