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**BUSINESS PLAN
2024-2027**

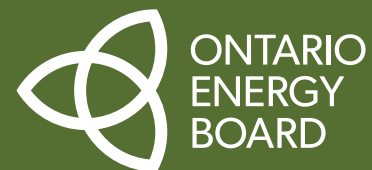


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JOINT MESSAGE FROM
OEB ACTING
CHAIR &
CEO

The Ontario Energy Board (OEB) is pleased to present our 2024/25-2026/27 Business Plan (the Plan). This rolling Plan focuses on fiscal year 2024/25 and includes forward looking budgets for 2025/26 and 2026/27. It's also aligned with year four of the OEB's five-year Strategic Plan, which was launched in 2021, early in the modernization period brought on by the passage of Bill 87.

This Plan is anchored in providing value to the people of Ontario through the lenses of consumer protection and customer choice, regulatory policy leadership, innovation and adjudicative excellence. All aspects of this Plan have been carefully chosen to maximize the impact of our budget allocation and meaningfully advance priority objectives which are tangible and outcome focused. This is how a top quartile regulator functions and this is why you can count on the OEB to be part of Ontario's energy advantage.

Within the energy transition, our role as the independent regulator of Ontario's electricity and natural gas sectors has never been more critical. We will bring an active and agile mindset to our legislative mandate and collaborate across the sector to meet the expectations of those we serve. Our work is informed by the government's plan for *Powering Ontario's Growth* which leverages a clean energy grid to promote electrification and job creation while continually enhancing reliability, resiliency and customer choice. Our work is also shaped by the annual Letter of Direction from the Minister of Energy and the complex and evolving stakeholder environment within which we operate. This includes the IESO's *Pathways to Decarbonization Report* and recommendations of the Electrification & Energy Transition Panel, with whom we have invested considerable time and effort.

Since publishing last year's Business Plan, notable progress has been made on a number of priority deliverables including Distributor Resiliency, Responsiveness and Cost Efficiency, Electric

Vehicle Integration, Broadband Expansion, Green Button Implementation, Red Tape Reduction and the Ultra-Low Overnight Price Plan. At the same time, we have advanced excellence in the adjudicative process by introducing a number of procedural reforms which go to the heart of our commitment to efficiency and effectiveness. Notably, our Adjudication Dashboard is the first of its kind in Canada and provides a level of transparency and accountability offered by no other energy regulator in the country.

For the year ahead, several complex and multi-year initiatives are already well underway and will further advance the actions that the province is taking to meet increasing demands for electricity and fuel strong economic growth. These include the need to facilitate innovation, working with industry to bring about a Total Cost Benchmarking Model, exploring Dynamic Electricity Pricing for Class B consumers who do not pay Regulated Price Plan prices, conducting a Cost of Capital Review and making further progress on our Intervenor Framework.

Exciting and innovative new work also awaits the OEB with respect to the development of Future Utility Business Models that reflect a made in Ontario approach to the form and function of utility operations and a fit for purpose regulatory approach which protects consumers from risk, not from progress. We understand the significance of this undertaking and will approach the deliverables with the thoroughness and transparency that has come to characterize our policy undertakings over the past few years.

The momentum in Ontario's energy sector is palpable. It creates unprecedented challenges and opportunities and demands an energy regulator with the right mandate *and* the right mindset. Based on deep consultation across the sector, this Plan does just that. It represents our very best thinking; a measured approach to fiscal and human resources and a bold vision for playing a key role in Ontario's energy transition.

Glenn O'Farrell
Acting Chair

Susanna Zagar
Chief Executive Officer



INTRODUCTION

The OEB's goal is to promote a sustainable, reliable energy sector in which 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 our core activities, priority initiatives and budgets for 2024/25 and into 2026/27. The plan supports the Province's housing, transportation and job creation goals through initiatives and by working with stakeholders.

