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**BUSINESS PLAN
2023-2026**



**ONTARIO
ENERGY
BOARD**

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JOINT MESSAGE FROM
OEB CHAIR
& CEO

The Ontario Energy Board (OEB) is pleased to publish our 2023/24 - 2025/26 Business Plan (the Plan), continuing our drive to modernize and accepting the expectations of the sector that we play a leadership role in Ontario's energy transition. Meaningful change is not random. It is not coincidental. It is deliberate and disciplined, well planned and well executed.

This plan reinforces our commitment to the strategic themes of independence, accountability, certainty, effectiveness, efficiency and innovation and it reaches further with the understanding that while there is more than one path forward, inaction is not an option.

This rolling Plan, which focuses on fiscal year 2023/24, includes forward-looking budgets for 2024/25 and 2025/26. This updates with year three of the OEB's five-year Strategic Plan, published in 2021. It is also our first business plan that dovetails with the conclusion of the first phase of the modernization effort. Clear strategic direction and strong governance have enabled a new OEB to emerge ready to regulate, advance, and support an energy sector in transition, protect the public, and contribute to Ontario's post-pandemic economic recovery.

This Plan reflects an acknowledgement that our modernization journey is far from over. Our role as the independent regulator of Ontario's electricity and natural gas sectors has never been more important, and this Plan outlines a path that will enable the OEB to meet the current needs of the sector it regulates and play a critical role in shaping Ontario's clean energy future. Throughout, we will not lose sight of our core adjudicative work, which is fundamental to our role as the economic regulator of the sector.

For the year ahead, several themes and complex multi-year initiatives already underway will continue. These include the need to facilitate ongoing sector innovation, progression of both Ultra-Low Overnight and Dynamic Class B Pilot price plans, further oversight of Green Button implementation, supporting broadband expansion, the provision of ongoing regulatory oversight and guidance related to net metering. We will continue to collaborate with respect to Conservation and Demand Management and Demand-Side Management.

Our plan reflects our understanding of the work required to address the sector transition initiatives brought forward in the Minister's Letter of Direction (LOD) of October 21, 2022. The letter calls for the OEB to do a lot of exciting new work. Big change is challenging but also rewarding when it's done right. For the OEB to deliver on the work resourcing needs to be considered. Resource estimates are based on the information available at the point of planning and may evolve as we adjust and recalibrate. The new work from the Letter includes the provision of support, guidance and counsel on matters that relate to the Electrification and Energy Transition Panel, reform of the regulatory framework, distribution sector resiliency, responsiveness and cost efficiency, strengthening the performance measurement framework, red tape reduction, and accelerating the adoption of Electric Vehicles across the province. Additionally, the resources in this plan will work to address recommendations from the Auditor General of Ontario's Value for Money Audit.

Reflecting on our journey, the OEB has made significant advancements in modernization by setting clear strategic directions underpinned by strong corporate governance and clear lines of accountability. Our Board of Directors is fully appointed with a complement of 10 strong directors who provide deep insight and strategic foresight to the executive leadership team at the OEB.

But we cannot do this alone. An energy sector transformation of this scale and magnitude will require a collective resolve and, as a result, the OEB will continue to openly, transparently and thoughtfully collaborate with all stakeholders to seek their active engagement and valued input into our activities. We will work with the sector to embrace change and deliver on the new work outlined in the plan, while also delivering our core business.

Audaciously and practically, we accept the challenges that lie ahead and present this Plan to the Minister of Energy, to whom we are accountable, as a roadmap for the continued modernization and transformation of the OEB and broader energy sector.

Richard Dicerni
Chair

Susanna Zagar
Chief Executive Officer



INTRODUCTION

Our goal is to promote a sustainable, reliable energy sector that helps Ontarians get value from their natural gas and electricity services.

This Plan, informed by our Strategic Plan and the Minister’s Letter of Direction, highlights the OEB’s core activities, priority initiatives and budgets for 2023/24 and into 2025/26, and it progresses the OEB on our path to modernization as we strive to become a top quartile regulator.

MANDATE

Ontario’s energy sector is an ecosystem, a complex network of organizations that function together to power Ontario. And, as the independent economic regulator, the OEB oversees the energy sector in the public interest, protecting millions of electricity and natural gas consumers across the province; consumers that are entitled to a reliable and high-quality energy system, and value from their electricity and natural gas services.

At the OEB, we continually strive to be an effective and efficient economic regulator - one that has the trust of the regulated community and the public we serve.

With our objectives, responsibilities and powers set out in one or more pieces of legislation, regulations, and directives, a modern OEB is responsive, digital, adaptable, agile and progressive as we deliver on our legislative objectives below.

Electricity:

- To inform consumers and protect their interests with respect to prices and the adequacy, reliability and quality of electricity service.
- To 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.
- To 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.
- To facilitate innovation in the electricity sector.

Natural Gas:

- To facilitate competition in the sale of gas to users.
- To inform consumers and protect their interests with respect to prices and the reliability and quality of gas service.
- To facilitate rational expansion of transmission and distribution systems.
- To facilitate rational development and safe operation of gas storage.
- To 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.
- To facilitate the maintenance of a financially viable gas industry for the transmission, distribution and storage of gas.
- To promote communication within the gas industry.

VISION, MISSION, PURPOSE

Guided by clear vision, mission, purpose and values statements, the OEB will drive change and modernize in pursuit of our mandate and delivering public value for Ontarians. Our vision improves quality of life by regulating utilities’ provision of energy in a manner that is safe, reliable and affordable. Our mission prioritizes public value. Our purpose supports industrial, commercial and residential consumers. Our values speak to how we will be accountable, transparent, driven and thoughtful as we work hard, do the right things and deliver value for the people of Ontario.



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 oversee the provincial energy markets, protect the interests of individuals and support the collective advancement of the people of Ontario.

VALUES



Accountable

We hold ourselves accountable to the public we serve through integrity of governance, clarity of process and independence of decision making.

Transparent

We are transparent in setting objectives, measuring outcomes and reporting on our performance to our stakeholders and the public.

Driven

We are driven to do the right things, work hard and deliver value for the people of Ontario and the evolving energy sector that we regulate.

Thoughtful

We approach each day thoughtfully and ensure prudent stewardship of one of the most complex and productive energy sectors in the world.

GOVERNANCE

The Board of Directors (the Board) oversees the management of the OEB's business and affairs and is responsible for governance of the OEB.

The Board has two committees, the Adjudication Committee (AC) and the Finance and Risk Committee (FRC) and a task force focused on providing strategic insights on the implementation of initiatives identified in the Letter of Direction.

The AC receives information from the Chief Commissioner on the efficiency and timeliness of our adjudication work and future applications forecasts, and reports that information to the Board. The FRC assists the Board in overseeing risk management and financial affairs, including reporting, disclosure, compliance, enterprise risk management and internal audit at the OEB. The FRC provides oversight to ensure that management acts with reasonable business prudence.

Responsible for the efficient and effective management of OEB operations, the Chief Executive Officer (CEO) reports to the Board and, following conclusion of the transition period on September 30, 2022, was re-appointed by them. Reporting to the CEO are the Chief Officers; the Chief Commissioner, Chief Corporate Services Officer & General Counsel, and Chief Operating Officer. The OEB's Commissioners, tasked with independently making adjudicative decisions, are also now appointed by the Board upon the recommendation of the CEO.



ENVIRONMENTAL SCAN

The OEB is required to provide a description of the external business environment in which the OEB operates and identify risks that could have an impact on the operation of the agency. This Environmental Scan identifies factors that could affect the OEB.

Through 2023 and beyond, the environment in which the OEB operates is expected to rapidly change. Multi-dimensional public policy priorities, climate change and inflation, will inform our work in the energy sector, which is also in a time of turbulence arising from technological change, consumer demands, growing electrification and new innovation. This presents the backdrop against which we must deliver on our mandate over the next 3 years.

Public Policy

The energy sector intersects with many important areas of public policy: the environment; economic development, job creation and innovation. These issues cross provincial, federal and even municipal levels of government. The OEB must remain nimble in its ability to evolve and adapt within the context of decisions made at all levels. At the same time, the OEB joins with others like Ontario's Independent Electricity System Operator (IESO) in calling for increased policy certainty that is needed to allow all actors in the sector and customers to move forward.

In Ontario, as across Canada and the rest of the world, climate change and its effects on our environment are no longer a theory but a reality that we face as a global community. The Government of Canada has committed to achieving net-zero emissions by 2050 and reducing greenhouse gas (GHG) emissions - from the generation of electricity - to achieve a net-zero electricity supply by 2035. In 2019, the Government of Canada introduced a price on carbon pollution across Canada. In so doing, provinces and territories are required to design their own pricing systems, tailored to local needs, or choose the federal pricing system. Under the Greenhouse Gas Pollution Pricing Act (GGPPA), a fuel charge is increasing as of April 1, 2023 to \$65 per tonne of carbon dioxide equivalent. In addition, the federal Clean Fuel Regulations, which require liquid fossil fuel suppliers to gradually reduce the carbon intensity or amount of pollution from the fuels they produce and sell in Canada, will increase incentives for the development and adoption of

clean fuels, technologies, and processes.

Described in the Minister's Letter of Direction to the OEB, the government looks to have the energy system in which Ontario leverages its clean energy grid to promote electrification and job creation while continually enhancing reliability, resiliency and customer choice. This vision is supported by a wide range of policy initiatives such as a *Strategic Plan for the Deployment of Small Modular Reactors*; *Ontario's Low-Carbon Hydrogen Strategy*; and *Ontario's Critical Minerals Strategy 2022-2027*. The government has also leveraged its agencies, for instance, by asking the IESO to produce its December 2022 *Pathways to Decarbonization* report, and by asking Ontario Power Generation to prepare its *Northern Ontario Hydroelectric Opportunities Report*. All of this work responds to the anticipated need for plans, structures and infrastructure that respond to climate change and support a move to economy wide net-zero emissions.

The Energy Transition and Innovation

The energy transition is creating a shift in the traditional energy system, pushing the boundaries of traditional energy regulation. The OEB's stakeholders have said that the OEB must respond to the major policy issues of the day, which means that the OEB must be a leader in the "Four Ds" of the energy transition - decarbonization, digitalization, decentralization and democratization. Decarbonization is the

shift to low-carbon or net-zero energy through many different strategies. Digitalization refers to energy consumers, utilities and others increasing their use of and reliance on interconnected technologies. Decentralization speaks to the proliferation of distributed energy resources (DERs) such as solar, storage and demand response. Democratization addresses the important areas of customer choice, ownership of energy resources and empowerment.

Digitalization presents unique risks and opportunities to the energy sector and the business of the OEB. People are more connected now than ever before, creating a shift in the way we expect to receive, process and disseminate information. We recognize that increased digitalization and advancements in technology create increased risk for privacy and the security of data. Cyber security is critically important in today's global economy. Regulators and other entities in the energy sector must continue to strengthen and mature their cyber resilience strategies to ensure the security of data and the protection of privacy and the electricity grid, as one important step in building public trust.

The increasing adoption of Electric Vehicles (EVs) and the demand for cost effective and convenient charging options illustrates the environment trends of innovation, digitalization and democratization.

The energy transition is also driving innovation within the energy sector. The OEB must be both audacious and practical when it comes to facilitating the development and deployment of new and innovative ways of solving problems. Energy regulators like the OEB must grapple with the potential for stranded assets, the cost of electrification, ensuring reliability, and keeping a clear focus on the needs of and impacts on energy consumers, especially those who are most vulnerable. By taking these factors into consideration, the OEB will be prepared to regulate efficiently and effectively through the energy transition.

