ONTARIO ENERGY BOARD

2026 BUSINESS PLAN 2026 - 2029

Ontario

Ontario Energy Board

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JOINT MESSAGE FROM THE CHAIR & CEO

Ontario faces unprecedented economic challenges, driven by harmful U.S. economic policies that make Ontario companies and workers more vulnerable than they have been in generations. The Government of Ontario has responded by making the investments required to build an economy that is among the most resilient, self-reliant and competitive in the G7. Ontario's energy sector is at the heart of this economic transformation. The Ontario Energy Board (OEB) plays a critical role in enabling this multibillion-dollar energy sector that powers a $1.1-trillion economy and serves more than nine million electricity and natural gas customers.

Seizing this opportunity requires a comprehensive approach across the energy sector so that, together, we can deliver affordable, secure, reliable and clean energy to power our economy. The vision for this comprehensive approach was articulated in the government's first integrated energy plan (IEP), *Energy for Generations*.

The OEB has a central role in the implementation of this vision. Our work in 2025/26 launched a new system capacity map to support investment, set a pathway for the Distribution System Operator (DSO) model in Ontario and initiated a forum to enhance cross-sector planning. This work will continue in 2026/27, as we make changes to further streamline connections, unlock the full value of distributed energy resources (DERs), and update remuneration and performance expectations to ensure utilities are equipped to support growth and meet consumer expectations.

Energy for Generations is a call for all of us in the energy sector to work differently to drive economic growth. As the regulator, the OEB has an important and distinct role to play in facilitating economic prosperity. In 2025/26, we implemented a new operating model that applies new ways of thinking and working to deliver on our IEP obligations faster and more effectively. A more comprehensive organizational redesign followed, to further improve our ability to deliver while bringing to life our vision of "One OEB," where everyone works together from their vantage point in the organization to solve hard problems. That vision empowers staff and Commissioners to accomplish our work with agility and cross-functional expertise. For Ontarians, the government and the energy sector, it means we can work faster to drive better, more integrated outcomes.

With the passing of Bill 40, the *Protect Ontario by Securing Affordable Energy for Generations Act, 2025*, our mandate explicitly requires us to regulate the electricity sector in a manner that supports economic growth, consistent with the policies of the Government of Ontario. The OEB has always understood the importance of our work to the people of Ontario. We will thread an economic focus even more deeply throughout our ways of working.

The OEB's economic impact extends beyond policies and regulations. With over $68 billion in applications before us as we prepared this Plan, efficient and effective adjudication is a financial catalyst for Ontario's energy sector that balances our responsibilities to unlock investment and protect consumers.

We are confident that this Plan can help turn Ontario's energy advantage into Ontario's economic advantage.

Geoff Owen

Chair of the Board of Directors

Carolyn Calwell

Chief Executive Officer

ABOUT THE OEB

VISION

To be a trusted regulator that is recognized for enabling Ontario's growing economy and improving the quality of life for the people of this province, who deserve safe, reliable and affordable energy.

MISSION

To deliver public value through prudent regulation and independent adjudicative decision-making, which contributes to Ontario's economic, social and environmental development.

PURPOSE

To regulate the provincial energy sector, protect the interests of energy consumers and support the collective advancement of the people of Ontario.

MANDATE

The OEB's mandate is to regulate Ontario's energy sector in the public interest, as required under provincial legislation. This mandate and authority come from the *Ontario Energy Board Act, 1998 (OEB Act)*, the *Electricity Act, 1998*, and several other statutes.

The *Protect Ontario by Securing Affordable Energy for Generations Act, 2025*, introduced changes to our electricity objectives and established new regulatory tools to support major growth in the province's energy system.

FOR ELECTRICITY, THESE OBJECTIVES ARE TO:

- Inform consumers and protect their interests with respect to prices and the adequacy, reliability and quality of electricity service.
- Promote economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity, and to facilitate the maintenance of a financially viable electricity industry.
- Promote electricity conservation and demand management in a manner consistent with the policies of the Government of Ontario, including having regard to the consumer's economic circumstances.
- Facilitate innovation in the electricity sector.
- Regulate the electricity sector in a manner that supports economic growth, consistent with the policies of the Government of Ontario.

FOR GAS, THESE OBJECTIVES ARE TO:

- Facilitate competition in the sale of gas to users.
- Inform consumers and protect their interests with respect to prices and the reliability and quality of gas service.
- Facilitate rational expansion of transmission and distribution systems.
- Facilitate rational development and safe operation of gas storage.
- Promote energy conservation and energy efficiency in accordance with the policies of the Government of Ontario, including having regard to the consumer's economic circumstances.
- Facilitate the maintenance of a financially viable gas industry for the transmission, distribution and storage of gas.
- Promote communication within the gas industry.

GOVERNANCE

The OEB's corporate governance structure is set out in the *OEB Act*. The Board of Directors (the Board) and the Chair of the Board (the Chair) are accountable to the Minister of Energy and Mines (the Minister) for the effective delivery of the OEB's objectives. Under the Memorandum of Understanding and the Agencies and Appointments Directive (AAD), the Chair is also responsible for reporting to the Minister on the OEB's activities and ensuring the OEB fulfils the expectations of Ministerial directives.

The Board is composed of at least five and no more than 10 members appointed by the Lieutenant Governor in Council. The Board has established committees, including the legislated Adjudication Committee, to assist in carrying out its oversight role.

The Board is responsible for the appointment of the Chief Executive Officer (CEO), the members of the OEB's Market Surveillance Panel and OEB Commissioners, including the Chief Commissioner. All Commissioners are recommended to the Board by the CEO.

The CEO is responsible for the efficient and effective management of the operations of the OEB, and for other matters as assigned to the CEO by legislation or delegated to the CEO by the Board.

The Chief Commissioner has a statutory responsibility for the efficiency, timeliness and dependability of the hearing and determination of matters subject to adjudication. The Chief Commissioner is also responsible for assigning Commissioners to preside over hearings and making Rules of Practice and Procedure that govern the hearing process. Commissioners are responsible for making independent decisions on applications and other matters assigned by the Chief Commissioner.

Amendments to the *OEB Act* made by the *Protect Ontario by Securing Affordable Energy for Generations Act, 2025*, authorize the CEO to issue policies to Commissioners and employees of the OEB on matters related to adjudication. These policies may cover hearing timelines, information to be considered in hearings and other matters as may be set out in regulations, and they must be consistent with legislation and instruments made under legislation. This new regulatory tool is intended to enhance the consistency and transparency of OEB hearing processes while maintaining adjudicative independence.

STRATEGY

The OEB's strategy is guided by a vision to be an effective economic regulator of the electricity and natural gas sectors and a trusted advisor to government. The OEB's Strategic Plan concluded at the close of fiscal year 2025/26. As a new Strategic Plan is drafted in 2026/27, the four pillars of the previous plan – Enable Ontario's Energy Advantage, Protect the Public, Drive Energy Sector Performance, Facilitate Innovation – continue to guide the organization in delivering on its mandate and meeting the expectations set out in the IEP Directive and Letters of Direction.

ENVIRONMENTAL SCAN

Ontario's energy sector is in a period of profound transformation driven by rising demand, technological innovation and evolving consumer expectations. It is further complicated by uncertainty in the trade and economic relationship between Canada and the United States. Government policies and legislative changes are reshaping the regulatory framework, while global trends and local priorities are accelerating the shift toward integrated, flexible energy systems. Consumers are increasingly active participants, adopting distributed resources, like rooftop solar and electric vehicles (EVs), and seeking greater transparency and choice. At the same time, resilience to extreme weather, cyber security and grid modernization have become imperatives for utilities and regulators alike. These dynamics will shape the OEB's operating landscape from 2026 to 2029.

Consumer Expectations

Ontario's energy consumers – residential, industrial, commercial and agricultural – have diverse needs and preferences, and require an energy sector that works for everyone. Issues such as reliability and affordability are of importance to all Ontarians. Some consumers, such as those in northern and rural communities, face unique challenges that make access to reliable and affordable energy especially critical. Many consumers value greater choice in how they interact with the energy system. Homes and businesses are becoming integrated with Ontario's energy system in increasingly complex ways through growing adoption of solar technology, storage facilities and EVs. Concurrently, consumers want more insight and information, both about their own consumption patterns and about the diverse energy options available to enable informed choices about their homes, businesses and transportation.

Increasing demand is spurring significant investment in generation, transmission and distribution systems. Maintaining affordability during this period of growth will be critical to Ontario's competitiveness and the quality of life of its residents. The OEB's adjudicative responsibility to set just and reasonable rates, and drive efficiency and effectiveness among utilities, will remain critically important for responding to this challenge.

Government Policy

Government policy sets the framework for the energy sector and its participants, including the OEB, guiding decisions on regulatory frameworks, public investments, technology deployment and more.

In June 2025, the provincial government released *Energy for Generations: Ontario's Integrated Plan to Power the Strongest Economy in the G7*, which outlines the province's long-term strategy to produce the affordable, reliable and clean energy needed to create a more competitive, self-reliant and resilient economy. This plan underscores the need for a more integrated and streamlined energy system to stay competitive in a changing global economy. It also emphasizes the continued role of natural gas in Ontario's energy mix, while preparing for emerging fuels, like hydrogen and renewable natural gas, to play a growing role as the province builds a more diverse energy system. The province's plan also envisions enabling the cost-effective deployment of DERs to improve reliability, lower costs and support greater system flexibility. Implementing the government's vision will require regulatory clarity and stability, prudent planning and investment decisions by regulated entities and efficient approvals processes. As the province looks to new technologies, regulators will need to level the playing field for solutions.

Provincial and federal government policies reflect the need to invest in and modernize energy infrastructure to bolster economic resilience while protecting affordability. The federal Major Projects Office, created in 2025, has a mandate to advance major projects of national significance, including energy projects, and is actively looking for other opportunities to strengthen Canada's energy independence via investments in electricity and natural gas infrastructure. Regulatory modernization advanced at the federal level can serve as a model for provincial frameworks.

Evolving Energy Sector

The energy sector is undergoing significant changes, in Ontario and beyond. Globally, energy demand is expected to continue to rise until at least 2050, and Ontario is projected to require up to 65 per cent more electricity by 2050 to support an increased population, new industrial manufacturing, mining, electrification of homes and modes of transportation, and new data centres. This will impact all facets of the energy system, from infrastructure to regulatory approaches.

There is growing interest in additional opportunities in the energy sector, such as renewable fuels, district energy systems, pumped storage facilities and hydrogen. The OEB will need to consider how to continue to protect consumer interests as the energy landscape transforms.