MANDATE

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

Ontario has one of the largest and most complex energy sectors in North America. It is an ecosystem, an intricate network of organizations that function together for the benefit of homes and businesses across Ontario. We oversee the energy sector in the public interest, protecting millions of electricity and natural gas consumers across the province. We deliver public value and are responsive to the changing needs of those consumers, the entities we regulate and Ontario's economy.

Ontario energy consumers deserve a sustainable, reliable and high-quality energy system and value from their electricity and natural gas services. We will not lose sight of the individual ratepayers, the consumers or the people of Ontario.

Our objectives, responsibilities and powers are set out in legislation, regulations and directives.

For industry, we:

- Set the delivery rates that electricity and natural gas utilities can charge.
- Monitor the financial and operational performance of utilities.
- Approve major new electricity transmission lines and natural gas pipelines that serve the public interest.
- Approve mergers, acquisitions and divestitures by electricity and natural gas utilities.
- Set payment amounts that Ontario Power Generation can receive for the electricity generated by its regulated nuclear and hydroelectric generation facilities.
- Establish and enforce codes and rules to govern the activities and conduct of utilities and other industry participants.
- Licence entities in the electricity sector and natural gas marketers.

For consumers, we:

- Protect the interests of our various types of consumers by setting the rates and prices that utilities can charge.
- Provide the information consumers need to better understand the rules that protect them and their responsibilities.
- Protect their interests in retail electricity and natural gas markets.
- Address the particular needs of low-income consumers through the establishment and enforcement of utility customer service rules and the oversight of financial assistance programs.

GOVERNANCE

The OEB's corporate governance structure came into effect on October 1, 2020. The Board of Directors are appointed by the Lieutenant Governor in Council. Responsibility for appointment of the Chief Executive Officer (CEO) and Commissioners, including the Chief Commissioner, rests with the Board of Directors.




The Board of Directors is responsible for the governance of the OEB. The Board of Directors has established two committees, the Adjudication Committee (AC) and the Finance & Risk Committee (FRC), to assist in carrying out its oversight role, as well as a Letter of Direction Task Force (LODTF).

The AC receives information on the efficiency, effectiveness and timeliness of the adjudicative function of the OEB. The committee monitors processes and timelines associated with adjudication matters. The committee is always careful to ensure the independence of the adjudicative function at the OEB. The FRC assists the Board of Directors in overseeing risk management and financial affairs, including reporting, disclosure, compliance, enterprise risk management and internal audit at the OEB. The LODTF was created to provide strategic insights to management on the timing and substance of the delivery of the tasks outlined in the Letter of Direction from the Minister.

The CEO is accountable to the Board of Directors and is responsible for the efficient and effective management of the operations of the OEB. Reporting to the CEO are the Chief Corporate Services Officer & General Counsel and the Chief Operating Officer. As well, the Chief Commissioner reports to the CEO with respect to the efficiency, timeliness and dependability of the hearing and determination of matters and ensures their efficiency, timeliness and dependability including by directing and supervising Commissioners in that regard.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) HIGHLIGHTS

Based on the results of a materiality assessment, the OEB has articulated the driving principles, future goals and material topics that make up the OEB's internal ESG Framework. In 2024/25, we will further refine these principles, goals and topics as we move toward developing a more comprehensive ESG Framework. Additional enhancements may be incorporated into our ESG Framework based on emerging best practices and reporting standards. In our three pillars – Environmental, Social and Governance – we outline OEB activities and initiatives that align with and contribute to our ESG goals.

	Environmental 	Social 	Governance 
Principles	Fully support an energy transition that is radically reshaping the economic, environmental and social landscape of our province.	Ensure that our people are supported, able to deliver to their full potential and participate in a meaningful way in our community.	With foundational work of OEB modernization behind us, enable the OEB to have the structures in place to deliver on our mandate and support the energy transition.
Future Goals	Commitment to reducing our environmental footprint and embracing sustainable practices.	Ensure that we have the right skills and ability in our organization to meet current and future needs, while providing an engaged and inclusive workplace for employees to thrive.	Increase knowledge and awareness of governance processes through transparency and accountability while building a culture of risk management.
Topics	<ul style="list-style-type: none"> • Energy Consumption • Sustainability • Emissions and Renewability • Waste Reduction and Recycling 	<ul style="list-style-type: none"> • Diversity, Equity and Inclusion • Employee Engagement • Development and Employee Wellness • Community Impact 	<ul style="list-style-type: none"> • Institutional Governance • Data Protection and Cyber Security • Technology and Innovation • Enterprise Risk Management