Energy Regulators

The OEB can learn from its peers. Some regulators around the world are seeking to address the changes that they see in the energy sector. For example, the British Columbia Utilities Commission provided their views to their provincial government on how they can assist with the energy transition and contribute to achieving government goals. Internationally, Ofgem published a report *Net Zero Britain: developing an energy system fit for the future* outlining significant reform for the government to consider. The Australian Energy Regulator has also made calls for reform as the National Electricity Market (NEM) shifts to net-zero emissions. The OEB will respond to the call in the Minister's Letter of Direction for the OEB to consider reforms and how we could enable electrification.

Consumer Expectations and Impacts

Energy customers have faced a barrage of issues over the past year, from inflationary pressures driving up household and business costs, scammers impersonating utility providers in aid of perpetrating fraud to the lingering implications of COVID-19 pandemic. The cost of energy remains a key factor for many consumers in their day-to-day living, particularly for low income residential customers. All consumers need reliable energy and cost-effective options for their energy services.

Unsurprisingly, energy consumers are demanding more choice. They are seeking ways to reduce their individual carbon footprint and manage household or business energy use to reduce costs. They are taking ownership of their energy consumption and holding energy providers to higher ethical and environmental standards. The OEB is committed to ensuring that consumers have more opportunity to control and manage their energy use and carbon footprint. To this end, consumers need

the right information, at the right time, so they can make informed decisions about their energy use. The OEB must provide consumers with meaningful, relevant and clear information as part of our work to protect their interests.

Finally, the ways in which energy regulators respond to consumer expectations and impacts must change as the provision of energy services evolves. Communication is key, and the relationship between energy regulators, utilities and consumers can be strengthened through effective engagement.

Electrification and Energy Transition Panel

The Panel will advise the government on short, medium, and long-term opportunities that provide the highest value for the energy sector and prepares Ontario's economy for the energy system of the future. As outlined on the government's website, "their goal is to help enable investment, job creation and skills development in Ontario by keeping energy rates low and creating a more predictable and competitive investment environment."

To support the Panel in identifying opportunities to strengthen the province's long-term energy

planning process by better coordinating fuels and the electricity sector, the Ministry is commissioning an independent Cost-Effective Energy Pathways Study to demonstrate a clearer picture of how Ontario's energy sector can best support electrification and the energy transition. Together, the Panel and the Pathways Study seek to enable the government to make the best strategic decisions to reform the province's long-term energy planning process to best serve Ontarians and develop a path for our future energy system.

Engagement of Indigenous Communities

Indigenous peoples face unique challenges related to the energy sector, both in relation to the services that they receive and the impacts that projects may have on their communities. Indigenous participation in the energy sector has changed considerably over time, building regulatory capacity within Indigenous communities and leading to new partnerships, economic opportunities and innovation. It is important that OEB adjudicative and policy processes continue to allow for Indigenous participation and provide opportunities for Indigenous perspectives to be heard.

The OEB is reflecting on the operating environment described here and all that is happening around us. The actions we've planned in this Business Plan account for this context.



STRATEGIC DIRECTION:

EXECUTING ON YEAR
THREE OF OUR
STRATEGIC PLAN

STRATEGIC DIRECTION

In April 2021, the OEB released our current five-year Strategic Plan that outlines how we are modernizing to become a trusted leader 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. Now at the midpoint of our Strategic Plan, as we continue our evolution toward becoming a top quartile regulator, we remain steadfast in our commitment to advancing its outcomes, guided by our strategic themes of accountability, certainty, effectiveness, efficiency, independence, and innovation.

Our independent adjudicative work is core to what we do, and the plan includes deliberate actions to enhance our adjudicative processes. As we look ahead to 2023 and beyond, demands remain high and the forecast for pending adjudicative proceedings has increased. Continuous improvement and ruthless prioritization of initiatives will enable efficient and effective support for adjudicative decision-making.

Supporting year three of our Strategic Plan are the current and future programs and initiatives included in this Business Plan. As outlined in the implementation plan, each aligns with the OEB's Strategic Goals. In those instances where a program or initiative supports more than one Strategic Goal, the implementation plan aligns it with the "primary goal".

Implementation Plan

The planned programs and actions within this Business Plan focus on our core business of adjudication, advancing our strategic goals, and the new work outlined in the Minister's Letter of Direction which emphasized the need for us to continue to execute on critical work currently underway, as well as advance new priorities in the near-term. Aligned with our core values, the OEB will approach this work driven to collaborate with and engage our stakeholders with a sense of accountability, transparency and thoughtfulness.

Grouped under each strategic goal are key programs and activities that advance its execution. Some are multi-year projects with emphasis on work to be completed in the 2023/24 fiscal year. Each includes milestones and/or measures and a summary of work we will undertake. This information informs our Enterprise Scorecard, which is part of how the OEB measures our performance. The full scope of our approach to performance measurement is included in the Measuring Outcomes section of this plan.

Key Planning Assumptions and Resources Needed to Meet Goals and Objectives

Our Business Plan is focused on our role as the province's economic energy regulator during a time of transition that necessitates innovation within the sector. The Letter of Direction, input from stakeholders through Policy Day, working groups and other engagements, and OEB planning have collectively identified significant new work ahead for the OEB to be the energy regulator that Ontario needs during this unprecedented period. As Minister Smith noted within the Letter of Direction, "the OEB's role as energy regulator has never been more important: the push for further

electrification and the transition to cleaner energy sources will require innovation and leadership from the OEB.” Accordingly, this Business Plan includes a budget increase to ensure the OEB is appropriately resourced to meet this call to action. The planned actions assume approval of this budget increase to meet resourcing and consulting needs.

Our people are key in ensuring we have the right skilled employees, both now and in the future, to deliver our Plan. The OEB’s talent management is described in more detail in the Investing in our People section of this Plan. We will make responsible use of our resources to meet the Plan’s goals. The primary resources needed are our people, who drive our modernization through various initiatives. Additional detail on the resources needed to meet our goals and objectives, from a financial perspective, is included in the Financial Plan section.

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.

PURPOSE To oversee the provincial energy markets, protect the interests of individuals and support the collective advancement of the people of Ontario.

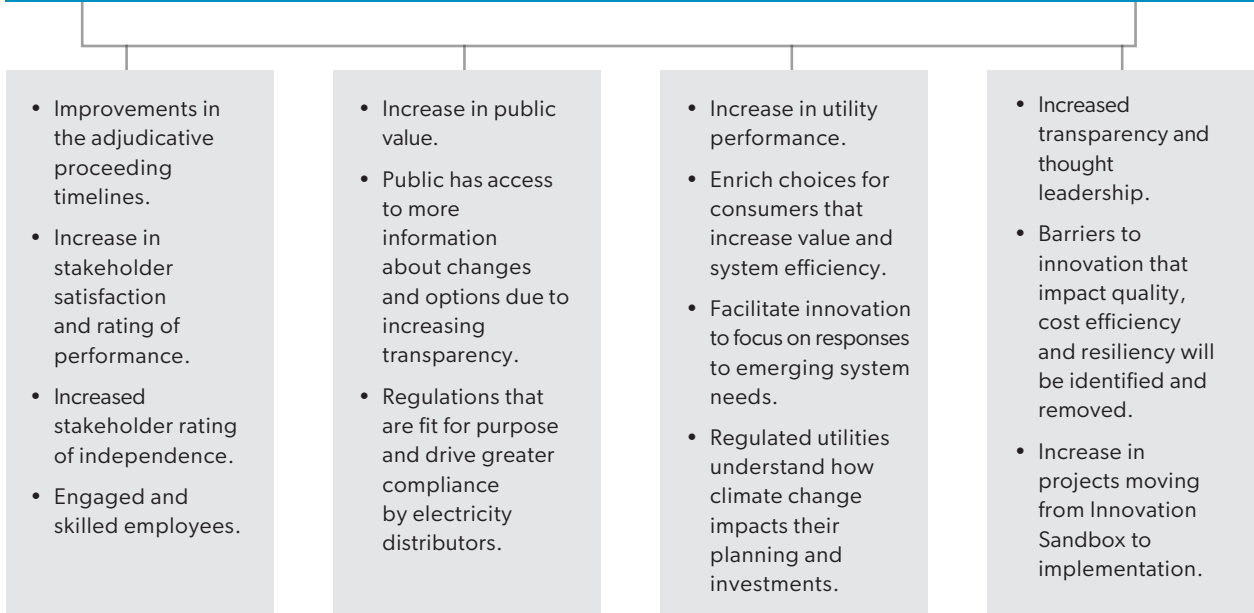
STRATEGIC THEMES



STRATEGIC GOALS



OUTCOMES



STRATEGIC THEMES



Accountability:

While being independent in its decision making, the regulator’s governance should reflect that it is accountable for the advancement of the public interest.



Certainty:

Regulatory processes should be as predictable as possible. Regulated entities should understand what is expected of them and regulatory proceedings should follow a dependable schedule.



Effectiveness:

The regulator should be clear about the outcomes it is aiming to achieve. This includes having a clear rationale for how regulatory policies and processes deliver on statutory objectives. It should be transparent with how success is measured by tracking outcomes over time.



Efficiency:

The regulator should strive to find process improvements in all its functions to increase productivity and value for money.



Independence:

The regulator should be recognized as making fair and impartial decisions, free of undue influence from government or others, and focused on its core economic regulation mandate.



Innovation:

The regulator should modernize its processes and facilitate future innovations in the energy sector.

Strategic Goal 1:

EVOLVE TOWARD BECOMING A TOP QUARTILE REGULATOR



The OEB is a trusted regulator that is accountable for advancing the public interest and makes independent decisions based on fact and evidence. Regulated entities have predictability about timelines and expectations. There is a clear rationale for how regulatory policies and processes effectively and efficiently deliver the OEB's objectives, and progress is transparently tracked. The OEB is committed to continuous improvement and adapts as the sector evolves.

ACTION STRATEGIES

In the OEB's 2021/22 to 2025/26 Strategic Plan, four action strategies were outlined to achieve this goal. They are:

- 1.1 We will ensure the regulatory function is fit for purpose with principled and data-based approaches and best practices so those we regulate can focus on engaging with their consumers and ensuring long-term efficiency.
- 1.2 We will ruthlessly prioritize our initiatives to focus on work that is strategically aligned and adds value to the organization and the energy sector. Unrelenting improvement and being creative and agile will be key.
- 1.3 We will take action to improve clarity around the OEB's role generally and in implementing government directives.
- 1.4 We value outcome-focused leaders with strong technical teams who are empowered to deliver.

The OEB must remain diligent in maintaining regulatory excellence while balancing stakeholder demands and addressing customer interests in this environment. By partnering with other agencies and different levels of government and engaging with stakeholders, the OEB will need to remain responsive to the ever-changing public policy landscape within which Ontario's energy sector operates. The OEB is prepared to cultivate and maintain meaningful relationships within the sector and with sectors we impact, like construction, building maintenance and manufacturing, to ensure that we see broader policy perspectives where appropriate. These types of relationships will drive collaboration, increase transparency, and build public trust.

Over the time period of this Business Plan, the OEB will advance each of these action strategies with detailed programs, projects and initiatives. The primary work associated with this strategic goal is captured below, with an emphasis on work planned for 2023/24. Target milestones and measures included in this plan are stretch targets, which we aim to achieve, however they are dependent on several factors including the recruitment of staff.

2023/24 - 2025/26 BUSINESS PLAN ACTIONS

Engage with Stakeholders

Engaging with OEB stakeholders will continue to be a priority as we take on and plan new work and execute existing projects. Engaging with stakeholders through our Stakeholder Engagement Framework (SEF) furthers our commitment to transparency. Stakeholder engagements will include our Annual Policy Day, *Energy [X] Change* and Adjudicative Modernization Committee.