As discussed earlier, many consumers are taking greater control of their energy use and costs through the adoption of DERs. From a local and bulk system perspective, DERs can improve reliability and resilience, provide operational flexibility and enhance the efficiency of the system. DSO capabilities can play an important role in enabling DER opportunities while improving market opportunities for investment and innovation.

Integrated Energy Planning

Ontario has a complex energy system, where planning has historically been siloed by fuel type. A co-ordinated approach that integrates planning across sector participants, systems and technologies can better meet the needs of consumers.

The OEB is advancing initiatives to strengthen energy planning and co-ordination between electricity and natural gas systems. Integration between key participants, which can mitigate the risk of over- or under-building natural gas and electricity systems, will be enabled through information sharing in support of energy planning. The OEB's work with the Independent Electricity System Operator (IESO) and local distribution companies (LDCs) can enable timely infrastructure upgrades and support efficient grid connection processes for consumers. In all aspects, meaningful engagement and partnership with Indigenous communities will be essential for building energy infrastructure at the pace needed to meet demand.

Resilience, Reliability and Grid Modernization

Ontarians depend on a reliable energy system to meet their needs and expect the prompt restoration of service following disruption. The impacts of climate change and severe weather events highlight the importance of strengthening the resilience of Ontario's energy systems. The OEB's Vulnerability Assessment and System Hardening (VASH) Framework provides a structured approach for electricity distributors to integrate climate resiliency into system planning through vulnerability assessments and benefit-cost analyses.

The risk posed by cyber threats is also rising as attacks become more sophisticated. To protect Ontario's electricity system, cyber security assessment and reporting requirements are in place for all licensed distributors and transmitters. Still, continuous improvement is needed. Strengthening cyber security has evolved from a good practice to an essential part of a utility's role in preserving the integrity and resilience of the electricity system.

System modernization investments are likely to accelerate in the years ahead to keep pace with growing needs and consumer expectations. Along with infrastructure upgrades, this will include opportunities for innovative technologies such as non-wire solutions (NWSs) that enhance system efficiency and encourage demand management.

The OEB will respond to the challenges and opportunities in its operating environment using both regulatory tools and independent adjudication to regulate in the public interest, balancing the interests of consumers and regulated entities, and aligning with government policy.

ADJUDICATIVE EXCELLENCE

Independent adjudication is the mechanism by which the OEB is a financial catalyst for Ontario's energy sector, making decisions about rates, system investments, facilities, licences and corporate ownership, among other things.

The OEB Commissioners who make these decisions, and the OEB staff who participate in the process, support a vast and essential Ontario industry.

Natural Gas

114,000 km

of natural gas transmission and distribution pipelines[1]

$29B

in natural gas distribution system assets[2]

3.91M

customers[2]

Electricity

290,000 km

of electricity transmission and distribution lines[1]

$35B

in electricity distribution system assets[2]

5.46M

customers[2]

[1] *https://www.ontario.ca/page/ontario-energy-snapshot*
[2] *OEB's Energy at a Glance 2024-2025*

The OEB Act Protects Independent Adjudication

"4.1 (18) For greater certainty, no power given to the Board of Directors or a Director under this or any other Act permits the Board of Directors or a Director to interfere with or influence the hearing or determination of a matter over which the Board has jurisdiction."

Before making an adjudicative decision, the OEB will:

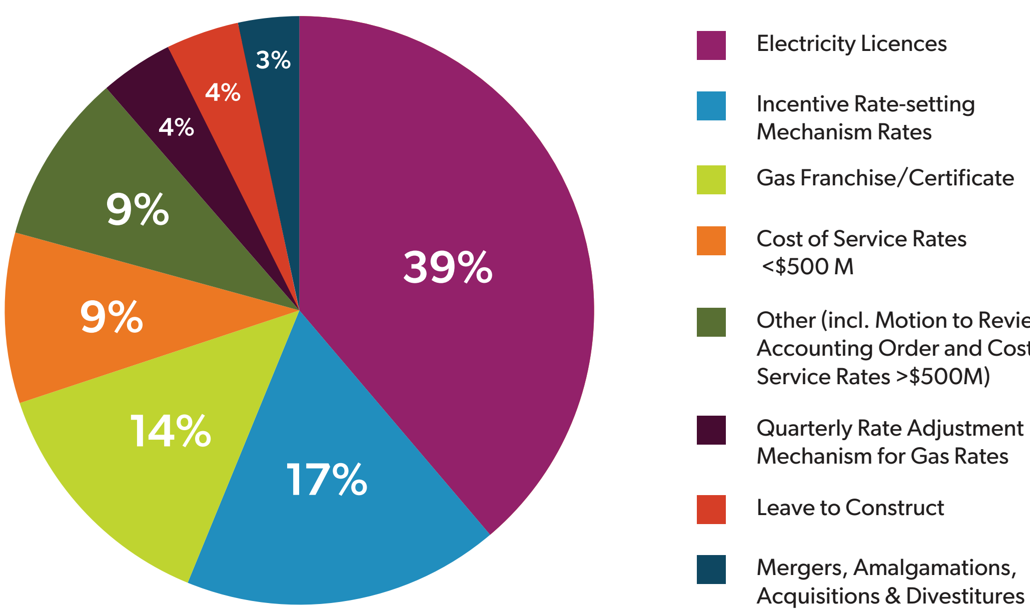
- Thoroughly review the application
- Consider questions and concerns expressed by consumers in letters of comment
- Hold public hearings (for most major applications) – written, in-person, virtual, hybrid or a combination of these formats
- Consider input from intervenors – individuals or groups that are granted permission to participate in a public hearing – and OEB staff experts
- Look at the questions, evidence and arguments submitted by all participants in the hearing

The independence and transparency of these decisions is fundamental to a healthy regulatory model. Impartial, evidence-based decision-making fosters confidence in the sector by regulated entities, investors and the public that we serve.

TYPES OF APPLICATIONS

The OEB receives a high volume of applications for adjudication. These include both routine and complex matters across electricity and natural gas. The number and complexity of applications have been increasing in recent years.

Applications to the OEB by Type (2024/25)



PERFORMANCE STANDARDS

For each application type, the OEB has performance standards for the number of calendar days to complete typical procedural steps. Results are reported twice a year in the Adjudicative Reporting Dashboard, and full-year results are provided in the Annual Report. As shown in the *Measuring Outcomes* section of this Plan, the OEB continues to exceed its adjudicative efficiency targets for Total Cycle Time by Panel and Delegated Authority.

YEAR AHEAD: MAJOR APPLICATIONS

In addition to routine applications, which are often decided without a hearing, the OEB adjudicates applications that have a higher potential to significantly impact consumers, whether in terms of rates, utility ownership or the construction of new infrastructure. These major applications undergo a comprehensive adjudicative process that can take up to a year to complete.

In the year ahead, the OEB expects to process approximately 300 applications, of which about 60 will be major applications, including the following:

- **Alectra Utilities Corp.** – A custom incentive rate-setting application to establish electricity distribution rates for the 2027-2031 period. This will be the first consolidated rebasing application since the merger of Hydro One Brampton Networks Inc., Enersource Hydro Corp., Horizon Utilities Corp., PowerStream Inc. and Guelph Hydro Electric Systems Inc.

- **Ontario Power Generation Inc.** – A custom incentive application to establish payment amounts effective January 1, 2027. This is the first rebasing to cover both nuclear and hydroelectric facilities since 2013.

- **Elexicon Energy Inc.** – A custom incentive rate-setting application to establish electricity distribution rates for the 2027-2031 period. This will be the first consolidated rebasing application since the 2019 merger of Veridian Corp. and Whitby Hydro Energy Corp.

In addition, in March 2026 the OEB commenced a limited scope generic proceeding to review the OEB's Model Franchise Agreement. The review is in response to cross-cutting issues raised in recent proceedings.

YEAR AHEAD: PROCESS IMPROVEMENT INITIATIVES

In 2026/27, the OEB will pursue targeted initiatives to help improve the timeliness, efficiency and dependability of adjudication in service of all Ontarians.

Regulatory Guidance Project

Dependable adjudication is more readily achieved when the regulated sector understands clearly what is expected of it. Guidance should generally be easy to locate and navigate, and be accessible and useful to all stakeholders.

The OEB currently provides a wide range of regulatory guidance. This includes resources such as Filing Requirements and Guidelines, Rules of Practice and Procedure, Handbooks, Protocols, Frameworks and more.

Over the coming years, the OEB will continue its work to refine and improve this guidance to help maximize clarity and efficiency, and to minimize redundancy. As part of this initiative, the OEB plans to further refine and increase the transparency of the review cycle for different types of regulatory guidance.

Streamlining Processes

IEP #5 Implementation

The OEB continues to implement the 10-point Action Plan outlined in the September 2024 *Report Back to the Minister on Intervenors and Regulatory Efficiency*. The Action Plan is designed to improve the OEB's adjudicative process, reduce regulatory burden and duplication, where appropriate, and lower costs. In 2026/27, the OEB will launch an additional dashboard to track, report and compare intervenor cost claims, utility application-related costs and other metrics of relevance to ratepayers.

The OEB will also be following up on its December 2025 report to the Minister, which outlined ongoing initiatives and new opportunities to streamline OEB-led processes. Many of these opportunities will be delivered through the Business Operations Optimization & System Transformation (BOOST) Program (see *IT* Section), which is applying cloud-based platforms and artificial intelligence (AI) tools to modernize adjudicative operations and stakeholder interactions.

Participation of Indigenous Communities in the Adjudicative Process

In alignment with Calls to Action 57 and 92 of the Truth and Reconciliation Commission, the OEB is committed to meaningful consultation, building respectful relationships and ensuring that the voices of Indigenous communities in Ontario are heard in adjudicative proceedings. As part of this commitment, the OEB is preparing to enhance and support Indigenous communities' participation in the adjudicative process. This may include:

- **Addition of Oral Indigenous Knowledge (OIK) sessions to the adjudicative process:** An opportunity for Indigenous communities to provide direct oral evidence, which will be transcribed and form part of the official record, to Commissioners when treaty or Aboriginal rights may be affected.

- **Alternative Funding Approaches:** Changes to the OEB's funding approach to make the adjudicative process more accessible to Indigenous communities and their representatives.

- **Elder in Residence:** An individual to guide and advise OEB staff and Commissioners in their preparation for OIK sessions and engagement with Indigenous communities.

The implementation of OIK sessions and alternative funding approaches will be considered in 2026 with pilots in hydrocarbon project applications where Aboriginal and treaty rights are explicitly engaged. The pilots can provide opportunities to enhance and support Indigenous communities' participation in the adjudicative process, as requested in the December 2024 Letter of Direction.