ENVIRONMENTAL SCAN

The environment in which the OEB operates is evolving. Decarbonization continues to impact and shape the energy landscape, the demand for clean electricity is rising, distributed resources need to be integrated at greater scale and consumer expectations continue to evolve. These factors will invariably impact the OEB's operations during the three years of this Plan and beyond. In response, the OEB must be nimble, coordinated and iterative in its approach to the work outlined in this Plan.

Public Policy

Ontario's energy sector is a complex network of organizations that function together to power Ontario. This network crosses provincial, federal and even municipal levels of government and intersects with a variety of public policy areas including the environment, infrastructure, economic development, job creation and innovation.

The effects of climate change are becoming apparent in Ontario, Canada and worldwide. Nationally, the government has begun phasing out fossil fuel subsidies and proposed regulations to reduce greenhouse gas emissions in the electricity sector nationally starting in 2035. Provincially, Ontario has one of the cleanest and most reliable electricity systems in the world, with more than 90% emissions-free generation contributing only two percent of total GHG emissions. But demand for clean electricity is expected to more than double by 2050 as the population grows and sectors such as transportation, building heating and manufacturing (which combined are responsible for 75% of the province's GHG emissions) decarbonize through electrification.

In preparation for the anticipated increase in electrification the Independent Electricity System Operator (IESO) produced the *Pathways to Decarbonization* report (2022), which identifies supply mixes that could meet growing demand. The solutions include new nuclear, renewables and storage, as well as emerging technologies such as hydrogen deployed at scale. In all scenarios, natural gas remains a critical capacity resource needed to maintain grid reliability and energy affordability during the transition.

Mindful of the various challenges and opportunities that come with a growth in demand, the province's *Powering Ontario's*

Growth report (2023) lays out near-term actions to build a clean, decarbonized electricity system that attracts investment and creates jobs. These actions will also help prepare the province for the addition of 1.5M new homes in a decade, a priority for the Ontario government. It is a dynamic environment, requiring efficient regulatory review to ensure infrastructure can support growth while protecting the people of Ontario.

Consumer Expectations and Impacts

In this evolving energy landscape consumers remain the top priority and must be protected from risk, not from progress. This means ensuring an energy transition that enables reliable, affordable and clean energy to flow to and from homes and businesses. The adoption of new technologies and distributed energy resources (DERs), including electric vehicles (EVs), rooftop solar and batteries, will require the sector to provide timely and accurate information, predictable connectivity and enhanced choice. The transition must also take into consideration the unique needs of different consumers, such as industry, businesses and individuals, whose needs should be met with a sense of urgency and care. The development and implementation of Green Button and the Ultra-Low Overnight (ULO) price plan are examples of where, respectively, more information and choice has been provided to consumers. The availability of data from smart meters, combined with tools for analyzing and reporting this information, may in turn enhance the adoption, usage, and value of new technologies, such as DERs.

Increasing energy needs and costs, however, may put some consumers at risk. Lower-income households, who spend a higher portion of income on energy, may be disproportionately

affected by the investments necessary for the energy transition. Remote and Indigenous communities also face unique challenges, both in terms of the services they receive and the impact that energy projects have on their communities. Businesses and industry will also be vulnerable to the impact of energy on their bottom lines.

As Ontario's independent economic regulator, the OEB cannot exist in isolation from the sector or public. The OEB is deeply committed to openly, clearly and thoughtfully collaborating with all stakeholders, and to increasing engagement with Indigenous peoples, to ensure their rights and insights are reflected in our activities.