Milestones:

- ▶ **Q1 2023/24:** Investigate new digital feedback tools to enhance collaboration within stakeholder meetings.
- ▶ **Q1 2023/24:** Evaluate stakeholder activities against perceptions of stakeholders articulated through the annual stakeholder survey to seek out opportunities for improvement.
- ▶ **Q2 2023/24:** Complete a review of Terms of Reference documents for stakeholder advisory groups to ensure consistent approaches.
- ▶ **Q4 2023/24:** Implement enhancements to the framework and communicate SEF enhancements and engagement improvements to sector.

Indigenous Consultation Policy Updates

The OEB is updating Indigenous consultation policies for hydrocarbon pipeline leave to construct applications, which are currently contained in the *Environmental Guidelines for Hydrocarbon Pipelines and Facilities in Ontario*. This work will better align the roles and responsibilities of the Ministry and the OEB in relation to the duty to consult with Indigenous peoples to ensure greater clarity and reflect current best practice.

Milestones:

- ▶ **Q3 2023/24:** Complete engagement with Indigenous communities and other interested parties on roles, responsibilities and processes for participation in hydrocarbon pipeline leave to construct applications.
- ▶ **Q4 2023/24:** Issue updated Environmental Guidelines (and/or other documentation as needed) with updated Indigenous consultation policies.

Prioritization Review of Adjudicative Policies

Regular review and renewal of the policies that apply to adjudicative processes is required to ensure they continue to contribute effectively to the efficient administration and determination of applications before the OEB.

In 2022/23, the OEB developed and implemented a methodology to prioritize the review of policies used in adjudication and to identify policies where review would be valuable and timely.

The exercise identified initiatives to renew, refresh or retire, starting in 2023/24. Several other priority policies were identified for review in the subsequent two-year period. Going forward, a prioritization exercise will be carried out annually, as an input to annual business planning activities.

Milestones: Prioritization Initiative

- ▶ Develop internal process for managing refresh/review.
- ▶ Initiate policy review for identified projects.
- ▶ Conduct prioritization exercise - Q2/3 2023/24 to identify/confirm policies slated for evaluation in 2024/25 and beyond.
- ▶ Publish updated priority list for policies to be reviewed (Q3 2023/24).

Milestones: Policies For Action in 2023/24

- ▶ Consolidation/MAADs review.
- ▶ Standby Rates.
- ▶ Typical Customer Definition.
- ▶ Retirement of a number of gas-related DSM and other policies eclipsed by newer framework/policy approaches.

Measurement:

- The review of existing policies will contribute to the OEB outcomes regarding its overall performance as a regulator. The retirement and review of policies for continued relevance will contribute to the OEB's efforts to reduce red tape.

Red Tape Reduction

The OEB is continuing work to specifically focus on identifying regulatory requirements that may no longer serve their intended purpose or may be achieved through more efficient means and which can therefore be removed and reduce regulatory burden. The Red Tape Reduction initiative was part of the Minister of Energy's 2022 Letter of Direction. In response to the letter the OEB is targeting a 5% burden reduction over the baseline measured by the Ministry of Energy in 2018. Additionally, we have heard from stakeholders that there are areas where further review may lead to more improvements such as for LDC filing requirements and RRR Requirements, and to also look at process changes and regulatory requirements that can remove red tape for customers and regulated entities. We will explore ways of making improvements in these areas in addition to achieving the 5% reduction. This will challenge us to achieve an aggressive target as outlined in the Letter of Direction.

Milestones:

- ▶ **April Annually:** Provide updates to the Minister of Energy for the Ministry's Red Tape Reduction report.
- ▶ **Q2 2023/24:** Reporting red tape reduction in the Annual Report for the 2022/23 fiscal year and providing support to the Ministry for the Government's Annual Burden Reduction Report on an ongoing basis, as required.
- ▶ **Q2 2024/25:** Reporting red tape reduction in the Annual Report reporting on the 2023/24 fiscal year.
- ▶ **Q2 2025/26:** Reporting red tape reduction in the Annual Report reporting on the 2024/25 fiscal year.

Measurement:

- By March 2026 we will reduce burden by 5% from the regulatory compliance requirements counted by the Ministry in 2018.

Regulatory Framework

A noted priority within the Letter of Direction, the OEB will conduct workshops to explore how it can further enable electrification related investments while protecting the interest of consumers.

The OEB will conduct workshops to solicit stakeholder views regarding what changes to regulatory mandates, tools or authorities may be needed for the OEB to continue to regulate effectively in a time of significant sector transformation. The workshops will ask for stakeholder feedback related to how to best position the OEB to be agile yet provide predictability for customers and investments in the face of a rapidly changing sector.

Milestones:

- ▶ OEB launched workshops starting in early 2023.

- ▶ **Q4 2022/23 – Q1 2023/24:** Deliver Regulatory Framework Workshops.
- ▶ **July 2023:** Report on Proposed Legislative Amendments to the Ministry.

Measurement:

- Completion of workshops leveraging existing OEB stakeholder forums. Receipt of stakeholders' advice, perspectives and views.

Strengthening the Performance Measurement Framework

The OEB's approach to performance measurement is outlined in detail within the Measuring Outcomes section of this plan.

It is important that we continually measure and monitor our performance as part of our path to becoming a top quartile regulator. This includes continual improvement and building in more opportunities to review our approach to measurement and adjust course as needed.

Over the course of this Business Plan we will review our approach to the overall measurement of the OEB's performance and involve stakeholders in this work.

Milestones: Reporting

- ▶ **Annually:** Evaluate and have an annual external audit of Enterprise Scorecard performance measuring the OEB's performance against the Business Plan.
- ▶ **Annually:** Publish results of OEB annual performance and audit in Annual Report.
- ▶ **Annually:** Publish adjudicative dashboard twice a year.

Milestones: Continual Improvement

- ▶ We will conduct a mid-term review, based on two years of results plus baseline, and update the PMF based on this review for inclusion in the 2024-2027 Business Plan.
- ▶ As part of our commitment to continuous improvement, the OEB will seek stakeholder feedback through existing stakeholder forums, like *Energy [X] Change*.

Total Cost Benchmarking (TCB)

This multiyear initiative will begin with building staff knowledge of econometric modelling best practices in advance of a 2024/25 project to consult with industry regarding the TCB model. This aligns with the OEB's commitment to adjudicative efficiency.

Milestones:

- ▶ **Fiscal 2023/24:** Knowledge building on econometric modelling for cost benchmarking electricity distributors.
- ▶ **Fiscal 2024/25:** Industry consultation of TCB model.

Workforce Management

Our people are at the core of our success. Continuation of our multi-year initiatives to support our workforce for today and into the future will be key to the OEB's continued success. This work will include:

- Enhance our talent pipeline and recruitment strategies to attract and retain top talent to ensure that we have the diverse workforce we need today and into the future.
- Focus on knowledge management, skill transfer and process documentation within the organization.
- Conduct skills gap analyses and identify learning and development opportunities for employees to build skills/knowledge toward readiness for new roles and to ensure that skillsets reflect the evolving needs of the OEB as a top quartile regulator.

Measurement:

- Progress our 5-year Employee Engagement score goal, 3-5% increase in employee engagement rating.

Strategic Goal 2:

PROTECT THE PUBLIC



The OEB protects the interests of consumers with respect to price and quality of service as it ensures the advancement of the public interest in Ontario’s energy sector. Compliance with OEB codes and rules is enforced. Consumers have the information they need to better understand their energy use, including with respect to reducing their energy bills through conservation.

ACTION STRATEGIES

To protect the public, four action strategies were outlined in the OEB's 2021/22 - 2025/26 Strategic Plan. They are:

- 2.1 We will consider the impacts on current and future energy consumers, including both near- and long-term costs and benefits.
- 2.2 We will focus on consumers receiving the right level of service at the right rate.
- 2.3 We will work in partnership to keep consumers informed about their energy bills, programs, their choices and changes that may impact them.
- 2.4 We will foster a culture of compliance with the goal of protecting consumers.

Over the time period of this Business Plan, the OEB will advance each of these action strategies with detailed programs, projects and initiatives. The primary projects and initiatives associated with this strategic goal are captured below, with an emphasis on work planned for 2023/24. Target milestones and measures included in this plan are stretch targets, which we aim to achieve, however they are dependent on several factors including the recruitment of staff.

Our compliance work is key to protecting the public and the Business Plan recognizes this. While compliance activities are called out within specific initiatives in the Business Plan, our ongoing compliance work to protect consumers will continue to be a priority for the OEB. Consumer protection campaigns raising awareness of scams was a priority for OEB in 2022/23 and we will continue to emphasize consumer awareness during this business plan through public affairs activities. The SCAM campaigns main objectives were to inform Ontarians about energy sector scams, what they can do to protect themselves and how to report scams. The campaigns featured key messages that were rolled out via social media paid ad buys and radio spots while partnering with the Ministry, IESO, natural gas and electric utilities and community groups, to share communication materials to customers directly.

2023/24 - 2025/26 BUSINESS PLAN ACTIONS

Over the course of 2022, the Auditor General of Ontario conducted a Value for Money (VFM) audit that culminated in her report, *Ontario Energy Board: Electricity Oversight and Consumer Protection*. This work resulted in 12 recommendations for the OEB and the Ministry of Energy to address. Below is a summary of all recommendations from the audit. Those the OEB is accountable to address and will in the 2023/24 fiscal year are highlighted in bold, as is the portion of a recommendation to the Ministry that calls for input from the OEB. We have aligned the recommendations together under our Protect the Public strategic goal because a focus of the audit was consumer protection, although recommendations such as #9 and #11 will also Drive Energy Sector Performance.

#	RECOMMENDATIONS
1.0	To enhance consumer protection over electricity prices and strengthen public trust in the regulatory system, we recommend that the Ministry of Energy:
	<ul style="list-style-type: none"> Evaluate options within an established timeline (for example, within a year) that will increase the Ontario Energy Board’s oversight role over electricity procurement activities so that future decisions impacting electricity rates are financially prudent and consistent with the anticipated demand for electricity; and Consult with stakeholders during the evaluation process and implement the selected option with an established timeline.
2.0	So that energy planning better protects the interests of energy consumers, we recommend that the Ministry of Energy:
	<ul style="list-style-type: none"> Develop an expedited timeline to complete its review of the long-term energy planning process within 12 months; Develop an expedited timeline to release the next Long-Term Energy Plan within 12 months; Include all major energy sources in the planning process; and Recognize and assign the OEB a role in long-term energy planning that reflects the OEB’s role and expertise as the regulator of the energy sector, including protecting the interests of consumers.

3.0	So that Unit Sub-Meter Provider (USMP) customers' interests are sufficiently protected, we recommend that the Ministry of Energy:
	<ul style="list-style-type: none"> • Perform its own analysis immediately to verify customer concerns and assess whether prices charged by USMPs are fair; and • Use results from these studies to develop and implement options to improve price protection and transparency for USMP customers.
4.0	So that electricity customers are entitled to similar service levels and benefits regardless of their service providers, we recommend that the OEB:
	<ul style="list-style-type: none"> • Identify mechanisms to align service standards that apply to Unit Sub-Meter Provider customers with those that apply to LDC customers, especially with respect to protection against winter disconnections and reconnections.
5.0	To educate the public about Unit Sub-Meter Providers (USMPs), we recommend that the OEB immediately:
	<ul style="list-style-type: none"> • Develop educational materials about USMPs to help customers understand their services, their commercial relationships with building owners and tenants, their billing practices, and the extent of regulation over their business practices and pricing; and • Develop and publish performance metrics for USMPs to provide customers with insight into USMP performance.
6.0	So that the Distribution Rate Protection (DRP) program continues to meet the intent of protecting LDC customers in areas with comparatively high distribution costs, we recommend that the Ministry of Energy, with input from the OEB , within the next year:
	<ul style="list-style-type: none"> • Complete the DRP program analysis to identify and evaluate options that can improve the robustness of the mechanism in determining program eligibility; and • Implement changes identified from the analysis.