STRATEGIC PRIORITIES & PROJECTS

Energy for Generations established a pro-growth vision for an affordable, secure, reliable and clean energy future for Ontario. The OEB, as the regulator of an energy sector with over $64 billion in distribution system assets, has a critical role to play in delivering this vision.

Since receiving the IEP Directive in June 2025, the OEB has achieved many of the IEP's first milestones. Some of these were changes to regulatory instruments, others were the first steps on the path to much bigger change: research, consultations, new forums, roadmaps and reports, all identifying opportunities to meet evolving consumer needs and enable an advancing sector.

With this recent progress laying the groundwork, the OEB's 2026/27 priorities and projects are focused on delivering the remaining expectations of the IEP Directive while expeditiously moving ahead on implementation. The 2025 Letter of Direction affirmed these priorities. It also endorsed ongoing OEB initiatives to drive utility performance and enhance customer service. New projects may emerge from the recommendations of the Panel for Utility Leadership and Service Excellence (PULSE) panel, building on existing OEB capabilities or requiring the development of new ones. All this work is grounded in outcomes that seek to strengthen Ontario's economic future.

IMPLEMENTATION PLAN

In this time of change, the OEB must deliver more and faster than ever before. To do so, we are seeking and adopting new ways of thinking and new ways of working.

In 2025, we organized related and interdependent projects into four policy Portfolios: Planning, Streamlined Connections, Distributed Energy Resources and Utility Remuneration. Each has identified target outcomes, approaches, dependencies and efficiencies while streamlining engagement with stakeholders. These four Portfolios will continue to frame much of our work over the next year, as described below. At the same time, we continue to focus on consumer-focused outcomes, economic development and strategic analysis for the future of the sector.

1. Planning

Energy for Generations sets out a vision for Ontario's energy system to support economic growth and preserve affordability for consumers. To achieve the objectives of growth and affordability, energy planners must enhance their practices to ensure systems are neither overbuilt at consumers' cost nor underbuilt, impeding growth. The OEB's Planning Portfolio advances work to improve planning practices within utilities, among planners within the same sector, and across the gas and electricity sectors.

1.1 Planning Within Utilities

Planning within utilities serves as the basis for higher levels of co-ordination. Minimum requirements will ensure utilities conduct scenario-based planning, ensure readiness despite uncertainty in demand and consider departures from historical trends, including related to electrification and the effects of a changing climate on infrastructure resilience.

In 2025/26, the OEB updated filing requirements for electricity and natural gas distributors to incorporate multiple demand scenarios and include certain information in their planning frameworks and processes by June 30, 2026, on a best-effort basis. These changes complement the OEB's 2025 tool kit for distributors to assess system vulnerabilities to extreme weather and evaluate hardening options. Adoption of new planning practices will be monitored in 2026/27, through applications and discussion with utilities at existing forums.

- **1.1(a) Integrated Resource Planning (IRP) – Framework Review**

  IRP is a planning strategy and process that considers both traditional natural gas infrastructure solutions (such as pipelines) and IRP alternatives (sometimes referred to as non-pipeline alternatives). It is analogous to the consideration of NWSs for electricity. The OEB's IRP Framework, issued in 2021, provides direction to Enbridge Gas as it considers IRP to meet its system needs.

  In 2025, the OEB held a consultation to review IRP progress and consider next steps in evolving the Framework. This work will continue into 2026/27 to drive the adoption of the most prudent infrastructure or IRP alternative to meet system needs, improve the IRP value-to-effort ratio, and position the natural gas sector to adapt quickly and effectively to a range of future scenarios.

1.2 Among Planners Within the Same Sector

Within sectors, planners will need to co-ordinate more frequently to meet changing needs and leverage best-available solutions. Processes will need to evolve to ensure planners can swiftly identify new needs and pursue the best solutions to meet them, using either conventional solutions or their alternatives.

- **1.2(a) Regional Planning Reforms** **IEP #4 Implementation** **IEP #14**

  In 2025/26, the OEB conducted a review of regional and bulk electricity planning processes to identify enhancements that will make the processes more efficient, flexible and responsive. Supported by an advisory group, the review resulted in a report to the Minister in March 2026 with opportunities to align regional and bulk planning with load growth, and to streamline timelines within the planning cycle. The review also considered whether to formalize the bulk planning process. These steps align with changes by the IESO to formalize elements of planning and include gas distributors in planning.

In 2026/27, the OEB will proceed with implementation of regional planning recommendations in the report. In addition, by mid-2027/28, the OEB will take steps to further ensure DERs are considered in regional planning.

1.3 Across Gas and Electricity Sectors

The natural gas and electricity sectors must enhance co-ordination to ensure both systems are built appropriately. New frameworks will be developed to enhance the comparability of demand forecasts and allow for earlier discussions related to divergences. These frameworks will also help evolve planning processes toward the establishment of shared inputs or assumptions, in service of greater integration.

- **1.3(a) Gas–Electric Co-ordination Forum** **IEP #1** **IEP #3**

  In January 2026, the OEB launched a gas-electric co-ordination forum that convened electricity and natural gas transmitters and distributors, the IESO, municipalities, Indigenous communities and urban/transportation planners. The forum has been assessing the current state of planning and options to improve gas-electric co-ordination and information sharing. This will lead to a framework setting out expectations for information sharing (e.g., what information to share, how it will be shared and what to do with the shared information).

  The forum will continue in 2026/27, with discussion of data uses and stakeholder roles and responsibilities, as well as the timing of when information is shared, discussed and applied in the future. This will inform a progress report to the Minister by September 30, 2026.

  The Gas-Electric Co-ordination Forum and Regional Planning Reforms will both help ensure that natural gas distributors are appropriately participating in the electricity planning processes.

2. Streamlined Connections

Energy for Generations articulates the importance of timely and affordable connections to the electricity system so that Ontario can build homes, expand industrial capacity and attract investment. The OEB's work in this Portfolio will ensure regulatory requirements allow for swift connections, transparent information exchange and fair allocation of costs.

2.1 Distribution

In 2025, the OEB amended the Distribution System Code (DSC) to establish a capacity allocation model for large, multi-developer residential developments. The model allocates costs based on each developer's or customer's electricity demand, addressing the growing need for a more co-ordinated, affordable and forward-looking approach to electricity system expansions.

- **2.1(a) Distribution Customer Connections** **IEP #7 Implementation**

  Building on recent progress, the OEB conducted surveys and convened a stakeholder working group to review the end-to-end distributor connection process, including timelines, requirements and responsibilities for connecting residential, commercial and industrial load consumers. A December 2025 report to the Minister detailed opportunities to streamline the connection process and improve transparency and consistency.

In 2026/27, the OEB will work with stakeholders to implement the proposals outlined in its report. As part of this work, new connection procedures, DSC amendments, reporting requirements and performance metrics will be introduced in 2027.

2.2 Transmission

Ontario's ability to attract investment and deliver affordable, secure, reliable and clean electricity depends on the ability to efficiently build and connect to transmission infrastructure.

The OEB's Transmission System Code sets out the minimum standards that an electricity transmitter must meet in designing, constructing, managing and operating its transmission system. It also stipulates the requirements, standards, terms and conditions of a transmitter's obligation to connect customers to the transmission system, including performance standards.

- **2.2(a) Transmission Customer Connections** **IEP #6 Implementation** **IEP #8**

  In 2025, the OEB convened a working group to identify opportunities to streamline connection timelines, including through efficient co-ordination between transmitters and the IESO. A December 2025 report to the Minister detailed opportunities to streamline multiple points in the connection process.

  In 2026/27, the OEB will work with transmitters and customers to implement its recommendations by developing a comprehensive and streamlined transmission connection procedure, including performance standards for transmitters.

  The OEB will also provide additional clarity to customers and transmitters on the classification of transmission assets (e.g., network versus connection). Proposals will be developed in 2026/27, in consultation with the IESO and a sector working group.

3. Distributed Energy Resources

Energy for Generations calls for the deployment and integration of DERs to strengthen grid resilience, empower consumers, attract investment and unlock innovation. The OEB's DER Portfolio supports these objectives by pursuing improvements in the ways that DERs can be integrated to meet a range of system needs. This work falls into four categories: facilitating a more efficient exchange of services, assisting distributors in using DERs to meet system needs, reducing complexity for DER owners and proponents and improving alignment in DER value and compensation.

3.1 Facilitating Exchange of Services

The sector continues to explore options for operating the distribution system in a way that could take advantage of markets, distribution-level programs and other methods to secure and activate resources to meet system needs.

- **3.1(a) DSO Capabilities** **IEP #17 Implementation**

  A DSO is an entity with advanced capabilities to integrate, manage and optimize DERs for distribution and wholesale market services. Developing DSO capabilities can enhance opportunities for DERs and provide new means for ensuring reliable and cost-effective distribution services.

  In response to the December 2024 Letter of Direction and the IEP Directive, the OEB developed, with input from stakeholders, a set of steps to establish a regulatory policy framework for DSOs that can maximize the value and opportunity of DERs while aligning implementation with consumer interests and system needs. These steps were encapsulated in the OEB's December 2025 DSO Roadmap, which laid out the major workstreams the OEB proposed to carry out, starting in mid-2026/27.

3.2 Assisting Distributors' Adoption of DERs

The OEB requires distributors to consider DERs and other NWSs, such as demand response, when identifying potential solutions to distribution system needs. The OEB's *Non-Wires Solutions Guidelines* provide guidance on the treatment of NWSs in distribution rate applications. Future work will expand or add to existing instruments to ensure that DERs are considered within planning frameworks.

- **3.2(a) Benefit-Cost Analysis Phase II** **IEP #14.1**

  In 2025, the OEB initiated Phase Two of its consultation on the *Benefit-Cost Analysis Framework for Addressing Electricity System Needs* (BCA Framework). This phase builds on the work completed in Phase One by refining the Energy System Test and considering the inclusion of societal impacts associated with energy conservation investments in cost-benefit testing.

  An updated BCA Framework is expected in 2026/27. As a consistent, evidence-based approach, it is also expected to underpin several other OEB initiatives: determining eligibility for a margin on payments incentive, informing LDC-IESO cost allocation for electricity demand-side management (eDSM) programs that target both bulk and local distribution system needs (Stream 2 activities), and supporting planning and options assessment in the context of advancing DSO capabilities. This will also help ensure local planning processes are considering cost-effective DER deployment.

- **3.2(b) DER Data Sharing** **IEP #16.1**

  In 2026/27, this work will continue with a phased approach to establishing standard data collection and sharing protocols for DER data (such as the type of installation, location, capacity and energy generated) to inform cost-effective DER deployment. To unlock the value of DERs and support smarter planning and investment across multiple levels of the system, greater DER visibility and transmission-distribution co-ordination may be needed. To this end, the OEB is working with the IESO to enhance data sharing practices between the IESO, electricity distributors and DER providers.