In February 2024 the OEB announced changes to the Low-income Energy Assistance Program Emergency Financial Assistance (LEAP EFA). This includes aligning income eligibility thresholds with the new expanded OESP income thresholds, increasing grant amounts, changing funding so that no eligible applicant will be denied assistance due to a lack of funding and improving LEAP EFA application processing performance metrics. These changes will help ensure that LEAP EFA continues to provide an appropriate level of assistance to vulnerable consumers in a timely and effective manner.

Energy and Cyber Security

Despite the effort and, in some cases, progress toward decarbonization, climate change will continue to test the reliability of energy supply. According to the IESO, changes in Ontario's weather patterns will have a major impact on electricity demand and affect the performance of infrastructure. These effects can sometimes be immediate and devastating, as in the case of high impact storm events and fires, the likelihood and severity of which are expected to continue increasing. With electrification of transportation and heating, loss of service can have an even greater impact. The Ministry of Energy and the OEB are responding with initiatives to improve distribution sector resiliency, including developing guidelines for distributors to assess

risk and value of system enhancements, as well as requirements for restoration of service following a major weather event.

With the energy sector, like others, becoming more digitized and decentralized, there are emerging risks associated with cyber threats. These threats are evolving quickly, increasing in both frequency and sophistication. But risk should not stop progress, particularly where consumers and utilities stand to benefit from advances in data sharing. Instead, robust cyber security risk awareness, management and collaboration are needed, shifting the burden away from consumers to products that are secure by design.

The energy transition also depends on the availability of critical minerals and labour to build the energy system of the future. According to Electricity Human Resources Canada's *Electricity in Demand: Labour Market Insights 2023-2028* report, 28,000 new employees will be needed in the Canadian electricity sector by 2028, equivalent to 25% of the current labour force. Scarce resources within the labour market will pose challenges in driving change within the energy system, so the OEB must foster a workforce that both embraces an innovative mindset and protects the public we serve.

Facilitating Innovation and System Change

Innovation, especially in areas such as low emission fuels, nuclear energy and carbon capture, will be necessary to achieve net zero, and the sector is looking to governments and regulators for guidance. For example, Ontario's electricity distributors have expressed interest in being able to undertake new activities, such as harnessing DERs within their distribution service areas to meet distribution or bulk system needs. Many innovative pursuits fall within the current regulatory framework and the OEB's powers to review rate applications, grant individual exemptions, set rules and update accounting treatment for new activities.

Recommendations have been shared by the Electrification and Energy Transition Panel (EETP) in its final report, *Ontario's Clean Energy Opportunity* which was released to the public on January 19, 2024. The EETP received submissions from many organizations, including the OEB, on approaches to achieving environmental and economic benefits, acquiring new energy resources, and conducting long-term system planning. Their advice to the Minister on how best to support the transformation of Ontario's energy sector includes sections on Principles for a Successful Energy Transition;

Planning for Electrification and the Energy Transition; Governance and Accountability; True Partnerships with Indigenous Communities; Innovation and Economic Development; and Consumer, Citizen, and Community Perspectives. There is great interest in the future of Ontario's energy system and this momentum will be important to build on, as coordination between all levels of government and participants is essential to advancing an energy transition in the public interest. The OEB awaits direction on our role in next steps to implement the recommendations of the Panel.

The OEB is mindful of the operating environment described here and the backdrop against which we must deliver on our mandate over the next three years. The actions we've outlined in this Business Plan account for this context.



STRATEGIC DIRECTION:

EXECUTING ON YEAR
FOUR OF OUR
STRATEGIC PLAN



VISION

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



MISSION

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



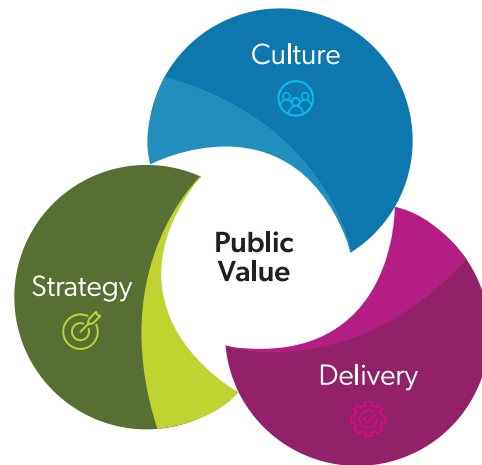
PURPOSE

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

The OEB’s strategy, culture and delivery come together to drive public value for those we serve. Each component and the overlap between them represents different aspects of our work, which is shaped by our vision, mission, purpose and values.