7.0	To assess and confirm whether the Low-income Energy Assistance Program (LEAP) effectively benefits those who need assistance most while containing program costs, we recommend that the OEB:
	<ul style="list-style-type: none"> • Evaluate LEAP’s funding mechanism and historical trends in funding availability, and implement changes as warranted to ensure that the program is meeting its objectives; and • Review LEAP’s eligibility criteria and implement changes as warranted, taking into consideration program objectives and implementation costs.
8.0	To assess and confirm whether low-income energy programs effectively benefit those who need assistance most while containing program costs, we recommend that the Ministry of Energy and OEB:
	<ul style="list-style-type: none"> • Develop performance metrics and targets to evaluate the effectiveness of the programs within their responsibility. The OEB will complete this work for LEAP and the Ministry of Energy for OESP; and • Measure program performance against established targets at defined intervals and develop action plans if performance targets are not met.
9.0	To help reduce the regulatory burden of filing major rate applications on very small LDCs, we recommend that the OEB:
	<ul style="list-style-type: none"> • Evaluate the impact of its relevant regulatory efficiency initiatives on very small LDCs as soon as sufficient information is available and areas for improvement within an established timeline; and • Develop procedures to continuously monitor the impact of relevant regulatory efficiency initiatives on very small LDCs, and implement further actions as warranted.
10.0	To regularly confirm that rate-regulated entities are financially viable and earn a fair—but not excessive—return, we recommend that the OEB:
	<ul style="list-style-type: none"> • Review the deemed capital structure and return on equity (ROE) formula and thereafter at defined intervals (for example, every three to five years); and • Adjust the deemed capital structure and ROE formula as informed by the review, so that they reflect the risk profile of rate-regulated entities.

11.0	To protect electricity customers from negative impacts of LDC consolidations, and to facilitate the maintenance of a cost-effective and economically efficient electricity distribution sector, we recommend that the OEB:
	<ul style="list-style-type: none"> • Implement effective and timely monitoring of post-consolidation activities during deferred rebasing periods to obtain periodic status updates from LDCs on steps taken toward integration and to verify that consolidated entities are adhering to approval conditions for consolidations and maintaining necessary records; and • Require acquired and merged entities to continue to report on key performance measures (for example, reliability metrics) separate from the consolidated entities during deferred rebasing periods to create greater transparency.
12.0	To improve the transparency and performance monitoring of its complaints and inquiries process, as well as its compliance and enforcement activities, we recommend that the OEB:
	<ul style="list-style-type: none"> • Reorganize and update its website to provide customers with clearer information regarding the complaints process; • Review the customer service metrics and targets and update them as needed to ensure they remain relevant and appropriate; and • Develop performance metrics to measure the efficiency of compliance activities.

Recommendations to be addressed by the Ministry of Energy are highlighted in blue, by the OEB in green and by both the Ministry and OEB in grey.

2023/24 - 2025/26 BUSINESS PLAN ACTIONS

Enhancing Cyber Security

Cyber security and privacy threats are a key business risk for electricity utilities to their provision of reliable and quality service to consumers. As part of its commitment to protecting the public the OEB has established a regulatory framework for cyber security in the utility sector. In 2022 it commenced an initiative to enhance the cyber readiness of the sector to address threats and ensure privacy of consumer data. The OEB has conducted research on utility cyber readiness and undertaken extensive consultations through meetings with all licensed distributors to understand the challenges in meeting cyber risks and opportunities for enhancing the sector's resiliency to cyber and privacy threats.

Milestones:

- ▶ Address the need for greater awareness of cyber threats and readiness through increased participation in the IESO's Lighthouse program.
- ▶ Work with industry to advance and publish a new up to date version of the Ontario Cyber Security Framework to guide utilities in their assessment of cyber preparedness.
- ▶ Mandate as appropriate obligations for utilities to meet key controls such as governance and privacy under the Framework.
- ▶ In response to industry requests provide for enhanced reporting on cyber security readiness as part of annual reporting.

Measurement:

- Reporting by LDCs will show an overall improvement in cyber security readiness compared to 2021 reporting.

Green Button Compliance

The deadline for Green Button implementation is November 1, 2023. The OEB will continue to consider stakeholder input on how to support Green Button implementation by distributors. The OEB's Compliance Plan will include monitoring of distributor implementation and appropriate steps if some distributors have not made reasonable progress on Green Button implementation. Once full implementation is completed, as of November 1, 2023, the OEB has an ongoing compliance responsibility regarding Green Button.

Milestones:

- ▶ **March 1, 2023:** Take appropriate action in response to any distributor whose quarterly reports show a lack of sufficient progress.

- ▶ **Quarterly Q2/Q3 2023/24:** Reporting of distributor progress.
- ▶ **Monthly meetings Q3 2023/24:** Facilitate the ongoing work of the Green Button Industry Working Group to identify potential areas for OEB support to distributors.

Measurement:

- Customers have access to Green Button as of November 1, 2023.

Intervenor Framework

In 2022 the OEB shared a robust action plan in response to comments received on the Framework for Review of Intervenor Processes and Cost Awards (Framework). This work furthers the many initiatives undertaken to modernize and refine adjudicative processes and enhance transparency since the OEB’s new governance structure was put in place in October 2020. We appreciate the input and continued efforts from stakeholders to engage with us throughout this process. 11 projects constitute the OEB’s Action Plan, with five completed in 2022/23 and the remaining work planned for 2023/24. The projects will provide added and targeted improvements that will be beneficial to the adjudicative process.

Milestones:

- ▶ **Q3 2023/24:** Cost Award Data Collection: Targeted Completion Date.
- ▶ **Q3 2023/24:** Individual Intervenors: Targeted Completion Date.
- ▶ **Q3 2023/24:** Issues List Process: Targeted Completion Date.
- ▶ **Q4 2023/24:** Expert Evidence: Targeted Completion Date.
- ▶ **Q4 2023/24:** Cost Award Guidance: Targeted Completion Date.
- ▶ **Q4 2023/24:** Engagement with Indigenous Participants: Targeted Completion Date.

OESP Procurement

The current OESP central service provider (CSP) contract ends June 30, 2024. As administrator of the program on behalf of the Ministry of Energy, the OEB is now undertaking a procurement process to ensure seamless continuity of the program. A Request for Bids to procure a vendor for this service closed on January 23, 2023.

Milestone:

- ▶ Implementation complete by June 30, 2024.

Measurement:

- OESP program users are not impacted by the implementation of the next CSP contract.

Strategic Goal 3:

DRIVE
ENERGY
SECTOR
PERFORMANCE



The OEB drives Ontario’s regulated energy utilities to deliver reliable energy services and value for energy consumers by holding utilities to account for higher performance, increased efficiency and continuous improvement, as well as ensuring long-term sustainability and economic efficiency of the energy sector.

ACTION STRATEGIES

The strategic goal to drive energy sector performance has four action strategies which will be advanced by the programs and activities listed below. They are:

- 3.1 We will work towards appropriate measurement of utility performance and incentive structures.
- 3.2 We will focus on regulation that positions the energy sector to remain effective without impeding the availability of choices for energy consumers.
- 3.3 We will encourage long-term planning by utilities that encompasses a broader range of options for meeting system needs.
- 3.4 We will work with partners in the energy sector to be responsive to the challenges posed by climate change.

Over the time period of this Business Plan, the OEB will advance each of these action strategies with detailed programs, projects and initiatives. The primary work associated with this strategic goal is captured below, with an emphasis on work planned for 2023/24. Target milestones and measures included in this plan are stretch targets, which we aim to achieve, however they are dependent on several factors including the recruitment of staff.

2023/24 -2025/26 BUSINESS PLAN ACTIONS

Distribution Sector Resiliency, Responsiveness and Cost Efficiency

The OEB has been asked to provide the Minister of Energy with advice and proposals to improve distribution sector resiliency, responsiveness and cost efficiency in the context of climate change. Given the diversity of the sector this is a complex effort to undertake.

As an initial step, the OEB has commissioned a report which will review best practices regarding climate change resilience in the context of increased electrification and changing weather.

The complexity of this work cannot be underestimated and necessitates that the OEB BOD's Letter of Direction Task Force review the report to the Minister and provide governance of proceeding steps. This report will form the basis of meetings with stakeholders to hear input on the best practices identified and to discuss the options most appropriate for Ontario.

Milestones:

- ▶ **Q1 2023/24:** Stakeholdering to inform report development
- ▶ **June 30, 2023:** Report to Minister with options to improve distribution sector resiliency, responsiveness and cost efficiency.

Measurement:

- Improved resilience, responsiveness and efficiency by distributors will contribute to overall sector performance and related measures; additional measures for resilience performance would be expected to be developed as regulatory experience within this policy domain attains greater maturity.

Dynamic Pricing Pilot for Non-RPP Class B Electricity Consumers

The OEB, in collaboration with the IESO, developed a plan to design and implement dynamic electricity pricing pilot(s) to assess the benefits for Class B consumers that do not pay Regulated Price Plan (RPP) prices (Non-RPP Class B Pilot Program). Over the course of this Plan, work will continue on phases three and four.

Milestones:

- ▶ **Phase Three:** Detailed Design of Pilots & Recruitment Phase.
- ▶ **Phase Four:** 12-month In-Field Testing.
- ▶ **Phase Five:** Measurement & Evaluation.
- ▶ OEB recommendations to the Ministry of Energy on non-RPP Class B pricing options by March 15, 2026.

Measurements:

- Implementation and evaluation of at least one non-RPP Class B pricing pilot.
- More pricing options for non-RPP Class B consumers in Ontario in 2026.

Enabling the Implementation of an Ultra-Low Overnight (ULO) Price Plan

In 2022/23, the OEB completed the work necessary to enable distributors to offer the new optional ULO price plan to residential and small business customers on the Regulated Price Plan. The ULO price plan will now move to implementation and distributors that are able to do so can start to offer the price plan to consumers starting May 1, 2023. Offering of the ULO price plan will become mandatory on November 1, 2023.

Milestones:

- ▶ **April 2023:** Public Affairs to develop communications campaign.
- ▶ **April 2023:** Calculate ULO prices by April 13.
- ▶ **May 1, 2023 - November 30, 2023:** Distributors begin to offer optional ULO price plan to consumers. Provide a generic accounting order for the ULO implementation costs and updated accounting guidance for the Commodity Accounts recognizing the accounting impact of the ULO process on the distributors.
- ▶ **November 1, 2023:** Prices for all 3 price plans in place.

Measurement:

- RPP consumers in Ontario have the option to be billed by distributors according to the Ultra-Low Overnight price plan.

Enbridge Gas Integrated Resource Planning (IRP) Working Group

The OEB will continue to lead the IRP Working Group to review and report on Enbridge Gas IRP Activities. IRP is expected to benefit Enbridge Gas customers by ensuring a broad range of solutions are considered to meet system needs and ensure that any outcome is in the best interest of all Enbridge Gas consumers.