By June 30, 2026, the OEB will establish standard data collection and sharing protocols for DER data (such as station and feeder, DER resource type and capacity) that will help inform cost-effective DER deployment.

3.3 Reducing Complexity for DER Providers

Proponents of DER services may face barriers and unnecessary complexity as they offer solutions across a diverse landscape of distributors and distribution systems. The OEB is working to reduce these challenges for DER providers to better facilitate transactions, support investment and lower barriers to participation.

- **3.3(a) DER Connections and Mapping** **IEP #16.4**

  The OEB's DER Connections Review has identified barriers to the connection of DERs and addressed them through standardization and improvement of the connection process. In 2025/26, upon recommendation of the DER Connections Working Group, the OEB made amendments to the DSC and the DER Connection Procedures to reduce costs and improve timeliness, fairness and consistency in DER connection processes.

  The OEB also launched a Centralized Capacity Information Map in January 2026. This interactive, publicly accessible platform provides information about available load capacity and DER hosting capacity. By helping stakeholders be better informed about space on the grid to accommodate energy projects, these tools provide critical business intelligence for those looking to invest and build in Ontario.

  In 2026/27, the OEB will continue to monitor, maintain and update, as needed, DER connection requirements and capacity maps. Experience and feedback will inform consideration of future expansion of the mapping platform.

- **3.3(b) DER Cost Responsibility**

  The OEB is also reviewing cost responsibility for investments required to connect DERs. Through this work, the OEB aims to identify system benefits of investments to connect DER customers to the distribution grid. This will include modelling potential rate impacts of policy options for amending the DER connection cost responsibility framework. This work was reflected in the March 2026 report back on DER valuation and compensation. Further policy review and development will continue in 2026/27.

3.4 Improving Alignment in DER Value and Compensation

To unlock the full value of DERs, changes may be required to address market gaps and better reflect the value of services that DERs provide to the system. The OEB is addressing this by examining the value of a DER and the compensation it receives for providing that value, and whether the costs of DERs are recoverable from all of those who benefit.

- **3.4(a) DER Valuation** **IEP #11 Implementation** **IEP #12 Implementation**

Central to enabling DER adoption is ensuring a DER's *compensation* reflects its *value*, and that the *costs* it pays are appropriate.

- *Compensation:* DERs are compensated through price-based, program-based, wholesale market or other mechanisms, such as net metering.
- *Value:* DERs can provide value to multiple levels of the electricity system, including through energy provided and reduced generation, transmission, and distribution capacity requirements.
- *Costs:* DERs are currently exposed to several costs, including connection costs, specialized rates, base distribution rates and specific behind-the-meter rates.

In March 2026, the OEB reported to the Minister on its assessment of these components of DER valuation. The report, developed in consultation with the IESO, provided recommendations to improve alignment between compensation and value, and identified roles and responsibilities for the implementation of each proposed recommendation.

In 2026/27, the OEB will work further on these recommendations with the Ministry and the IESO, as required.

- **3.4(b) eDSM** **IEP #13**

The benefits of a DER may extend beyond the boundaries of a single distributor. For example, consider a situation where there is a transmission system capacity need in a given area. If multiple distributors are downstream of that need and one distributor invests in DERs that not only address its own distribution system requirements but also defer the transmission upgrade, then all distributors benefiting from the avoided transmission investment share in the value created. Similarly, distributed solar or batteries can reduce demand and bulk generation needs, which benefit ratepayers beyond one LDC's service territory. For these cases, the OEB is considering whether and how best to align cost recovery mechanisms such that all beneficiaries of a given DER contribute to its costs.

Building on existing guidance such as the *Framework for Energy Innovation*, the *Non-Wires Solution Guidelines* and the *Benefit-Cost Analysis Framework*, the OEB has been working to facilitate the funding and deployment of cost-effective NWSs that support both local and system-wide needs. Following receipt of an IESO-LDC Stream 2 eDSM working group report, filed with the OEB on June 11, 2025, the OEB initiated a consultation to assist in determining whether and how to amend the *NWS Guidelines* in a way that supports distributors in seeking distribution rate and other funding for eDSM programs that address a distribution system need and provide other energy system benefits.

The OEB will continue to implement changes and provide guidance in 2026/27 with the aim of supporting Stream 2 eDSM funding requests for the 2027 rate year. The implementation of Stream 2 eDSM, as well as the valuation recommendations above, will inform the OEB's consideration of the optimal means by which to further enable cost pooling across service areas.

4. Utility Remuneration

Energy for Generations recognizes that utilities, and electricity distributors in particular, are being asked to do more than ever before. To respond to demand growth, new housing, industrial expansion and the electrification of vehicles and heating, electricity distributors will need significant capital to strengthen their infrastructure, adopt new technologies and deliver services more efficiently and affordably.

The OEB has a responsibility to help drive utility performance to support economic growth and align earnings with customer-focused outcomes. The OEB does this by setting:

- Requirements (i.e., setting and enforcing obligations and standards for connections, reliability and customer service) – see *Priority 5: Driving Customer-Focused Outcomes*
- Rates (i.e., providing funding and incentives to deliver outcomes, including planning expectations, performance incentives and performance monitoring)

The OEB sets rates using performance-based rate regulation, established by the OEB's Renewed Regulatory Framework (RRF) in 2012.

In 2024, the OEB began several initiatives to assess its performance-based rate framework and consider whether remuneration based on traditional capital infrastructure deployment remained the most cost-effective model to ensure the timely investment needed to enable an evolving energy sector, meet customer expectations and support economic growth.

The Utility Remuneration Portfolio integrates these initiatives, reflecting their interdependencies and stakeholder feedback, to holistically evaluate the RRF and evolve it into the Next Generation Rate Framework for Ontario.

- **4(a) Next Generation Rate Framework (NGRF)** LOD

  In January 2026, the OEB launched a new, comprehensive initiative that brought together the following consultations:

  - Spending Pattern Analysis (EB-2025-0108)
  - Advancing Performance-based Rate Regulation (EB-2024-0129)
  - Total Cost Benchmarking (EB-2025-0102)
  - Evaluation of Incremental Capital Module Policy (EB-2024 0236)

  The Spending Pattern Analysis work progressed in 2025/26 with a report describing how Ontario and international utilities spend under current rate-making frameworks. This empirical and survey-based analysis on spending patterns and capitalization policies is foundational for ensuring the rate framework drives utilities to make optimal investment and spending decisions. The report also provides insights to inform the Next Generation Rate Framework consultation.

Also in 2025, the *Advancing Performance-based Rate Regulation* consultation developed a proposed framework for performance incentive mechanisms. These will be revisited as part of the integrated scope of work.

In early 2026, the OEB consulted stakeholders on the objectives, scope and issues for the integrated NGRF consultation. This sets up a multi-year endeavour will that will restart in late 2026/27 and run through 2028/29.

5. Driving Customer-Focused Outcomes

Energy for Generations is grounded in the understanding that electricity services play a central role in the interconnected system of critical infrastructure that ensures food security, water safety, transportation and telecommunications for the people of Ontario. Every day, residents and businesses rely on a modernized grid and timely utility operations to support their livelihoods.

As LDCs plan investments to modernize, the OEB will focus on driving outcomes that better meet the evolving needs of Ontarians, including strengthened resilience against digital and weather-related threats, consistency of service and enabling consumers to make informed energy choices.

As described above, the OEB does this by setting requirements and standards for service that distributors must meet, then monitoring and enforcing compliance. This ensures that customers benefit from the same service regardless of where they live in Ontario.

- **5(a) Expanding Cyber Security** LOD

  The OEB has advanced cyber security readiness as requested in the 2024 Letter of Direction, by issuing guidance and setting requirements for:

  - periodic completion and submission of independent cyber security assessments (December 16, 2024), and
  - reporting of cyber security incidents to the IESO by licensed electricity distributors and transmitters (August 20, 2025)

  In 2026/27, the OEB will continue to monitor cyber reporting and compliance in alignment with the recommendations of the Ontario Internal Audit Division report on electricity sector cyber security.

  In 2027/28, further consideration will be given to the need for additional requirements for electricity distributors and transmitters, and whether and how to expand the Ontario Cyber Security Standard requirements to other sector participants, such as licensed electricity generators and unit sub-meter providers (USMPs).

- **5(b) Review of Customer Service Rules** LOD

  Customer service rules for electricity distributors, rate-regulated natural gas distributors and USMPs were reviewed in 2017, leading to enhancements that strengthened alignment of rules between sector participants. Since then, the OEB has identified issues through customer complaints and received requests from consumer advocacy groups for further strengthening of the customer service rules.

In 2026/27, the OEB will commence a review of customer service rules for electricity distributors, rate-regulated natural gas distributors and USMPs. This work will focus on the following areas:

- Correction of billing errors
- Processes and service charges for the opening and closing of accounts
- Specific provisions under arrears payment agreements

Issues identified in this review will be addressed through changes to appropriate regulatory requirements, including those set out in the DSC, Unit Sub-Metering Code and Gas Distribution Access Rule. The objective is to improve customer outcomes through more consistent levels of service across the electricity and natural gas sectors.

- **5(c) PULSE Implementation**

  In October 2025, the government established PULSE to provide strategic advice and recommendations to the Minister on how to ensure electricity distributors are positioned to meet increasing demand while maintaining high service standards.

  The OEB was pleased to support the Panel in 2025/26. Opportunities exist to strengthen utility governance, tighten financial management, improve performance oversight, ensure long-term planning, increase efficiency through shared services and incent reliability while enabling modern regulatory tools to support Ontario's future electricity needs.

  As and when any recommendations from the Panel are tasked to the OEB by the Minister, the OEB will work with the Ministry to align on the appropriate prioritization and sequencing.

6. Emerging Approaches and Advice

As the regulator of Ontario's energy sector, the OEB plays a vital role in implementing government policy. At the same time, because of the OEB's depth of experience and knowledge in energy regulation, policy and adjudication, the organization is called upon to provide strategic advice to the government and identify solutions for ratepayers and the sector.

Past Letters of Direction have acknowledged this role. In just the past two years, the OEB has advised panels, such as the Electrification and Energy Transition Panel and PULSE, helped shape pivotal publications (such as *Energy for Generations*) and developed practical recommendations for how to turn policy into action (such as the VASH tool kit for resilience investments). The OEB will continue to fill this role to enable a clean, affordable, reliable and secure energy system that drives economic growth.

- **6(a) Electricity Affordability for Ontario**

  Electricity costs in Ontario are shaped by infrastructure investments, demand growth and consumer expectations. These factors, together with other cost pressures such as inflation, food and housing, can impact electricity affordability for families and businesses.