STRATEGY

1. Enable Ontario’s Energy Advantage
2. Protect the Public
3. Drive Energy Sector Performance
4. Facilitate Innovation



CULTURE

The OEB employees are an integral part of our strategy and delivery. Through the OEB’s People Plan we will work to ensure the OEB’s culture and values support our people’s ability to do their best work while being their true selves.

DELIVERY

Delivery is what we do, it is our business systems and processes. It is executing on our mandate and includes adjudicative processes, providing advice on energy matters, developing energy policies and establishing rules and code for the industry.

VALUES

Accountable	Transparent	Driven	Thoughtful
We hold ourselves accountable to the sector we serve, the customers who use it and to each other through integrity of governance, clarity of process and independence of decision making.	We are transparent in setting objectives, measuring outcomes and reporting on our performance to our stakeholders and the public.	We are driven purposefully to deliver value to the people of Ontario and the evolving energy sector that we regulate.	We approach each day thoughtfully and ensure prudent stewardship of one of the most complex and productive energy sectors in the world.

1. Enable Ontario's Energy Advantage



The OEB is a trusted regulator that is accountable for advancing the public interest and makes independent decisions based on fact and evidence. Operating as a top quartile regulator means having a responsibility to continuously improve, and as Ontario's independent economic regulator of the electricity and natural gas sectors, the OEB knows that improvement is never finished, there is always room for more. The OEB is committed to continuing to evolve as a top quartile regulator to enable an energy advantage.

2. Protect the Public



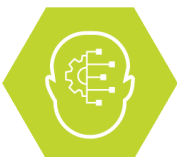
The OEB protects the interests of consumers with respect to price and quality of service as it ensures the advancement of the public interest in Ontario's energy sector. Compliance with OEB codes and rules is enforced. Consumers have the information they need to better understand their energy use, including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

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.

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.

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; one 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, in year four of this plan, the OEB has matured significantly, streamlining processes and strengthening governance, communications and stakeholder engagement to drive toward efficient and effective regulation. Others outside of the OEB are recognizing the organization as a top quartile regulator.

We recognize that operating as a top quartile regulator means never being done. We remain committed to continuous improvement and ruthless prioritization of initiatives which will enable efficient and effective support for adjudicative decision making. This is why we've closed our Top Quartile Regulator goal and introduced a new strategic goal to Enable Ontario's Energy Advantage. The three additional strategic goals Protect the Public, Drive Energy Sector Performance and Facilitate Innovation remain in place and shape our work as the focus of this Business 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, innovation, and growth in the sector. The Minister's November 29, 2023 Letter of Direction (the Letter) is a key input to the Business Plan and scoping of initiatives outlined in the Letter shapes several planning assumptions for the OEB. In building this Business Plan we've also consulted with the sector through the OEB's Annual Policy Day, as well as various working groups and stakeholder forums like Energy [X] Change and the Adjudication Modernization Committee. We have reflected input from the sector within this Plan and will continue to collaborate as planning for initiatives continues. We are committed to transparency and true collaboration, and we must take appropriate time to thoughtfully plan our work while maintaining momentum to ensure we do not delay others.

To do this work, we need our people, financial and technical resources. To deliver our Plan and we need to ensure we have the right skilled employees, both now and in the future. The OEB's approach to talent management is described in more detail in the Investing in our People section of this Plan and supported by the OEB's new People Plan 2.0 covering the same duration as this Business Plan. Our plan for the resources needed to meet our goals and objectives, from a financial perspective, is included in the Financial Plan section. Recognizing that we hold regulated entities to account for their spending, our plan demonstrates fiscal restraint by not proposing new human resources. Tools and technology needed to achieve this plan are detailed in the Information Technology/Electronic Service Delivery Plan section.