Milestones:

- ▶ **Q1 2023/24:** IRP Working Group submits report on the IRP Benefit-Cost Analysis framework/ Discounted Cash Flow-Plus test.
- ▶ **Q1 2023/24:** Enbridge Gas files IRP Pilot application(s) for OEB approval, following input from Working Group.

- ▶ **June 2023:** IRP Working Group submits annual report reviewing Enbridge’s Gas IRP activities, noting concerns or opportunities for improvement.

Measurements:

- Enhanced DCF+ Test/Guide approved by OEB and used by Enbridge to evaluate IRP alternatives.
- IRP Pilot(s) are implemented by Enbridge and provide learnings on economic and technical viability of IRP alternatives.

Electric Vehicle Integration (EVI) Initiative

We will continue our work reviewing regulatory policy, procedures and requirements to ensure efficient integration of electric vehicles with the electricity system.

The OEB developed and is executing a work plan in relation to EV Integration that focuses on addressing system readiness, delivery costs, and EV connections.

Milestones:

- ▶ **Q1 2023/24:** Delivery Costs Study: Stakeholder Engagement Session.
- ▶ **Q1 2023/24:** Bulletin on Unidirectional Charging for EVs.
- ▶ **Q2 2023/24:** Additional bulletins or correspondence to provide EV related guidance.

IESO/OEB Study of DER Incentives Research

The OEB will continue to collaborate with the IESO to study the impact of various DER incentives. This study will create a better understanding of how financial incentives for DERs in Ontario collectively function to ensure different incentives are aligned and working together to achieve the most efficient outcomes.

Milestone:

- ▶ Report is expected to be released in 2023.

Net Metering Regulatory Changes

We will continue to support the implementation of the community net metering project and the enhancements to the net metering program that enhance by providing guidance to distributors and undertaking any necessary compliance action.

Milestone:

- ▶ **February 2023:** Enhanced reporting by retailers and distributors to monitor net metering uptake by consumers.

Reliability and Power Quality Review - Phase Two

Reliability and resiliency are areas of focus for the OEB and priorities outlined in the Letter of Direction. Phase Two of the Reliability and Power Quality Review (RPQR) is a continuation of the work which began in 2022/23. The RPQR is driving enhanced accountability of utilities through improvements in reliability reporting and new mechanisms such as customer specific reliability. The improvements in data will also lead to performance benchmarking that encourages continuous improvement and increased transparency through improved distributor investment planning.

Milestones:

- ▶ Implement enhanced reliability reporting in 2023/24, with first reports in 2024.
- ▶ Establish a performance benchmarking model and implement it in conjunction with enhanced reliability reporting in 2024.
- ▶ Initial development of reliability analytics to support investment decision making and assessing costs to protect consumers to be completed in 2024/25.

Measurement:

- The reliability information reported supports improved customer experience and better regulation.

Supporting Broadband Expansion

The OEB recognizes the importance of its role under Part VI.1 of the *Ontario Energy Board Act, 1998* and the related Electricity Infrastructure - Designated Broadband Projects regulation. Over the course of this Business Plan our work will continue to ensure the dispute resolution process provides clear and timely outcomes.

Milestones:

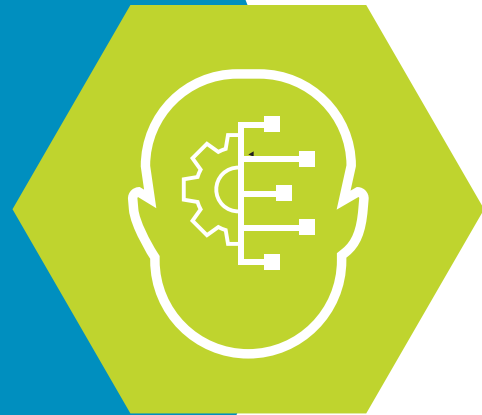
- ▶ Provide timely guidance to distributors to facilitate designated broadband projects and avoid delays that put the government initiative in jeopardy.
- ▶ Monitor distributors' compliance with the timeline requirements for designated projects and take action as necessary.

Measurement:

- Designated broadband projects are not impacted by LDC compliance issues.

Strategic Goal 4:

FACILITATE INNOVATION



The OEB facilitates innovation that can provide demonstrable value to Ontario's energy consumers and solve energy challenges cost effectively. The OEB provides clear direction on when and how regulated utilities can recover costs for innovation related activities from ratepayers, and for how risk is addressed. The OEB continually evaluates which activities or emerging needs are better undertaken or addressed through competitive markets.

ACTION STRATEGIES

The OEB will deliver on the strategic goal to facilitate innovation by implementing programs and activities to drive the three actions from our strategic plan listed below. They are:

- 4.1 We will work to become a leader in identifying and sharing problems that need to be solved and in encouraging creative solutions that provide value to consumers.
- 4.2 We will collaborate with stakeholders to facilitate innovation and regulate only when necessary.
- 4.3 We will facilitate purposeful innovation, working with stakeholders to define the problems to be solved by innovation. We will focus the actions of our Innovation Sandbox on ideas that add value. Implementation will be transparent, and we will create safe spaces where failure is accepted.

Over the time period of this Business Plan, the OEB will advance each of these action strategies with detailed programs, projects and initiatives. The primary work associated with this strategic goal is captured below, with an emphasis on work planned for 2023/24. Target milestones and measures included in this plan are stretch targets, which we aim to achieve, however they are dependent on several factors including the recruitment of staff.

2023/24 - 2025/26 BUSINESS PLAN ACTIONS

Benefit-Cost Analysis for DERs

Develop a benefit-cost analysis (BCA) Framework for electricity DERs and other non-wire alternatives. Guidance on BCA will assist distributors in understanding how to demonstrate to the OEB why a NWA is the preferred approach to meeting a system need, removing policy uncertainty and potentially leading to more applications that involve these solutions.

Milestones:

- ▶ **Q1 2023/24:** Engage consultant to develop draft BCA guidance and tools.
- ▶ **Q3 2023/24:** Post draft BCA guidance and tools and seek stakeholder comments.
- ▶ **Q4 2023/24:** Issue Phase One of BCA Guidance, methodologies, and tools on electricity distribution impacts.

Consolidated Guidance on the use of Non-Wires Alternatives (NWAs):

Guidelines will be expanded to provide comprehensive guidance on the use of DERs and CDM, as NWAs by distributors.

Milestones:

- ▶ Add guidance on BCA Framework to existing CDM Guidelines.
- ▶ Review CDM Guidelines to identify changes required to facilitate consolidated guidance.

DER Connections Review

We will continue the process of identifying barriers to customers’ adoption of DERs through assessing issues identified by industry with the view to ensuring streamlined and consistent DER connection practices and procedures.

Milestone:

- ▶ **Q1 2023/24:** Complete assessment of EV charging station connection issues and develop solutions.

Measurement:

- The DER connections and EV connections work will streamline processes for customers adopting new technologies.
- Red tape in the connections process will be reduced. This work may be a key input into Red Tape reduction.

Demand-Side Management (DSM) Stakeholder Advisory Group and Evaluation Advisory Committee

Implement OEB direction from Decision on Enbridge Gas's 2023+ DSM plan to develop new stakeholder advisory group. This group will provide advice on Enbridge Gas's current and future DSM plans for cost-effective activities to help customers reduce natural gas usage and provide input on an updated natural gas achievable potential study. In Q4 2022-23 the new DSM Stakeholder Advisory Committee was established.

Milestone:

- ▶ **Q3-Q4 2023/24: Issue natural gas Achievable Potential Study.**

Measurement:

- Working Group provides substantive input to inform and improve Enbridge Gas's next multi-year DSM plan.

Facilitate use of Conservation and Demand Management (CDM) Guidelines by Distributors

We will share additional guidance and assistance in supporting CDM-related applications from distributors, including working with the IESO to identify and remove barriers to distributors seeking ratepayer funding to address distribution system needs, supplementing IESO CDM programs.

Milestone:

- ▶ **Q1 2023/24: Public update on analysis of barriers to CDM, addressing links with Framework for Energy Innovation implementation and other identified barriers.**

Measurement:

- Barriers to using CDM to address distribution system needs are identified and addressed as appropriate in OEB policy and guidance.

Innovation Sandbox

The OEB's Innovation Sandbox will facilitate innovation in the sector with the continued implementation of Sandbox 2.0 and the launch of the Innovation Sandbox Challenge. The Innovation Sandbox Challenge will provide one-time funding and regulatory guidance to support innovative projects.

Milestones:

- ▶ Q1 2023/24: Publish an enhanced Annual Sandbox Report.
- ▶ Q1 2023/24: Conduct webinar(s) on Annual Sandbox Report and Innovation Sandbox Challenge in Q1.
- ▶ Q1 2023/24: Launch the Sandbox Challenge.
- ▶ Q2-Q4 2023/24: Explore partnerships with provincial/federal governments for funding opportunities.
- ▶ Q3 2023/24: Announce successful Innovation Sandbox Challenge proponent(s).

Measurement:

- Increase in the number of Innovation Sandbox enquiries.

OEB and IESO Joint Targeted Call (JTC)

The JTC with the IESO called for proposals for innovative projects that support DER integration in wholesale and distribution systems.

While the call for proposals has been completed, future work includes compiling and sharing lessons learned, in collaboration with the IESO.

Milestone:

- ▶ Initial lessons learned will be shared with stakeholders in 2023.

Progressing our Digital First Strategy

We will continue to implement initiatives to improve our processes by further developing business intelligence and data analytics capabilities, developing an inspection and enforcement work management system and enhancing the Industry Relations Enquires (IRE) system.

Substantial progress has been made on the digitization of OEB records. This work will continue with the digitization of our adjudicative records dating back to 2007. This will help to ensure records are easily accessible to stakeholders.

Milestones:

- ▶ **Q3 2023/24:** Complete the Phase Two of the Incentive Rate Mechanism online project.
- ▶ **Q3 2023/24:** Deliver a new Inspection Enforcement System.
- ▶ **Q3 2023/24:** Complete enhancements to the IRE system.
- ▶ **Q4 2023/24:** Complete analytics enhancements including new tools for stakeholders.
- ▶ **Q4 2023/24:** Continue digitization of OEB Records.


Supporting the Electrification and Energy Transition Panel

The OEB will continue to engage with and support the mandate of the Electrification and Energy Transition Panel (the Panel). The Ministry of Energy established the Electrification and Energy Transition panel to provide advice to government on medium- and long-term opportunities for the energy sector to help Ontario's economy prepare for electrification. The Panel will also identify opportunities to strengthen Ontario's long-term energy planning process by better coordinating fuels and the electricity sector in the context of energy demand, emerging technologies, environmental considerations, and overall costs to consumers.

The OEB is committed to ongoing meetings with the Panel and providing support and advice as needed. Informed by the Board of Directors' Innovation Task Force, we have shared advice and will leverage workshops related to the Regulatory Framework initiative. Our success on this initiative will be associated with the quality of advice provided to the Panel's final report to the Minister.

Milestones:

- ▶ Established timeframes to complete the work and ensured timelines were aligned with the work of the Panel by Q4 2022/23.
- ▶ Refine topics for which the OEB will offer advice as requested by the LOD and aligned with the Panel's mandate by Q1 2023/24.
- ▶ Work with the Panel to define how best to engage with, and provide advice to, the Panel. Advice to be provided to the Panel by Q2 2023/24 in time for their report to the Minister.



ENERGY TRANSITION ROADMAP

The energy transition is well underway in Ontario and the OEB has an important role to play in ensuring that natural gas and electricity utilities navigate the transition in an efficient, cost-effective manner and provides value to consumers while protecting their long-term interests.