  As Ontario prepares for the significant system expansion and grid modernization called for in *Energy for Generations*, decisions made today will shape electricity costs for generations.

  Beginning in 2026/27, the OEB will expand its analytical capabilities to understand better how changes in different components of customers' electricity bills will evolve, and how these changes would interact with affordability considerations. This work will continue in 2027/28.

- **6(a) Mandate Expansion** **IEP #10**

  Energy for Generations takes a comprehensive approach to energy planning, bringing together electricity, natural gas and other energy resources under a single vision. Meeting Ontario's rising electricity demand will also require a strategic increase in the supply of non-emitting and low-carbon electricity sources such as nuclear, hydroelectricity, wind, solar, battery storage, hydrogen and renewable natural gas.

  This evolving energy landscape needs stable regulation to develop new opportunities while protecting consumer interests. In this context, the IEP Directive called on the OEB to assess the scope, timing and resourcing considerations for a potential expansion of the OEB's mandate to include:

  1. Pipeline distribution of 100 per cent gaseous hydrogen as an energy resource
  2. Carbon dioxide pipelines
  3. District energy systems
  4. Rate regulation for long-life electricity projects, such as pumped storage and other long-duration storage technologies, beyond those already prescribed by regulation

  A sectoral analysis and jurisdictional scan have been completed. Remaining steps, including consulting with stakeholders, will continue in 2027/28.

ROADMAP OF KEY PROJECTS

ONTARIO ENERGY BOARD

KEY MILESTONE
IEP DIRECTIVE

PROJECTS	Q1	Q2	Q3	Q4	2027/2028

1. PLANNING

1.1 (a) IRP Framework Review	Evolve the IRP Framework to drive adoption of the most prudent solution to meet system needs
1.2 (a) Regional Planning Reforms	Implement recommendations from March 2026 report; Ensure planning processes consider DERs
1.3 (a) Gas–Electric Co-ordination Forum	Report to Minister by Sept. 30, 2026; Continue Forum meetings

2. STREAMLINED CONNECTIONS

2.1(a) Distribution Customer Connections	Implement recommendations from December 2025 Report
2.2 (a) Transmission Customer Connections	Implement recommendations from December 2025 Report

3. DISTRIBUTED ENERGY RESOURCES

3.1 (a) DSO Capabilities	Proceed with DSO Roadmap workstreams in alignment with Ministry
3.2 (a) BCA Phase II	Publish updated BCA Framework in Q2 to support evidence-based planning
3.2 (b) DER Data Sharing	Establish standard DER data collection and sharing protocols by June 30, 2026
3.3 (a) DER Connections and Mapping	Maintain and update, as needed, DER connection requirements and the OEB's Centralized Capacity Information Map
3.3 (b) DER Cost Responsibility	Continue to develop policies for DER connection cost responsibility, in alignment with DER valuation work
3.4 (a) DER Valuation	Implement recommendations from March 2026 report, in alignment with Ministry and IESO
3.4 (b) eDSM	Issue Stream 2 eDSM Guidelines; Consider whether further changes are necessary to support cost pooling

4. UTILITY REMUNERATION

4 (a) Next Generation Rate Framework	Develop framework proposal

5. DRIVING CUSTOMER-FOCUSED OUTCOMES

5 (a) Expanding Cyber Security	Evaluate expansion of cyber security requirements to other sector participants
5 (b) Review of Customer Service Rules	Following stakeholder survey and consultation, propose and finalize amendments to codes and rules
5 (c) PULSE Implementation	*Pending confirmation of scope, timeline and resources*

6. EMERGING APPROACHES AND ADVICE

6 (a) Electricity Affordability for Ontario	Develop tools and analysis to support evidence-based decision-making
6 (b) Mandate Expansion	Continue assessment and consultation; Submit report to Minister

INITIATIVES INVOLVING THIRD PARTIES

The OEB relies on third parties to provide subject matter expertise in adjudicative proceedings or support the development of regulatory guidance. These experts are sourced through competitive procurements that are compliant with the Ontario Public Service Procurement Directive.

The OEB also has some long-term initiatives that involve co-ordination with, or contract of work to, third parties:

Ontario Electricity Support Program

The Ontario Electricity Support Program (OESP), governed by Section 79.2 of the *OEB Act* and Ontario Regulation 14/18, helps lower electricity bills for eligible households by providing monthly on-bill credits based on household income and size. The program is administered by the OEB through a contractual agreement with ICF, the central service provider responsible for handling application intake and processing. The Ministry provides overall financial and program oversight, while more than 130 intake agencies have partnered with the OEB to ensure the program reaches those who qualify.

In 2024, the OEB collaborated with the Ministry to inform Ontarians about new eligibility thresholds and requirements that were introduced on March 1, 2024. Following this, the OESP received 143,004 applications between March 1 and October 31, 2024, up 31 per cent from the 108,804 applications received during the same period in 2023. Although the campaign ended in October 2024, the number of applications submitted over the same period in 2025 continued to rise by an additional five per cent.

The OEB plans to partner with the Ministry to support a new OESP advertising campaign. Further details are included in the OEB's *Communication Plan* at the end of this document.

Independent Electricity System Operator

The OEB partners with the IESO to advance initiatives in alignment with our respective roles in Ontario's energy sector. For example, since 2021 the OEB and IESO have held joint engagement sessions on DER integration and the OEB has supported projects selected by the IESO's Joint Targeted Call for DER Integration. Additionally, the OEB has served as a regulatory partner in the IESO's 2024 Grid Innovation Fund call for proposals.

Energy for Generations, and the associated directives issued to both organizations in June 2025, reinforced the interdependencies of work that supports government priorities. To ensure timely delivery and coherence of policies, an OEB-IESO co-ordination model was formalized, with roles and responsibilities for project, portfolio and executive steering forums. This model will continue in 2026/27, as the OEB and IESO co-ordinate on development and implementation of DER strategy and integrated planning for the sector.

In addition, the OEB has been co-ordinating with the IESO to support the implementation of the Transmitter Selection Framework, which established a competitive process for selecting transmitters. This collaboration will continue through 2026/27 as the OEB works to set clear regulatory pathways and streamline approval processes to ensure timely and effective implementation.

The OEB Indigenous Scholarship

The OEB Indigenous Scholarship is made possible through a partnership with Indspire, a national charity dedicated to investing in the education of First Nations, Inuit and Métis people. The OEB shares Indspire's commitment to furthering education and mentorship opportunities for Indigenous people in the energy sector. Through Indspire's Building Brighter Futures program, two OEB-funded scholarships of $7,000 are awarded each year to Indigenous students who are enrolled in post-secondary education in Ontario and pursuing studies relevant to careers in the energy sector.

PAIR Program

The OEB has joined the Canadian Council for Indigenous Business (CCIB) and its Progressive Accreditation in Indigenous Relations (PAIR) program, becoming the first energy regulator in Canada to do so at the Committed level.

The CCIB is a national non-profit organization that facilitates relationships between Indigenous and non-Indigenous peoples, businesses and communities. The OEB's participation is grounded in organizational values and a commitment to strengthening respectful, meaningful and lasting relationships with Indigenous communities across Ontario.

PAIR is a nationally recognized benchmarking and reporting program supporting progressive improvement in Indigenous relations across sectors. The multi-year phased process focuses on training, benchmarking and strategy development. Working closely with CCIB staff, the OEB will review existing policies, set goals and plan actions to meet yearly targets. Year-end results are verified by independent CCIB-affiliated verifiers. After completing Committed-level criteria, companies can choose to enter PAIR Certification.

Innovation Sandbox: Empowering Indigenous Innovation and Leadership

The OEB launched its second Innovation Sandbox Challenge in May 2025 to identify barriers, explore emerging opportunities, enhance energy services and build capacity within Indigenous communities.

This Challenge is a partnership with the Government of Canada under Natural Resource Canada's (NRCan's) Smart Grid Regulatory Innovation Capacity Building program. Funds from NRCan and the OEB's Administrative Penalty Fund (see *Finance* section) will provide up to $1.275M to projects strengthening Indigenous involvement in the energy sector through capacity building, improved energy services or innovative solutions. Projects must have a two-year timeline and be led by Indigenous organizations, developed in partnership with Indigenous communities or be meaningfully engaging Indigenous participants.

Selected projects, announced February 2026, are now underway and will continue through 2027/28.

MEASURING OUTCOMES

Performance measurement is an important tool to support decision-making and provide accountability to the public and stakeholders, helping drive continuous improvement and the allocation of resources to activities that can best advance legislative and strategic objectives.

The OEB's Performance Measurement Framework brings together three measurement mechanisms that aim to provide management and stakeholders with a complete picture of OEB performance:

STRATEGIC PERFORMANCE MEASURES (SPMs):	ENTERPRISE SCORECARD:	ADJUDICATIVE REPORTING DASHBOARD:
A single-scorecard view of how the cumulative array of OEB activities **advance outcomes** that provide value to the sector and public.	The OEB regularly tracks progress on **operational efficiency and delivery of priority projects** or portfolios. Year-end results are published in the Annual Report.	The OEB monitors the **timeliness of its adjudicative proceedings** on an ongoing basis, using performance standards for all application types. The results are reported online twice a year in the Adjudicative Reporting Dashboard.

STRATEGIC PERFORMANCE MEASURES

The SPM articulates the links between OEB activities, OEB outputs and sector or societal outcomes. In doing so, it demonstrates how the resources dedicated to these activities drive organizational results, sustaining critical operations and advancing government energy policy directives that benefit Ontario.

- **Activities** are the operational or strategic initiatives in which the OEB invests human and financial resources.
- **Outputs** are the services and products that result from OEB activities.
- **Outcomes**, which are affected to different degrees by OEB activities and outputs, represent the expected economic, social or environmental benefits. These are typically lagging indicators, measuring effects that take time to manifest after the related OEB activity concludes.

After a significant refresh in 2024/25, we now have three years' worth of data, reported in the table below.

