

Carolyn Calwell
CHIEF EXECUTIVE OFFICER | DIRECTRICE GÉNÉRALE

BY EMAIL

November 3, 2025

To: All Rate-Regulated Gas Distributors
All Licensed Electricity Distributors
All Licensed Transmitters
All Licensed Gas Marketers
All Licensed Electricity Retailers
All Licensed Unit Sub-Meter Providers
Independent Electricity System Operator
Ontario Power Generation
All Other Interested Parties

Re: Mid-Year Update, Fiscal 2025/2026

As you know, the government's Integrated Energy Plan, [Energy for Generations](#), signals the importance of change in Ontario's energy landscape, and the pace of that change, and that the need for affordable, clean, reliable and secure energy, is accelerating. This brings both complexity and opportunity. It also brings a need for ongoing and enhanced clarity, co-ordination and collaboration. That is why, as we pass the halfway point of our fiscal year, I am pleased to share an update with you on the Ontario Energy Board's (OEB) priorities and progress to date. My colleague, Chief Commissioner Damien Côté, is also providing an update on matters related to our important work in adjudication.

My goal is for the OEB to be trusted to do the right thing at the right time in our rapidly changing environment. The OEB must be a trusted regulator for the sector, a trusted advisor to the government and a trusted protector of the public interest.

Since the start of our fiscal year in April, the OEB has delivered on numerous initiatives, some of which are outlined in the Appendix to this letter. They reflect the breadth of work underway, from supporting housing development and DER integration to enhancing system resilience and empowering Indigenous innovation.



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This update is meant to show how our non-adjudicative work aligns with the provincial government's vision to enable affordable, reliable, secure and clean energy for homes and businesses in Ontario. I also want to demonstrate how our efforts align with and affect your work, where your input is shaping outcomes, and how we're working differently to support a more co-ordinated and responsive regulatory environment.

Working Together

I want to emphasize that the OEB's policy work is a collaborative effort: Your feedback and engagement are critical to the OEB's role as an effective regulator. The insights of regulated entities, affected parties and consumers enable the OEB to ensure that our rules, codes and policies, and our advice to government, reflect the operational realities of the sector and deliver outcomes that advance Ontario's energy advantage and economic security, while protecting customer interests.

With pressing deadlines to complete parts of our work by December 31, 2025, March 31, 2026, and beyond, I recognize that your participation in our consultations and preparing written responses for us take considerable time and effort. As we seek your advice on our immediate deliverables, the next few weeks may be particularly taxing on your resources. Our aim is to diligently manage our touchpoints to allow you to provide meaningful and timely input. As we work through this period of heightened engagement, I welcome your ongoing feedback on how we can more effectively engage with you and your organizations.

Achieving Energy for Generations: A New Approach

Much of our work this year has arisen from two key directives from the Minister of Energy and Mines: the annual [Letter of Direction](#), issued on December 19, 2024, and the [Integrated Energy Plan \(IEP\) Directive](#), issued on June 11, 2025. It also outlines a clear expectation that the OEB will lead and co-ordinate efforts to support these outcomes.

Since the release of the IEP, the OEB has developed a prioritized plan to deliver the initiatives outlined in the Letter of Direction, IEP Directive and our Business Plan. To this end, we have adopted a portfolio-based approach to our major workstreams. This allows us to better co-ordinate deliverables, consultations and timelines across related initiatives, while giving stakeholders a clearer view of how individual efforts fit into the broader picture. The portfolios are:



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1. **Distributed Energy Resources (DERs)**, which captures our work on facilitating efficient connections to the system, compensation and evaluation frameworks, and Distribution System Operator capabilities.
2. **Planning**, which includes initiatives to improve local planning for electricity and natural gas, as well as across sectors. Our review includes regional and bulk planning processes, the role of DERs in planning, scenario modeling and facilitating information sharing between the electricity and natural gas sectors.
3. **Utility Remuneration**, which will bring together work on Total Cost Benchmarking, Performance Incentive Mechanisms and other projects, enabling a wholistic approach to advancing performance-based rate regulation.
4. **Streamlined Electricity Connections**, which captures our work on classifying transmission system assets and identifying opportunities to streamline distribution and transmission connections processes.

For each portfolio, the OEB will co-ordinate deliverables, consultations and workflows to ensure that our stakeholders can contribute to each initiative while maintaining a line of sight to the bigger picture. We will also continue our collaboration with the Independent Electricity System Operator to ensure a co-ordinated approach.

There is much work to do. I want to thank you for your support of and contributions to our work — past, present and future. I also want to recognize an OEB team with deep expertise. Working together, I am confident we can achieve all that has been asked of us, in the service of Ontarians.

Please do not hesitate to contact me if you have any questions or would like to discuss anything in this update or other matters related to our sector. I look forward to working with you in the coming months and years ahead.

Sincerely,

Carolyn Calwell
Chief Executive Officer, Ontario Energy Board



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Appendix – Front Half Highlights

The following initiatives are key milestones from the first half of the OEB's fiscal year. Each reflects the OEB's commitment to delivering on our legislated mandate and government direction while responding to sector needs. These efforts span system planning, rate design, resilience, innovation and support for housing and economic development.

- **Amending the [Distribution System Code and introducing a Capacity Allocation Model](#)** to facilitate housing development connections by allocating capacity and costs for system expansions to supply qualifying development areas, in support of new housing and businesses for Ontarians.
- Holding **stakeholder symposiums and issuing reports to support the development of [Distribution System Operator \(DSO\) capabilities](#)**. This work, in response to the 2024 Letter of Direction, aims to define a roadmap, due to the Minister of Energy and Mines by December 31, 2025, for the potential implementation of DSO capabilities, commensurate with need, value and the flexibility to adapt to evolving circumstances.
- **Supporting the [implementation of the Electric Vehicle \(EV\) Charging Rate](#)**, which will be offered to eligible EV charging stations next year. The new rate aims to support the efficient integration of EVs by reducing the rate paid by participating EV charging stations and better aligning the charges they pay with the transmission system costs incurred to serve them.
- **Issuing our final report on [Vulnerability Assessment and System Hardening](#)**, which aims to help utilities plan for severe weather and provide more reliable service to consumers. The report includes a framework to address incorporating climate resiliency into utilities' asset and investment planning activities, engaging in regular assessments of the vulnerabilities in distribution systems and operations, and prioritizing value for customers when investing in system enhancements for resilience purposes.
- **Launching a [second Innovation Sandbox Challenge](#) to empower Indigenous innovation and support Indigenous leadership** in the energy transition by identifying challenges, exploring emerging opportunities, enhancing energy services and building capacity. The Challenge will provide selected projects with up to \$1.275 million in funding, supported by the Government of Canada, and regulatory guidance through the Innovation Sandbox.