As it responds to the energy transition, the OEB has heard that stakeholders are seeking transparency around the OEB's current and future activities. To this end, the OEB's Energy Transition Roadmap (the Roadmap) is a schedule of initiatives that map out the work of the OEB as it relates to the transition in the short- and medium-term. The Roadmap seeks to provide transparency and clarity around the OEB's work as it relates to the energy transition and supports coordination of related activities within the broader sector. Development of the Roadmap and the OEB's priorities in facilitating the energy transition have benefitted from input from a wide range of stakeholders.

The Roadmap only includes policy consultations, stakeholder working groups and other policy initiatives that directly relate to at least one of the "Four Ds" (decarbonization, decentralization, digitalization, and democratization) of the energy transition. It does not include ongoing or future adjudicative proceedings.

It also differentiates between activities that are already ongoing or concretely planned versus issues and topics that are on the OEB's horizon but have not yet been planned or sequenced. Specific initiatives to address issues identified for future consideration, including timing and sequencing, may depend on the direction or outcome of work currently planned or underway.





OEB ENERGY TRANSITION ROADMAP

■ CURRENT INITIATIVE/
ACTIVITY

■ PLANNED INITIATIVE/
ACTIVITY

■ POSSIBLE FUTURE
INITIATIVE/ACTIVITY

■ ONGOING INITIATIVE/
ACTIVITY

STRATEGIC GOAL	2022/23				(CURRENT) 2023/24				2024/25				2025/26			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
 EVOLVE TOWARDS BECOMING A TOP QUARTILE REGULATOR	Ongoing collaboration with IESO (Conservation, Joint Engagement on DERs, Joint Targeted Call, T&D Coordination Working Group, etc.)															
					Regulatory Framework (Workshops)											
					Internal OEB Environmental, Social and Governance ("ESG") Framework Development and Implementation											
 PROTECT THE PUBLIC	Support Electrification & Energy Transition Panel								Benefit-Cost Analysis for DERs							
	Green Button Implementation & Compliance															
 DRIVE ENERGY SECTOR PERFORMANCE					Ultra-Low Overnight (ULO) Price Plan											
					Distribution Resiliency, Responsiveness & Cost-Efficiency											
	Framework for Energy Innovation															
					Electric Vehicle Integration											
					IESO/OEB Study of DER Incentives											
	Regional Planning Enhancements															
	Enbridge Gas IRP Working Group															
	Reliability and Power Quality Review															
 FACILITATE INNOVATION	DER Connections Review															
	Net-Metering Initiatives Implementation															
	Innovation Handbook				Innovation Sandbox Challenge											
					DSM Stakeholder Advisory Group and Evaluation Advisory Committee											
					Facilitate use of CDM Guidelines by Distributors				Consolidated Guidance on Non-Wire Alternatives							
	Innovation Sandbox															

POTENTIAL FUTURE INITIATIVES

Review Utility Remuneration & Future Role of LDCs

Subsequent EV Issues

Framework for Integrated Natural Gas & Electricity Planning

Align Cost-Effectiveness Test for IRP and Gas Expansion

Natural Gas Stranded Assets & Risk Allocation Review

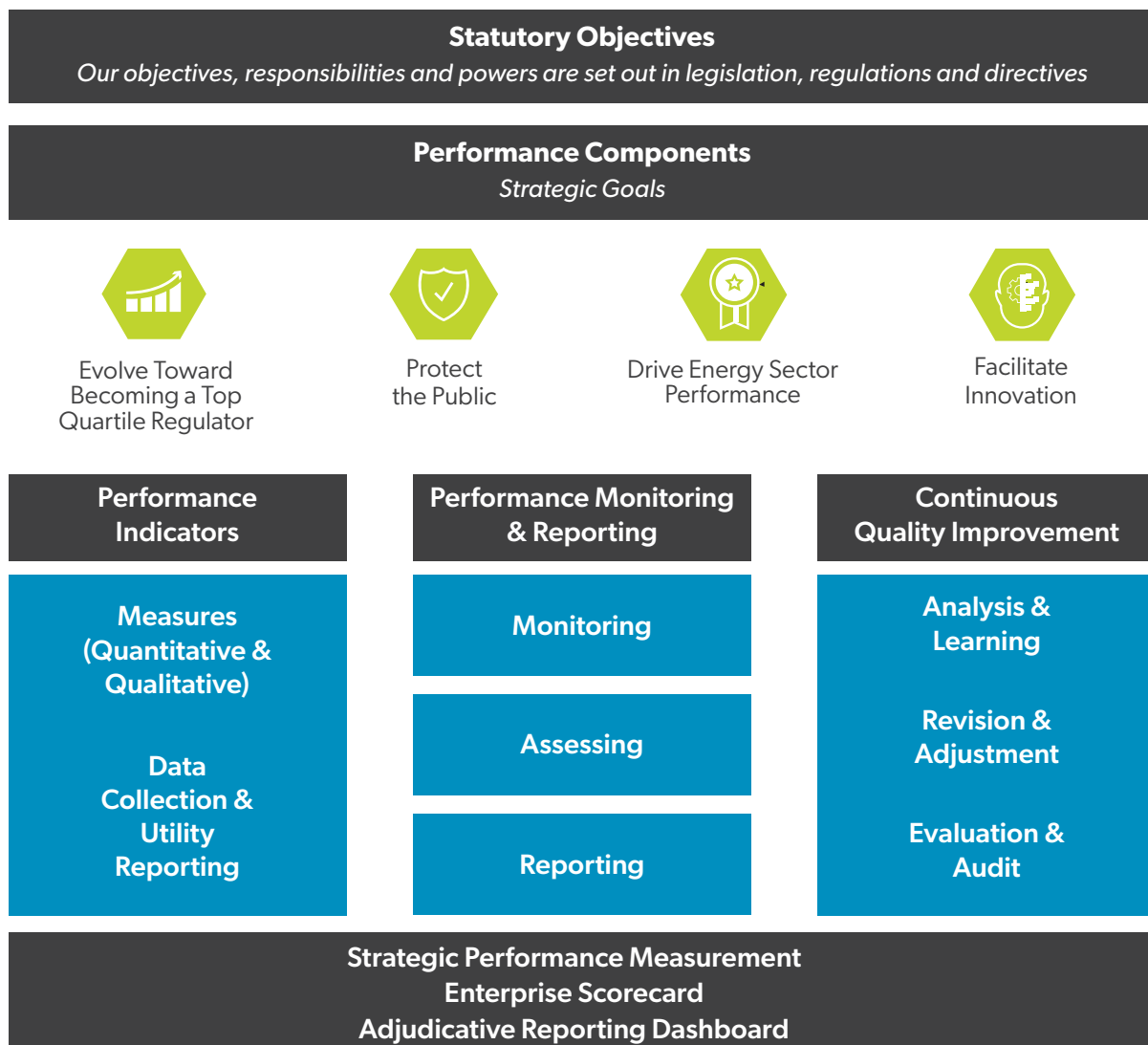


MEASURING OUTCOMES

OVERVIEW

The OEB is on a multi-year journey to modernize and achieve our strategic plan, which is anchored in meaningful change. During this period of transformation, it is critical that the OEB hold itself to a high standard, including setting performance measures that clearly define the OEB’s impact and results achieved.

Performance measurement is essential to achieving regulatory excellence and enabling a deliberate culture of continuous improvement across the organization and in the sector. The OEB’s Performance Measurement Framework (PMF) reflects the desired outcomes of our five-year Strategic Plan and ensures alignment with our four strategic goals. The figure below depicts how our statutory objectives inform our performance components, which are the OEB’s strategic goals, and become performance indicators.



The OEB's PMF consists of three measurement mechanisms:

1. **Strategic Performance Measurement (SPM)¹;**
2. **Enterprise Scorecard; and**
3. **Adjudicative Reporting Dashboard.**

At the highest level, the SPM measures overall progress toward our four strategic goals and eight strategic outcomes. Another element of the Framework is the Enterprise Scorecard which cascades statutory requirements, strategic direction, and business plan measures down to divisions through actionable initiatives month-over-month. This component of the PMF measures and reports on the OEB's annual performance with results in the Annual Report. The final component of the PMF is the Adjudicative Reporting Dashboard which monitors and evaluates the timeliness of adjudicative proceedings on an ongoing basis, using performance standards and key performance indicators established for all application types. The Adjudicative Reporting Dashboard provides stakeholders and industry with a comprehensive, online report of the OEB's overall adjudicative performance and is published twice a year. Together, these three measures link all the performance information and integrate all levels of the OEB, aligning strategic goals to day-to-day operational objectives.

Strategic Performance Measurement

- Assess the cumulative effects of the array of policy, operational and strategic activities that the OEB undertakes from year to year.
- Consists of indicators and targets used to assess the OEB's progress towards meeting its outcomes.
- SPM tracks the outcomes in the OEB's 5-year Strategic Plan.



Enterprise Scorecard

- The Enterprise Scorecard is structured to cascade strategic direction into actionable initiatives and daily work which can be measured by outcomes and outputs in the scorecard.
- The scorecard has representation from each area within the OEB and measures the OEB's execution of the Business Plan and operations each fiscal year.
- External auditors are engaged to audit the results as outlined in the MOU between the Minister of Energy and Chair of the OEB Board.
- Results are reported in the Annual Report.

- The OEB monitors and evaluates the timeliness of its adjudicative proceedings on an ongoing basis, using performance standards and key performance indicators established for all application types.
- The Adjudicative Reporting Dashboard provides stakeholders and industry with a comprehensive, online report of the OEB's overall adjudicative performance, updated mid-way through and at the end of each fiscal year.

¹ Strategic Performance Measurement (SPM): In the 2022/23 Business Plan the SPM was referred to as the PMF. To better align titles with scope of metrics included the name has been changed.

OUR MEASUREMENT APPROACH JOURNEY OF CONTINUAL IMPROVEMENT

2021/22

- ▶ In 2021, the OEB published our Strategic Plan, which outlined the four strategic goals the organization would focus on over the 2021/22 to 2025/26 fiscal years. This plan was developed for the first full fiscal year of modernization and addressed the vision for the organization.
- ▶ Later in 2021/22, execution against the Strategic Plan took shape in many ways, including the development of a refined Strategic Performance Measurement (SPM) measuring the strategic level of performance.
- ▶ A new Enterprise Scorecard was introduced detailing performance indicators and facilitating performance monitoring and reporting. The Enterprise Scorecard tracked progress against operational and management metrics as well as the strategic initiatives from the Business Plan.

2022/23

- ▶ In response to the Minister's April 1, 2022 letter approving the OEB's 2022-2025 Business Plan and Budget we have made changes to our measurement approach, but we're not done yet. More work is required to continually improve and advance our measurement of the OEB's success at delivering against our mandate.
- ▶ In response to the 2022 letter, we refined our approach to measurement and made changes to align how the Enterprise Scorecard, Adjudicative Reporting Dashboard and Strategic Performance Measurement work together to measure the OEB's performance. These changes increased the specificity of our measurement approach and their strategic alignment.
- ▶ Objectives and measures for the Enterprise Scorecard were reviewed and we challenged ourselves to beat our stretch targets.
- ▶ We asked members of our *Energy [X] Change* committee for their input on how we measure and report on our performance.

Looking ahead to 2023/24

Continuous improvement of the OEB's performance measurement framework is critical to ensuring it sufficiently measures the OEB's performance.

There is openness at the OEB to considering alternate indicators, but there is also value in having a suite of indicators that remains consistent for the entirety of the 2020-2025 cycle (refer to improvement plan below). Following an additional year of measurement, the OEB will conduct a **mid-term review**, based on two years of results plus baseline, and update the PMF based on this review for inclusion in the 2024-2027 Business Plan.