ONTARIO ENERGY BOARD

STRATEGIC PERFORMANCE MEASURES 2026

OEB Output Indicator	Target	2023/24	2024/25	2025/26
1. Adjudicative Efficiency [% of decisions with Total Cycle Time within performance standard]	> 85% (Panel)	90%	90%	**85%**
	> 95% (Delegated Authority)	100%	100%	**98%**
2. Red Tape Reduction [% change in OEB Regulatory Compliance Requirements (RCRs) from 2018 baseline]	- 5% (by 2026)	- 4.6%	- 8.2%	**- 5.2%**
3. Prudent and Timely Execution of Compliance Program [% completed within 180 days]	Compliance Reviews: 70%	N/A (Metric was new for 2024/25 reporting)	88%	**91%**
	Inspections: 70%		87%	**87%**
4. Achievement of Public Information Centre metrics [weighted % deviation from target on seven performance metrics]	> 0%	+ 3.5%	+ 5.6%	**+ 1.0%**
5. Achievement of Reliability and Power Quality Review milestones [% complete]	100% (by end of project)	N/A	95%	**100%**
6. Progress of Utility Remuneration Portfolio [% complete]	100% (by end of program)	N/A	4% *of revised scope*	**15%** *of revised scope*
7. Responsiveness to Industry Relations Enquiries (IREs) [% of standard IREs responded to within 10 days]	> 90%	96.1%	97.5%	**93.8%**
8. Innovation Sandbox Enquiries [# of enquiries to innovation@oeb.ca responded to]	> 25	28	26	**46**

Outcome	Outcome Indicator		2023	2024	2025
Predictability in regulatory requirements and timelines drives confidence for businesses and investors.	**Rate decisions timeliness** [% of rate applications approved in time for their intended effective date]		N/A	N/A	**94%**
Regulations that are fit for purpose save time and money for people and businesses of Ontario.	**Burden Reduction** [% change in Ministry of Energy and Mines RCRs from 2018 baseline]		- 11.3% (As of June 30, 2023)	- 11.2% (As of June 30, 2024)	**- 11.7%** (As of June 30, 2025)[1]
Resolution of priority issues and a culture of compliance result in a better experience for consumers.	**Non-compliant Disconnections** [% of closed disconnection compliance reviews found to be non-compliant]		50%	80%	**88%**
Consumers are informed about their energy bills, available choices and changes that may impact them.	**Satisfaction Rating on Post-call Survey** [% rating as satisfied]		91%	94%	**95%**
Improved consumer awareness and value of reliability investments.	**SAIDI**[2]	[customer-weighted industry average]	2.75	2.81	**3.03**
	SAIFI[2]		1.54	1.52	**1.66**
Price reflects efficient and cost-effective service provided by a financially viable industry.	**Return on Equity (ROE) Achievement** [% of utilities within +/- 3% of deemed ROE]		70.4%	69.8%	**78.4%**
Utilities and consumers are supported in utilizing a broad range of options for meeting needs.	**DER Incentive Use** [# of applications]		N/A	0	**3**
	Distribution System Utilization Factor [average demand/peak demand]		N/A	55.2%	**54.3%**
Increase in innovative projects moving to implementation.	**Sandbox Challenge Delivery** [% of milestones completed]		N/A	30%	**67%**

[1] This is a lagging indicator – the Ministry of Red Tape Reduction's report is published in June annually. June 2025 is the most recent publication, reflecting government and agency RCR reductions from fiscal year 2024/25.

[2] SAIDI: System Average Interruption Duration Index; SAIFI: System Average Interruption Frequency Index.

INVESTING IN THE OEB

PEOPLE & CULTURE

The OEB is truly a knowledge shop – whether it is Commissioners reviewing applications, lawyers forming arguments, accountants reviewing financials or economists designing rates, everything we do relies on people with specialized knowledge. With their wide variety of skills, specialties and perspectives, our people work together as One OEB to ensure that we fulfil our mandate of protecting consumers while ensuring that utilities invest appropriately in their systems and earn a fair rate of return.

Meanwhile, we are in the middle of a complex operating environment shaped by increasing expectations, a return-to-office mandate, structural salary compression, uncertain workspace and location changes, and a cap on hiring that limits options for moving faster and doing more. These factors are contributing to increasing enterprise risks affecting talent retention, recruitment, strategic agility and labour relations.

Our plan to mitigate these risks takes three complementary approaches: (1) fill critical gaps with additional permanent or fixed-term employees; (2) develop new approaches to organizing and operating to deliver more efficiently, including by using technology more effectively; (3) continue to build culture and support that attracts, retains and grows talent.

Fill Critical Gaps

As a catalyst in Ontario's long-term energy strategy, the OEB must efficiently and effectively operationalize policy and execute business-critical and public-facing regulatory functions. In recognition of this role, the OEB's Human Resources Growth Plan was partially approved, increasing the OEB's Full Time Equivalent (FTE) ceiling under the Provincial Agency Hiring Control Directive from 244 to 253 starting in June 2026. The additional nine FTEs will be applied across the organization to meet the most critical needs, in alignment with government priorities.

A breakdown of these positions is provided here. The OEB's workplan and three-year budget (see *Finance* section) assume no increase beyond this allocation.

2026/27 Distribution by Type:

Total Positions	253
Executive	**3**
Management	**41**
Non-Management	**209**
Unionized	*172*
Non-Unionized	*37*

Commissioners *(Not included in FTE count)*	10

Notes to Table:

- Non-management, non-unionized employees are required for confidential and sensitive functions in IT, finance, legal, human resources, public affairs, risk management and governance.
- The Society of United Professionals, International Federation of Professional and Technical Engineers Local 160, is the bargaining agent representing unionized employees.
- Positions may be filled by fixed-term contract employees for short-term projects (e.g., records digitization, technology implementation) and backfill coverage for parental and sick leave.
- The OEB employs co-op and summer students, neither of which are included in the OEB's FTE count.

Our compensation philosophy aligns with organizations in Ontario and Canada, targeting base salary (the job rate) and total cash compensation for fully competent performers at the market's 50th percentile. This approach balances fiscal responsibility with the need to attract and retain talent relative to the industries the OEB competes with for talent. However, the freeze on executive compensation results in salary compression across all management levels and creates challenges for hiring and retention.

At the time of drafting this Business Plan, the OEB is also engaged in collective bargaining with the Society of United Professionals. We are committed to constructive dialogue and equitable outcomes for all employees.

Develop New Approaches

Tackling the challenges of the current environment will require new approaches. The OEB of today is committed to thinking differently and trying new ways of working. This will include new operating models, organizational design, technology, analytics, services and more.

Organization Design: To further align organizational structure with delivery priorities, the OEB implemented a new management and reporting structure. With guidance from KPMG, this structure is designed to address span of control issues and define clearer roles and decision-making authority, ensuring the right people make the right decisions at the right levels. The structure will also enable flexibility, scalability and workload sustainability for staff and leadership, ensuring the OEB can respond to shifting demands and new priorities. The redesign implements the OEB's new Span of Control Policy, which is aligned with the Span of Control Checklist for Ministries.

HR Systems: The OEB will continue leveraging technology, including AI, to improve efficiency and insights, including through the following tools:

- **Dashboards** for real-time workforce analytics
- **Dayforce-managed payroll for** for streamlined payroll operations
- **Human capital management** to modernize and integrate HR, finance and procurement processes to create a seamless, future-ready ecosystem
- **AI-driven recruitment strategies** to attract top talent and improve hiring outcomes

These transformations will not only improve operational efficiency but also empower leaders with real-time insights, strengthen workforce agility and position the OEB for long-term success.

Maintain Culture and Build Support

Our commitment to diversity, equity and inclusion defines our culture and strengthens our ability to adapt. In 2026/27, we will continue to foster an environment in which all people feel a sense of belonging and can participate fully.

Healthy Workplace Strategy: The OEB will promote mental health and well-being by pursuing Healthy Workplace certification with Excellence Canada, hosting a Healthy Workplace Mental Health Program and conducting mental wellness surveys.

We will also take steps to develop and attract talent by promoting our total rewards package, marketing our status as a Greater Toronto Top Employer 2026, and investing in staff development through accessible learning platforms and internal growth opportunities. Building on the progress of People Plan 2.0, this work will stabilize, optimize and evolve our workplace in preparation for the launch of People Plan 3.0 in 2026/27. Key priorities include:

Talent Management: The OEB will develop a succession planning framework to strengthen leadership capacity and prepare future-ready talent; a new Competency Model, launched in 2025/26, will be further embedded in succession planning and training; and senior leaders will have opportunities for development and coaching on topics such as board governance, strategic thinking and leading through complexity.

Total Rewards Strategy: The OEB will advance our review of compensation, benefits and recognition programs to ensure competitiveness, equity and alignment with organizational goals.

Talent Acquisition: The OEB will prioritize filling and using all approved positions, attracting top talent by leveraging innovative sourcing strategies and strengthening our employer brand while navigating the constraints of a hiring control.

In 2026, the OEB launched a case competition, called Energython, to strengthen our talent pipeline and engage with graduate students. The two-week competition was open to teams of first-year graduate policy students enrolled in a co-op program at select Ontario universities. Teams competed to solve an energy-related issue and win a co-op placement at the OEB. This is an example of the innovative approaches that the OEB is undertaking to grow talent for our sector.

Our initiatives reflect a commitment to responsible leadership that safeguards our ability to deliver on our mandate. By hiring critical resources, trying new approaches and strengthening our culture, the OEB can remain resilient and well-positioned for the future.

INFORMATION TECHNOLOGY

The OEB’s 2025 – 2028 IT Strategy sets out a roadmap for IT solutions and capability improvements. This work is needed for the organization to further advance its digital first commitment while mitigating key enterprise technological risks.

Delivery of the IT Strategy will continue in 2026/27 with a focus on strengthening cyber security governance. The approach will align with recognized industry standards, expand access to reliable data and advanced analytics, and pilot emerging technologies, such as AI tools. These steps aim to enable data-driven decision-making and advance new capabilities in a secure and responsible manner.

The IT Strategy will be complemented by the OEB’s new AI Strategy, developed in 2025/26. The AI Strategy guides investment in AI capabilities in alignment with organizational goals, compliance requirements and risk management best practices.

Business Operations Optimization and System Transformation (BOOST)

The OEB’s core business application, supporting adjudicative and non-adjudicative operational processes and functions, was first adopted in 2007. The BOOST program is a multi-year initiative designed to replace this system with a new solution that can deliver improved collaboration, richer reporting and analytics, stronger security and improved support for self-service by regulated entities and other stakeholders.

Phase 1 of BOOST established a new AI-based search tool to improve access to regulatory documents. Phase 2 is now underway to replace the core business application and optimize support for key functions in the new environment. Phase 2 will be delivered over multiple years, starting with the completion of a procurement process in 2026/27 that will support the transformation of the OEB's adjudicative processes.

Responsible Use of AI

In 2024/25, the OEB adopted an AI Policy to harness the benefits and efficiencies of AI while mitigating potential risks and complying with legal and ethical standards, including guidance and directives set out by the Ontario Public Service and Government of Ontario. The Policy specifies approved AI tools, limits the types of data that can be uploaded and defines recordkeeping obligations.

The following internal use cases are approved by the Policy:

- Research
- Translation
- Formula or code assistance
- Creating images
- Calculations and conversions

- Generating insights or forecasting based on data
- Developing summaries
- Learning and education, including explaining technical or complex concepts
- Brainstorming
- Developing draft communications or meeting invitations based on some direction
- Proofreading and revisions

The OEB has also recently launched iSearch™, an AI-powered search tool that provides a new way to search more than 360,000 files in the OEB's regulatory document repository. This tool is available for internal and external use.

Capital Project Spending

With more resources available as services, some capital spending will move to the IT operating budget, keeping the IT capital budget steady with inflation over the next three years.

Unit in thousand dollars ($000s)	**2026/27**	**2027/28**	**2028/29**
Business Systems	160	163	166
End-User Computing	200	204	208
Infrastructure	50	51	52
Total	**410**	**418**	**426**

Definitions:

Business Systems:
Expenditures related to upgrading systems, such as e-Services for regulatory filings.

End-user Computing:
Expenditures related to upgrading or replacing end-user hardware, such as laptops.

Infrastructure:
Expenditures related to upgrading or replacing telecommunications technologies, such as hearing room equipment.

ENTERPRISE RISK MANAGEMENT

As described throughout this Plan, the OEB has a critical role to play in implementing the vision of *Energy for Generations* – continuing to protect consumers, drive utility performance and catalyze the investment needed for Ontario's energy sector to fuel economic growth.

However, constraints and uncertainty can put at risk the OEB's ability to deliver on multiple fronts concurrently and respond to change quickly. The risks, which are driven by an evolving energy sector, technology adoption, and workforce needs and pressures, are managed through the OEB's Enterprise Risk Register.

The Register is maintained through the OEB's Enterprise Risk Management (ERM) program. Each risk is assessed for the likelihood, consequence and speed of impact, as well as risk trend and controllability. Additionally, the Register outlines risk responses, including mitigation activities, improvements and changes, and identifies internal and external factors that may impact the risk.

The current top enterprise risks identified by the OEB are:

- **Performance and Compensation:** The inability to effectively manage employee performance and offer fair and equitable compensation poses a risk to talent retention and organizational performance.

Likelihood	Consequence	Score	Trend
High	Medium-High	High	Increasing

Mitigation: The OEB developed a Commissioner compensation strategy that aligns with organizational objectives and promotes fairness. For other roles, salary bands will be updated to reflect current market conditions and compression issues will be addressed, within legal limitations, to maintain competitiveness and equity. In addition, a new compensation framework will be explored, to ensure performance management and compensation practices remain responsive to evolving needs. The OEB also continues to advance strategic workforce initiatives through People Plan 2.0 and People Plan 3.0, coming in 2026/27.

- **Recruitment, Development & Retention of Talent:** The OEB faces ongoing challenges in attracting, deploying, developing and retaining key talent in a highly competitive labour market. Capacity constraints will continue while recruitment and onboarding of new FTEs is underway in 2026/27.

Likelihood	Consequence	Score	Trend
High	Medium-High	Medium-High	Decreasing

Mitigation: The OEB will continue to apply resources dynamically to the highest priority work, promote its total rewards package, including pension and incentive benefits, market its status as a top employer, and invest in staff development through accessible learning platforms and internal growth opportunities.

- **Strategic Agility:** The ability to quickly respond to strategic needs or new direction has become increasingly important and more difficult, as expectations of the sector and the OEB continue to grow and solutions involve multiple stakeholders.

Likelihood	Consequence	Score	Trend
Medium-High	Medium-High	Medium-High	Decreasing

  Mitigation: The OEB will continue to optimize existing internal resources by applying new ways of working and thinking. Work and teams are integrated through a portfolio approach and the development of a more dynamic staffing model. Business-critical work will be prioritized, while non-essential work will be sequenced according to multi-factor analysis.

- **Labour Relations:** The inability to develop collective agreements and build effective relationships with bargaining units increases the risk of labour disruptions. The government's return-to-office mandate is a central issue in collective bargaining. The OEB continues to negotiate within the mandate assigned to it by Treasury Board.

Likelihood	Consequence	Score	Trend
Medium-High	Medium-High	Medium-High	Stable

  Mitigation: The OEB continues to strengthen relationships with Society stakeholders and advance strategic workforce initiatives through People Plan 2.0 and People Plan 3.0, coming in 2026/27. We will promote our total rewards package, including pension and incentive benefits, during collective bargaining. A labour relations strategy has been developed to support a values-based culture that fosters meaningful communication and proactive, collaborative problem solving.

- **Cyber Security:** Inadequate cyber security protections, due to an evolving threat landscape or insufficient controls, can increase the risk of unauthorized access or disruptions to OEB systems and data.

Likelihood	Consequence	Score	Trend
Medium-High	Medium	Medium-High	Stable

  Mitigation: The OEB continues to proactively enhance data protection, security maturity and monitoring capabilities through ongoing initiatives such as staff training, benchmarking, improvements to cyber incident response and penetration testing. To build on this foundation, we will continue implementing our three-year Cyber Maturity Roadmap and adopt third-party risk management technologies. The 2025/26 Internal Audit plan included Cyber Security to reassess the OEB's security posture against National Institute of Standards and Technology 2.0, a globally recognized, voluntary set of guidelines for managing cybersecurity risk. Audit findings will be implemented starting in 2026/27. These efforts will ensure the OEB remains resilient and responsive in a dynamic threat environment.

- **Artificial Intelligence:** The adoption of AI introduces risks related to rapid technology evolution, the absence of long-term data, uncertainty around implementation and operating costs, and the potential for organizational impacts.

Likelihood	Consequence	Score	Trend
Medium	Medium	Medium	Stable

Mitigation: As AI becomes more integrated into regulatory and operational processes, the OEB will advance its governance approach to ensure responsible, transparent and accountable use of AI. The OEB has established an AI Working Group that has developed an AI policy, a disclosure protocol and an AI Strategy with a roadmap to guide governance and adoption over 2026/27. In addition, the OEB has completed staff training highlighting the emerging risks associated with AI and has blocked unsafe AI tools. For adjudicative proceedings, the OEB has posted amendments to its Rules of Practice and Procedure to address the use of AI in preparing filings. These actions support innovation while safeguarding public trust and organizational integrity.

While progress has been made in developing targeted strategies, external developments continue to introduce new challenges. Mitigation strategies will be adapted to remain responsive and resilient in this shifting environment.

The OEB will continue to mature its ERM program in 2026/27, in alignment with leading practices, the government's Enterprise Risk Management Directive, the AAD and a maturity assessment conducted in 2024/25. These steps will strengthen the ability to identify, assess, prioritize, monitor and escalate top residual risks to inform decisions. The ERM program also supports enhanced governance and accountability, consistent with the AAD's requirements for transparency and oversight of provincial agencies.

Definitions:

Likelihood is the probability of the risk event occurring. The likelihood score will typically increase when the frequency is higher, there is more complexity or the event is likely to occur sooner.

Consequence is the impact of the risk occurring. Quantitative and qualitative measures have been used to define various impact scores. When assessing impact, the rating for the highest consequence is applied.

Trend is the change relative to the previous biannual Risk Register update, conducted in June 2025.

REALTY

As a public sector agency, the OEB must adhere to the government's directives and guidelines.

- The Realty Directive seeks to support the effective and efficient management of government real estate needs.
- The Community Jobs Initiative (2022) aims to stimulate economic growth by distributing provincial agency jobs across communities in Ontario.
- An announcement (August 14, 2025) set out a requirement that the Ontario Public Service, including its provincial agencies, boards and commission public bodies, will return to the office with a full five-day schedule effective January 5, 2026.

These directives impact the OEB's approach to realty decisions, which currently proceeds along three paths:

Short-term Lease: In anticipation of the office lease ending December 31, 2026, the Ministry of Infrastructure (MOI) approved the OEB to use its option for a two-year lease extension at 2300 Yonge Street in Toronto, the OEB's only office location, through to December 31, 2028.

Long-term Lease: Given the location of many of the OEB's key adjudicative and regulatory participants, the OEB submitted a business case to the MOI in 2022, requesting approval to remain in Toronto, which would require an exemption from the Community Jobs Initiative. The OEB's exemption request and long-term lease submission to the Treasury Board are pending. The OEB is eager to develop a long-term facilities strategy and modernize our office environment.

Program-Specific Accommodation Spaces (PSASs): The OEB requires Treasury Board approval for hearing and mediation rooms designated as PSASs. The OEB's PSAS request will be submitted to Treasury Board concurrently with the long-term lease submission.

The OEB is currently in a period of collective bargaining, during which time a two-day-per-week in-office model remains in effect. At the conclusion of collective bargaining, a return to office following the government's direction will require capital expenditures to accommodate a higher occupancy.

Future lease-related expenditures associated with a long-term lease, currently estimated at approximately $25 million, have been incorporated into the 2027/28 and 2028/29 financial forecasts. The costs reflect the need to modernize a workplace environment established over 20 years ago and optimize the OEB's space footprint in alignment with the Ontario Realty Directive. Estimates will be updated in future Business Plans as project requirements and leasing decisions are finalized.

FINANCIAL PLAN

The value of the OEB's role can be measured by the billions of dollars that undergo the OEB's review each year ($68 billion under review at the time this Plan was prepared), by the number of discrete policy products being delivered (56 pursuant to the last three directives to the OEB) or by the number of customers protected by the OEB's performance standards (5.5 million for electricity alone).

To deliver these outcomes for the government, people and businesses of Ontario, the OEB operates year-round for a cost of less than $10 per ratepayer.

$8.61/yr **per ratepayer in 2026/27**

Salary and benefit expenses account for approximately half of the total ratepayer cost. In addition, OEB staff require the standard conditions of modern work – office space, IT and training. They will also seek third-party expertise (consulting and professional expenses) for certain policy consultations and hearings where specialized insight is needed. These operating expenses, along with the OEB's administration of OESP for low-income customers, drive the financial plan below, which is organized around the sections of the *OEB Act* that authorize the OEB to collect money.

SECTION 26 FINANCIAL PLAN

Under Section 26 of the *OEB Act* and Ontario Regulation 16/08, the OEB may make assessments with respect to all expenses incurred and expenditures made by the OEB in the exercise of any powers or duties under the *OEB Act* or any other Act. These assessments are payable by certain classes of regulated entities to cover the ongoing operating costs of the OEB. The government's fiscal plan does not fund the OEB's operating costs.

The table below is the OEB's Board-approved budget for 2026/27 and a year-over-year budget comparison to the prior year.