▶ Measurement will be completed on the 2022/23 fiscal year

- We will calculate the results for 2022 and include them in the 2022-2023 Annual Report; and
- For the 2023/24 measurement year, PMF components will be subject to an independent audit, as outlined in the Chair of the OEB's Memorandum of Understanding with the Minister of Energy.

▶ Further improvements

- We will conduct a mid-term review, based on two years of results plus baseline, and update the PMF based on this review for inclusion in the 2024-2027 Business Plan. This will include the following action items:
 - Review of the PMF structure including incorporation of the OEB's statutory objectives;
 - Review of SPM targets and indicators including further modification of the targets and the possible addition of new indicators;
 - Workshops with the Ministry of Energy; and
 - Sharing our proposed approach for written stakeholder feedback.
- As part of our commitment to continuous improvement, the OEB will seek stakeholder feedback through existing stakeholder forums, like *Energy [X] Change*.

STRETCH TARGETS

The updated SPM was first used in 2021, providing the OEB with an opportunity to assess its performance against its 5-year targets. Overall, the OEB demonstrated positive results for each of the indicators measured². In the October 21, 2022 Letter of Direction, the Minister of Energy requested that the OEB establish stretch goals that contain the possibility of failure. In response, the OEB has applied stretch targets to show continuous improvement where we achieved or nearly achieved our 5-year targets.

Strategic Plan Outcome	Indicator	Current 5-year target	Stretch Target	Rationale
Adjudicative proceeding timelines	Proportion of decisions issued within performance standards for processing applications (Total Cycle Time)	Meet performance standards 85% of the time	Meet performance standards 90% of the time	This target has been increased to 90% to ensure alignment with the Chief Commissioner Plan target for 2024. It is anticipated that in 2023/2024 individual targets will be set for Decisions Issued by Panels of Commissioners and Decisions Issued by Delegated Authority.
Stakeholder satisfaction and rating of overall Performance	Proportion of stakeholders satisfied with OEB's overall performance	3-5 percentage point increase	6-10 percentage point increase	In the first year of the PMF, there was a 4% increase in stakeholders' rating of the OEB's overall performance as a regulator. The OEB's ability to surpass its 5-year target within the first year offers an opportunity for bold, new targets. As a result, the OEB has developed a stretch goal of 6 – 10%, doubling the initial target for this indicator.
Stakeholder rating of independence	Proportion of stakeholders rating OEB as independent	3-5 percentage point increase	5-7 percentage point increase	The first-year result showed a minimal increase in stakeholders' rating of the OEB's independence, and it is anticipated that

²The results of the PMF in 2021 can be found in the OEB's 2021-2022 Annual Report published on September 27, 2022. Results for 2022 will be included in the 2022-2023 Annual Report.

Strategic Plan Outcome	Indicator	Current 5-year target	Stretch Goal	Rationale
				the existing target will be challenging to meet. Therefore, a less ambitious stretch goal of 5-7 percentage points has been developed for this indicator.
Increase in Public Value	Score on Public Value Index (# out of 10)	Not Applicable	Not Applicable	Given the compound nature of this indicator only a directional target was set. The OEB will continue to look at its performance regarding Public Value as a trend.
Regulations fit for purpose	Proportion of non-compliant disconnections	Non-compliant disconnections are less than 50% of files opened	Non-compliant disconnections are less than 40% of files opened	The first-year result indicated that OEB regulated entities are improving compliance related to disconnections. Therefore, a stretch goal of 40% has been developed to strive for continuous improvement.
Increase in utility performance	Proportion of electric utilities with an improving trend in Scorecard reliability	Improving trend in reliability	SAIFI: 47% SAIDI: 47%	Given that SAIDI & SAIFI are not direct measures of OEB activity and the OEB is currently undertaking a review of its reliability reporting, less ambitious stretch goals of a 1% increase in SAIFI and a 3% increase in SAIDI have been developed. Modifications to these stretch goals and the indicator may be made in future iterations of the SPM once the review of the reliability reporting is complete. The OEB will also examine using other

Strategic Plan Outcome	Indicator	Current 5-year target	Stretch Goal	Rationale
				facets of the Electricity Utility Scorecard to assess how the OEB contributes to improving utility performance.
Enrich choices for consumers	Annual page views of OEB bill calculator website (#)	No decrease in page views relative to baseline	Average trend in annual pageviews is greater than 20,000 additional views per year	<p>The first-year results showed a large increase in the number of views for the OEB’s bill calculator.</p> <p>As the implementation of the Ultra-Low Overnight price plan approaches (May–Nov 2023), staff anticipate a short-term increase in pageviews. Therefore, a stretch goal has been developed that considers the average trend in pageviews.</p>
More innovative activity in regulated energy sector	Innovation Sandbox enquiries (#)	At least 20 per year	At least 25 per year	<p>The first-year results showed that enquiries to the Innovation Sandbox exceeded the target indicating that the regulated energy sector continues to be interested in pursuing innovative activity and that the OEB is enabling this innovative activity.</p> <p>Therefore, the OEB has developed a stretch target to strive for continuous improvement.</p>

Please see appendix A for more information on how we have arrived at these indicators.



FINANCIAL PLAN

This financial plan includes additional resources required by the OEB to deliver on its mandate which, when coupled with the Minister’s Letter of Direction, involves taking on additional deliverables at a time when the organization is already at full capacity with existing commitments and core adjudicative work. More specifically, this financial plan includes the addition of 25 new permanent FTEs to support our work moving forward.

The table below summarizes how FTEs have been budgeted from 2021 to 2024:

Full-Time Equivalents (FTEs)	2021-2022 Budget	2022-2023 Budget	2023-2024 Budget
Baseline	193	193	203
Additional Delivery	0	8	17
Additional Enabling	0	2	8
Total FTEs	193	203	228

Commissioners are not included in these numbers.

Resources for adjudication work are included on both Delivery³ and Enabling⁴ teams.

The three-year financial plan is separated into Section 26 and Section 30 costs as described in the *Ontario Energy Board Act, 1998*. Section 26 costs represent the ongoing operating costs of the OEB and are recovered through cost assessments. Section 30 costs are costs incurred for specific proceedings and consultation processes and are recovered through cost award decisions made by the OEB in respect of those proceedings and processes.

In addition, the OEB has an internally restricted fund which includes revenue from administrative penalties paid by individual regulated entities under Part VII.1 of the *OEB Act*. All revenues 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 and facilitating innovation. The OEB plans to provide \$1.5 million from this fund to support innovation projects by December 31, 2026.

Outlined in the Initiatives Involving Third Parties section, because the current vendor contract expires in June 2024, the OEB is required to procure a service provider solution to deliver the Ontario Electricity Support Program (OESP). These costs will significantly impact the OEB’s Financial Statements in 2023/2024. Section 79.2 of the *OEB Act*, together with Ontario Regulation 14/18 made under the *OEB Act*, enables the OEB to recover its OESP administration costs from the IESO.

³Delivery - Applications, Consumer Protection & Industry Performance, Critical Initiatives, Operations Decision Support, Registrar, Strategic Policy and Strategy, Project Management & Change

⁴Enabling - Finance and Information Technology, Human Resources, Legal Services and Public Affairs

SECTION 26 FINANCIAL PLAN

<i>Units in thousand dollars (\$000's)</i>	2022-2023 Budget	2023-2024 Budget	2024-2025 Budget	2025-2026 Budget
Revenues:				
General cost recovery	46,507	49,895	53,166	54,250
Licence fees	430	430	430	430
Interest income	72	357	357	357
Miscellaneous income	237	227	227	227
Amortization of deferred revenue related to capital assets	1,412	1,492	1,522	1,600
Total Revenues	48,658	52,401	55,702	56,864
Expenses:				
Salaries & benefits	37,541	40,026	43,026	43,886
Consulting & professional	2,774	3,358	3,442	3,511
Meetings, training & travel	719	834	855	872
Publications, media and advertising	603	625	640	653
Premises	3,817	3,999	4,099	4,181
Information Technology	1,309	1,355	1,389	1,417
Office and administration	482	711	729	743
Amortization	1,412	1,492	1,522	1,600
Total Expenses	48,658	52,401	55,702	56,864
Capital Expenditures:				
Leasehold improvements	25	10	10	10
Office furniture and equipment	20	25	26	27
Computer software	1,020	1,197	1,227	1,251
Computer equipment	425	250	256	261
Audio Visual	50	100	103	105
Total Capital Expenditures	1,540	1,582	1,621	1,655
Net Assessment before Operating Reserve	48,047	51,477	54,788	55,904
Operating Reserve Adjustment	(2,500)	(1,000)	0	0
Total Assessment	45,547	50,477	54,788	55,904

The forecast for 2022-2023 of \$42.5M compared to the 2022-2023 budget of \$45.5M includes an estimated underspend to budget of \$3 million. These savings are due to unanticipated delays in filling staff vacancies and lower consulting and premises costs.

SECTION 30 FINANCIAL PLAN

<i>Units in thousand dollars (\$000's)</i>	2022-2023 Budget	2023-2024 Budget	2024-2025 Budget	2025-2026 Budget
General Cost Recovery	4,500	5,600	5,740	5,855

The forecast for 2022-2023 compared to the 2022-2023 budget includes an estimated underspend to budget of \$1.1 million due to lower consulting and expert costs required for projects.



INVESTING IN OUR PEOPLE

We know our employees enable our success and we are committed to having skilled, capable and forward-thinking employees to drive our goal of being a top quartile regulator.

At the beginning of our modernization journey, we emphasized the importance of investing in our people and developed our People Plan: A Human Capital Strategy. This plan outlines our strategic approach to human resources at the OEB and our priorities for building critical skills and competencies, strengthening current and future leadership, incorporating organizational design and change management, driving digital business transformation and enhancing employee experience.

We believe diversity and inclusion strengthens our organization. We acknowledge, honour and respect the fundamental value and dignity of all people and we are committed to actively seeking to identify, remedy and eliminate systemic barriers which preclude anyone from reaching their full potential. Diversity, equity and inclusion are embedded in our workplace culture, processes and practices and we collectively strive to create an environment in which all people feel a sense of belonging and can participate fully.

1 HIGH-PERFORMANCE ENVIRONMENT	2 ENGAGED WORKFORCE	3 DIVERSITY, EQUITY AND INCLUSION (DEI)
<ul style="list-style-type: none">• We assess and reward performance and deal with non-performance.• We have the right people in the right roles with the right skills at the right time.• We ensure employees have the training, information and skill programs to succeed.	<ul style="list-style-type: none">• Employees actively participate in OEB’s business and goals.• We listen to employees and act on opportunities to positively impact the work environment.• We work together and contribute to the collective success of the organization.• We are innovative and agile.	<ul style="list-style-type: none">• We create awareness through training, education and open dialogue.• We develop data-based insights.• DEI goals are linked to talent management processes and programs.• We are accountable to each other and for supporting the principles of DEI.

Our priorities remain unchanged as they will enable us to continue shaping our workforce so that we:

- Attract and retain key talent;
- Have leaders who actively participate in talent planning and performance assessments and execute business results;
- Have leaders who proactively engage with employees and establish optimal work environments through effective and consistent issue resolution;
- Ensure performance and productivity are rigorously benchmarked;
- Ensure employees are skilled and embrace a culture of continuous learning;
- Maintain an agile workforce that has developed change and adaptive skills/mindsets;
- Champion diversity, equity and inclusion in all corners and at all levels of our organization;
- Demonstrate commitment to continuous improvement; and
- Communicate transparently and informatively at all levels.