Ratepayers are defined as distribution customers of electricity (5.50M) and natural gas (3.97M), as reported to the OEB (Source: Draft 2025 Reporting and Record-keeping Requirements data)

Unit in thousand dollars ($000s)	**2025/26 Actuals**	**2025/26 Budget**	**2026/27 Budget**	**Year-over-Year Budget Change**
Revenues:				
General cost recovery	59,421	69,674	66,288	-3,386
Licence fees	425	435	433	-2
Interest income	321	359	228	-131
Miscellaneous income	91	254	0	-254
Total Revenues	**60,258**	**70,722**	**66,949**	**-3,773**
Expenses:				
Salaries and benefits	45,532	50,415	47,424	-2,991
Consulting and professional	4,329	8,605	7,684	-921
Meetings, training and travel	800	1,137	1,277	140
Publications, media and advertising	729	907	972	65
Premises	4,392	4,281	4,382	101
Information technology	2,435	2,754	3,456	702
Office and administration	609	1,106	623	-483
Amortization	1,432	1,517	1,130	-387
Total Expenses	**60,258**	**70,722**	**66,949**	**-3,773**
Capital Expenditures:				
Leasehold improvements	0	75	75	0
Office furniture and equipment	29	78	50	-28
Computer software	142	274	160	-114
Computer equipment	160	200	200	0
Audio visual	56	0	50	50
Total Capital Expenditures	**387**	**627**	**535**	**-92**
Net assessment before Operating Reserve	59,808	70,301	66,823	-3,478
Operating Reserve adjustment	0	0	0	0
Total Assessment	**59,808**	**70,301**	**66,823**	**-3,478**

Fiscal Year 2026/27 Board-approved Budget

To maintain our capacity to deliver on both ongoing and new initiatives, the OEB proposes a $66.8 million budget for 2026/27.

The salaries and benefits budget of $47.4 million reflects the revised FTE cap of 253, starting June 2026, with standard hiring assumptions for the nine new positions. This budget is a $3.0 million decrease from the approved 2025/26 budget that sought approval for 286 FTEs.

The consulting and professional budget of $7.7 million includes costs such as internal audit, external legal services, expert and technical support, jurisdictional scans, recruitment, collective agreement support, and other operational and project support for human resources, public affairs, finance and facilities.

The IT budget of $3.5 million includes increases of $0.8 million attributed to licensing fees that are increasing at a rate exceeding inflation. It also includes the implementation of new tools and technologies, particularly to modernize our financial and human resources systems for more efficient tracking and reporting.

As a self-financing entity, the OEB maintains a Board-approved unrestricted net asset balance. The primary objective of this balance is to fund the OEB's operations in the event of revenue shortfalls or unanticipated expenditures. It is used for cash flow management and to support working capital requirements. Interest earned from the unrestricted net asset balance, $5.1 million as of March 31, 2025, is included as "interest income" within the section 26 table above.

As required by the AAD, the following table presents the OEB's three-year budget forecast. These preliminary estimates will be updated in future Business Plans.

Unit in thousand dollars ($000s)	**2026/27 Budget**	**2027/28 Forecast**	**2028/29 Forecast**
Revenues:			
General cost recovery	66,288	70,063	70,742
Licence fees	433	423	423
Interest income	228	216	216
Total Revenues	**66,949**	**70,702**	**71,381**
Expenses:			
Salaries and benefits	47,424	49,844	50,845
Consulting and professional	7,684	8,822	8,063
Meetings, training and travel	1,277	1,304	1,332
Publications, media and advertising	972	992	1,013
Premises	4,382	4,547	4,582
Information technology	3,456	3,528	3,602
Office and administration	624	634	648
Amortization	1,130	1,030	1,297
Total Expenses	**66,949**	**70,702**	**71,381**
Capital Expenditures:			
Leasehold improvements	75	4,800	20,000
Office furniture and equipment	50	50	800
Computer software	160	163	167
Computer equipment	200	204	208
Audio visual	50	51	52
Total Capital Expenditures	**535**	**5,269**	**21,227**
Net assessment before Operating Reserve	66,823	75,332	91,970
Operating Reserve adjustment	0	0	0
Total Assessment	**66,823**	**75,332**	**91,970**

SECTION 30 FINANCIAL PLAN

The *OEB Act* allows the OEB to make an order under section 30 for costs incurred for specific proceedings and consultations. These costs are recovered through cost award decisions made by panels of Commissioners or delegated decision-makers on the direct costs associated with those proceedings and processes. Direct costs include items like court reporting, expert witnesses for hearings or expert consultants for policy consultations.

Unit in thousand dollars ($000s)	2025/26 Actuals	2025/26 Budget	2026/27 Budget	2027/28 Forecast	2028/29 Forecast
Regulatory Process Cost	4,285	6,788	**4,116**	4,198	4,282

The OEB's section 30 budget tends to fluctuate, and actuals may differ from budget due to reconciliation with proceedings, notice and comment processes, and consultations that are difficult to predict in the budget planning period. Section 30 costs are only assessed when the costs are actually incurred.

SECTION 79.2 FINANCIAL PLAN

The OEB administers the OESP, which provides fixed credits (determined by a sliding scale) to all eligible lower-income customers of electricity distributors and USMPs. Section 79.2 costs are regulatory process costs related to the administration of the OESP. Together with Ontario Regulation 14/18 made under the *OEB Act*, Section 79.2 enables the OEB to recover its OESP administration costs from the IESO.

The OEB has contracted with ICF to deliver the OESP, including hosting, operation and maintenance of the OESP system. The agreement expires in April 2028 and is renewable at the option of the OEB for an additional three years. The Section 79.2 budget includes the contract with ICF and other operating costs.

Unit in thousand dollars ($000s)	2025/26 Actuals	2025/26 Budget	2026/27 Budget	2027/28 Forecast	2028/29 Forecast
OESP Regulatory Process Cost	8,021	7,500	**10,554**	11,590	11,739

The 2025/26 cost of $8.0 million compared to the budget of $7.5 million is a result of increased applicants due to broadened eligibility criteria and a marketing campaign in 2024/25. A new advertising campaign beginning in 2026 is expected to increase awareness and, subsequently, OESP applicants.

SECTION 112.5 FINANCIAL PLAN

The OEB has an internally restricted fund that includes revenue from administrative penalties paid by individual regulated entities under section 112.5 of the *OEB Act*. All revenue from administrative penalties, plus any related interest revenue, may only be used for activities in the public interest (i.e., activities including but not limited to providing consumers with information and education, as well as facilitating innovation). The OEB has provided $2.8 million from this fund over the past two years to support innovation, scholarships, Indigenous engagement and other projects. The current administrative penalty fund is forecast to have a remaining balance of $0.1 million going into 2026/27, which has been allocated to approved ongoing projects.

COMMUNICATIONS PLAN

The OEB's approach to communications reflects our organizational values:

- We are **transparent**, providing clear information to those affected by our policies and decisions.
- We communicate proactively to demonstrate **accountability** to those we serve.
- We are **thoughtful**, tailoring our communications to our audiences and their needs.
- We are **driven** to continuously improve our communications approaches over time.

In keeping with these principles, this Business Plan will be posted on our website within 30 days of receiving approval from the Minister.

Throughout the fiscal year, we will provide updates on the initiatives in this Business Plan through our website (oeb.ca) and social media (LinkedIn, Instagram and X). We will also deliver quarterly updates to the Minister and regular operational updates to the Ministry.

Our 2026/27 Marketing Strategy, submitted to the Ministry in December 2025, is structured around three pillars designed to deepen public understanding of the OEB's mandate, elevate the OEB's visibility in key communities and ensure consumers feel supported, represented and empowered in Ontario's evolving energy ecosystem. The pillars and their key performance indicators (KPIs) are:

1. **Consumer Support:** to ensure Ontario's households understand the supports available when energy burdens arise, while reinforcing the OEB's role to protect the public interest with respect to prices, quality and reliability of service. The focus of this pillar is on the marketing of the OESP. A new OESP campaign will be launched later in 2026.

   KPIs: *advertisement impressions and reach; click-through rates; application starts, completion and approval rates; advertising cost-per-application; regional participation rates*

2. **Strategic Sponsorship Engagements:** to enhance engagement, credibility and community trust, the OEB will sponsor select sector events to provide opportunities to interact with peers, stakeholders and consumers while reinforcing the role of the OEB.

   ***KPIs:** number of participants engaged; direct interactions; web traffic*

3. **Social Media Engagement and Web User Experience:** expanding our digital presence to meet consumers where they are and their expectations for accessible, timely, plain-language information. This includes the OEB's new Instagram account and a renewed focus on OEB.ca as the primary channel through which consumers and stakeholders seek information, and access tools and support.

   ***KPIs:** engagement rates; follower targets; click-through rates and perspectives*

STAKEHOLDER ENGAGEMENT

Direct engagement with stakeholders across the energy sector and in government is integral to the OEB's ability to fulfil its mandate, gain valuable insights and deliver sound decisions that reflect the diversity of Ontario and support economic development.

Our stakeholder community continues to make significant contributions to the regulatory environment through our consultations. The insights we receive ensure that our rules, codes, policies and advice to government reflect the operational realities of the sector and deliver outcomes that advance Ontario's energy and economic advantage. Last fiscal year, our engagement efforts included 42 working group meetings, 11 calls for written comments, 11 general information meetings for context setting, 10 roundtable discussions to foster collaboration, seven one-on-one interviews to support early-stage project planning and three targeted surveys that informed recommendations.

The OEB continued its commitment to engagement and thought leadership through conversations with groups such as Cornerstone Hydro Electric Concepts, the Ontario Energy Association, GridSmartCity, the Electricity Distributors Association, the Chiefs of Ontario and the Industrial Gas Users Association. In a keynote address at the 2025 Ontario Energy Conference, the OEB shared progress and plans to embrace new ways of working to meet the expectations of the government and the sector. The OEB was also proud to sponsor the IESO First Nations Energy Symposium for a second year in a row.

Our stakeholders and intervenors also make significant contributions through ongoing advisory committees and annual events, including:

Adjudication Modernization Committee: A committee established in 2021 to provide advice and input on matters relating to the OEB's adjudicative function and continuous improvement efforts.

Consumer Panel: 2,000 residential and 200 small business consumers who participate in quantitative and qualitative engagements so the OEB can gain deeper insights into priorities and perspectives.

Ontario Pipeline Co-ordinating Committee: A permanent committee of provincial ministries and agencies that meets regularly to co-ordinate the review of natural gas projects that require OEB approval.

Consultation with Indigenous Communities: The OEB is committed to meaningful consultation, building respectful relationships and enabling the voices of Indigenous communities in our adjudicative processes, to ensure the duty to consult is met and accommodation is provided.

ONTARIO ENERGY BOARD

Contact us:

www.oeb.ca

1-877-632-2727
416-314-2455

2300 Yonge Street, 27th floor
P.O. Box 2319
Toronto, ON M4P 1E4

Ontario

Ontario Energy Board