Our compensation philosophy is like most organizations in Ontario and Canada. It targets both base salary (the job rate) and total cash compensation for fully competent performers at the market 50th percentile for the purposes of compensation design and ongoing salary administration. This balances fiscal responsibility with the need to attract and retain talent relative to the industries the OEB competes with for talent.

During this business plan we will conduct a compensation review as well as procure a group benefits provider for a new term. Additionally, key human resources work will include reviewing our technology that supports talent acquisition to streamline administration and support the talent pipeline.

The OEB will begin to consider **Environmental, Social, and Governance (ESG)** objectives. We recognize ESG as being critical to creating opportunities for innovation and resiliency in today’s global economy and to ensuring we have the workforce of the future. We are committed to beginning our ESG journey by looking inward, turning to our staff as we consider what ESG means for us as an organization. We are dedicated to thinking innovatively about our approach to ESG, building out a plan that our employees can stand behind.

Below is the total number of employees by group in 2023/24:

Total Number of Employees by Group

Permanent*	Commissioners**	Management	Staff
228	10	37	191

*Commissioners are not included in the OEB’s permanent headcount.

**Including 1 Chief Commissioner.



ENTERPRISE RISK MANAGEMENT

Guided by the Finance and Risk Committee of the Board of Directors, the OEB’s approach to risk management has matured significantly since the last Business Plan. The OEB’s approach to risk management is directed by a new Enterprise Risk Management (ERM) program which includes an ERM Framework, an ERM Policy and an Enterprise Risk Register Protocol. With the implementation of this new ERM, the Enterprise Risk Management section of our Business Plan has been updated to reflect our improved approach to risk management.

The ERM Framework outlines a consistent approach to the identification, assessment, management and monitoring of risk at the OEB. It aligns with leading practices and guidance from the Ontario government, and its methodology is designed based on the principles of ISO 31000. The OEB’s ERM specifically outlines:

- **OEB’s Risk Universe** provides a common language for the identification, analysis and evaluation of risk;
- **OEB’s Risk Tolerance** refers to the amount and type of risk that the OEB is willing to accept;
- **OEB’s Risk Assessment** consists of three main steps: risk identification; risk analysis; and risk evaluation.

General Approach to Risk Management

- The ERM Framework aligns with leading practices and guidance from the Ontario government.
- The methodology is designed based on the principles of ISO 31000*.

* ISO 31000 is a family of standards related to risk management codified by the International Organization for Standardization, providing principles and guidelines on managing risks facing an organization.



Enterprise Risks for the OEB

The Enterprise Risk Register identifies key risks that the OEB faces from our risk universe as an economic regulator. It reflects an assessment of the likelihood and consequences of each risk; processes, tools, practices and activities adopted by the OEB to mitigate risks; and circumstances that impact and may change assessments of likelihood or consequence of the risk.

At this stage in our modernization journey the OEB has identified four significant enterprise risks:

Emerging Regulatory and Public Policy Issues

The OEB is one actor in a complex sector. Unplanned and emerging regulatory and public policy issues may require actions not anticipated by OEB or contemplated in the OEB's legislated objectives or current priorities.

Mitigating this risk will involve regular discussions with the Ministry of Energy to discuss emerging policy issues and strong leadership to monitor and prioritize work. Regular updates to the Chair, Board of Directors, CEO, and executive committees on developments among stakeholders, emerging public policy issues, matters of strategic significance and possible initiatives to ensure alignment and prioritization of resources will be a key mitigation. Additionally, ongoing engagement with stakeholders will ensure open communication and understanding of emerging issues and priorities.

Innovation

Failure to adapt to a rapidly changing sector and consumer demands may result in the OEB not delivering on its role within the energy sector.

To mitigate the innovation risk, we are engaging with stakeholders, the Ministry of Energy and IESO to discuss emerging issues related to innovation and the energy transition. Input from others, as well as internal reviews, helps to prepare the OEB to be the regulator the sector needs now and in the future.

Human Capital

The OEB may not have the optimal workforce, including Commissioners, required to deliver on our mandate and meet the future needs of the organization.

There are several mitigations we are using for this risk, with many centered around workforce and succession planning to ensure we have the skills and plans in place for staff and Commissioners, to support a modern OEB now and into the future.

Cyber Security

Cyber security protections may not be adequate to safeguard the OEB's operational environment.

Mitigation for this risk involves processes and tools which are audited and assessed to ensure we continually improve how we protect our environment. Additionally, simulation exercises and our IT Disaster Recovery Plan strengthen our mitigation and response preparation.

Risk	Likelihood ⁵	Consequence ⁶	Score
<p>Emerging Regulatory and Public Policy Issues The OEB is one actor in a complex sector. Unplanned and emerging regulatory and public policy issues may require actions not anticipated by OEB or contemplated in the OEB’s legislated objectives or current priorities.</p>	4	4	16
<p>Innovation A failure to adapt to a rapidly changing sector and consumer demands may result in the OEB not delivering on its role in the energy sector.</p>	4	4	16
<p>Human Capital The OEB may not have the optimal workforce, including Commissioners, required to deliver on our mandate and meet the future needs of the organization.</p>	4	4	16
<p>Cyber Security Cyber security protections may not be adequate to safeguard the OEB’s operational environment.</p>	3	5	15

⁵ Likelihood is the probability of the risk event occurring. Considerations that may have a bearing on the level of likelihood are the number, frequency or nature of the event over a period of time and are scored from 1 to 5. The likelihood score will typically increase when the frequency is higher or there is more complexity, and where a risk event is likely to occur sooner rather than later.

⁶ Consequence is the impact of the risk occurring. Quantitative and qualitative measures have been used to define various impact scores. The measures for each score and range of outcomes from 1 to 5 have been established by management. When assessing impact, the rating for the highest consequence is assigned to the given risk.



INITIATIVES INVOLVING THIRD PARTIES

The OEB has engaged third parties to assist in the delivery of the Ontario Electricity Support Program (OESP). The OESP is administered by the OEB and provides tax-funded on-bill rate assistance to eligible low-income electricity customers.

A central service provider manages application intake and processing. Applications involve sensitive personal information such as household income, social insurance numbers and dates of birth.

ICF Canada

Since 2015, the OEB has contracted ICF Canada to carry out the delivery of the OESP. ICF provides, among other services, the central IT system that enables consumers to apply for the OESP through a web portal, and that connects with electricity distributors, unit sub-meter providers, the Ministry of Finance and the Ministry of Children, Community and Social Services as part of the application processing and determination of eligibility processes. The OEB reviews and monitors ICF's performance on an ongoing basis. All payments to ICF are reviewed and approved by a member of the OEB's Executive Leadership and may be subject to audit at the OEB's discretion.

IESO

The OEB works closely with the IESO on implementing the Dynamic Pricing Pilot for Non-RPP Class B Electricity Consumers Class B Pilot research, research on DER incentives, Joint Engagement on DER Integration, Grid Innovation Fund projects selected under the Joint Targeted Call projects and more. We know collaboration between the OEB and IESO is important for the sector, and we will continue to work together where our interests overlap.

OESP Intake Agencies

The OEB has entered into agreements with more than 125 community (intake) agencies to assist with the delivery of the OESP. The involvement of intake agencies helps ensure that the OESP is available to the broadest population

of low-income households. Intake agencies are compensated monthly per application submitted. All amounts paid to agencies are reconciled against the application data that ICF has received from the agencies. The total amounts are reviewed and approved before payments are authorized. Audit trails for all payments to agencies are maintained in the ICF database in accordance with the standards stipulated in the ICF contract.

Procurement for Central Service Provider

The OEB's contract with ICF, to deliver the OESP, ends on June 30, 2024. The Ministry of Energy has obtained approval for the OEB to proceed with an open competitive procurement to obtain a central service provider for the delivery of the OESP, no later than July 1, 2024. This process has already started, recognizing the time that will be needed to enter into a new contract and the need to ensure continuity of the program. Following the procurement process, the design, build and implementation of the application intake and processing system will take place. The Ministry has confirmed that all amounts paid to the vendor during the implementation phase, where it is not yet operating as the central service provider, will be considered OESP administration costs which will be paid by the OEB and recovered from the IESO as per section 7 of O.Reg 14/18 made under the *Ontario Energy Board Act, 1998*. While estimated costs have been identified for the 5+3-year contract implementation, ongoing costs will not be known until vendor selection has been completed.



REALTY

The Financial Plan includes costs for the OEB’s lease of office and public-facing hearing space at 2300 Yonge Street in Toronto.

In the spring of 2022, aligned with Public Health guidelines, the OEB returned to our Yonge Street office in a hybrid work model. Working both in office and remotely from home, staff have embraced the flexibility, productively leveraging technological solutions and, at the same time, welcoming a return to in-person, face-to-face collaboration after a prolonged absence necessitated by the COVID-19 pandemic.

In anticipation of the expiry of our current lease on December 31, 2024, we are renewing our organization’s facilities strategy. Together with Infrastructure Ontario (IO), the OEB is working to assess our physical office space needs, within the requirements of the Realty Directive, while also internally planning for required information technology and changes needed to support the organization into the future. Future lease expenditures cannot be estimated until a realty options analysis is provided by IO, which is expected while this Business Plan is being finalized. Accordingly, no acquisitions or leasehold additions are assumed in this Plan.



INFORMATION TECHNOLOGY / ELECTRONIC SERVICE DELIVERY PLAN

The Information Technology (IT) and Electronic Service Delivery (ESD) plan sets out programs and activities that support the OEB’s Digital First Strategy, which is aligned with our enterprise strategic goals of **Evolving Toward Becoming a Top Quartile Regulator** and **Facilitating Innovation**. The strategy seeks to systemically move today’s non-digital interactions into interactions that prioritize digital engagement and the use of digital products and services across the spectrum of activities within our organization. The Digital First Strategy envisions the OEB as a leader in digital interactions.

We continue to progress our Digital First journey within our framework comprised of three elements: technology optimization, digital optimization and digital transformation. We will approach our role with a digital first mindset, delivering innovative, secure, responsive, adaptable and user-friendly services.

The OEB has also developed and deployed processes and technology to mitigate the risks associated with cyber security threats.

OEB Budgeted IT Capital Project Spending by Category (in \$000's)

Category	2023-2024	2024-2025	2025-2026
Business Systems	\$1,197	\$1,227	\$1,251
End User Computing	\$200	\$205	\$209
Infrastructure	\$150	\$154	\$157
Total	\$1,547	\$1,586	\$1,617

CATEGORY DEFINITIONS

Business Systems - initiatives related to the upgrading or replacement of technology systems that are used by the OEB and/or by external stakeholders (such as regulated entities and consumers). These systems include our websites, e-Services for regulatory filings, financial systems, HR systems, as well as our core back-office systems which we use to manage our regulatory records and processes.

End-User Computing - initiatives related to the upgrading or replacement of end-user hardware, such as laptops, desktops, printers, phones, and internal-only applications like MS Office, Adobe and Pivotal.

Infrastructure - initiatives related to the upgrading or replacement of the underlying technology that supports the OEB’s business systems. This includes servers, networks, cabling, telecom equipment, server room equipment, storage, databases, server operating systems, hearing room technology and technology management systems.



COMMUNICATIONS PLAN

We are committed to transparency and accountability as we deliver on this Plan and build on the previous year's progress against our Strategic Plan. To allow full public access to the Plan and updates, it will be posted on the OEB website within 30 days of receiving approval from the Minister of Energy, as required by the Memorandum of Understanding with the Minister. We are also committed to regular engagement of stakeholders through formal and informal consultations, digital engagement like Engage with Us, social media and other platforms.



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