Overview of Current and Future Programs & Activities

The programs and initiatives included in this Business Plan drive delivery in year four of our Strategic Plan. Work is aligned 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.

ENABLE ONTARIO'S ENERGY ADVANTAGE

To Enable Ontario's Energy Advantage, the OEB is focused on programs and activities that drive adjudicative effectiveness and efficiency as well as reduce regulatory burden and red tape. This includes ongoing OEB activities such as our **core adjudication work**, the prioritized **Review of Adjudicative Policies, Reporting and Record Keeping Requirements (RRR) Review** and updates, and Indigenous Consultation Policy Updates introduced in our 2023 Business Plan.

Additionally, activities in support of **Powering Ontario's Growth** align with this strategic goal. As outlined in the Letter of Direction, the OEB anticipates working with the Ministry of Energy on several initiatives, including **Transmission Expansion and Connection Rules Updates**, to support Ontario's Powering Ontario's Growth plan released in July 2023. The OEB awaits further direction to implement recommendations from the **Electrification and Energy Transition Panel (EETP) Report**. We look forward to working with the Ministry of Energy to collaborate on next steps.

PROTECT THE PUBLIC

The OEB remains committed to our goal of Protecting the Public. Work under this goal takes several forms, including our **compliance** program, **Strengthening Cyber Security** and **Demand Side Management (DSM)** programming.

The OEB will continue delivering against the **Intervenor Action Plan**, making changes to the original project in response to the November 2023 Letter of Direction. As part of this work, the Cost Award Guidance and Individual Intervenor Guidance initiatives have been combined into the Consumer Advocate and Cost Award Process, which will consider the adoption of a consumer advocate model and explore the capping of intervenor costs. Elements of advance funding, establishing intervenor categories based on areas of representation and interest, cost award eligibility, tariff changes, and updates to the Rules of Practice and Procedure

will also be examined. Another initiative, Cost Award Data Collection will focus on obtaining information on utility application costs.

Activities in the 2024/25 fiscal year will also focus on **Ontario Electricity Support Program (OESP) Implementation**; more information on OESP is included in the Business Plan section titled Initiatives Involving Third Parties. The OEB will continue to implement remaining recommendations from the **Auditor General of Ontario's 2022 Value for Money (VFM) Audit**. The table below summarizes the OEB initiatives related to each of the audit recommendations.

Audit Recommendation: 4 & 5
OEB Initiative: Consumer Protection for USMP Customers

Audit Recommendation: 9
OEB Initiative: Electricity distributors Adjudicative Efficiency Assessment

Audit Recommendation: 10
OEB Initiative: Cost of Capital Review

Audit Recommendation: 11
OEB Initiative:

- Review of Mergers, Amalgamations, Acquisitions and Divestitures (MAADs) policy
- Establish Minimum Standard Reporting Requirements for Merged Entities

DRIVE ENERGY SECTOR PERFORMANCE

Several programs and activities will be executed in 2024/25 and throughout the remainder of this Plan to deliver on our goal to Drive Energy Sector Performance.

The OEB has delivered key components of our **Electric Vehicles (EVs)** integration work and related Distributed Energy Resources (**DER**) **Connections Review**. We will continue to deliver

on our plans as endorsed in the November 2023 Letter of Direction, including considering service standards, a standardized process with enforceable timelines for connecting EV charging infrastructure, and publicly available electric distribution capacity information. In addition, we will continue our work related to EV delivery rates, specifically demand charges applied to public EV charging facilities. We will revise our plan based on stakeholder feedback received in 2023, and provide clear direction to the sector on next steps in Q1 2024.

As outlined in the November 2023 Letter of Direction, the OEB will support **Housing, Transportation and Job Creation**. This work includes reports on **Residential Connection Unit Costs** that will review infrastructure unit costs in the electricity sector to help to ensure costs are kept low and are not a barrier to growth in the province. This project is undertaken to benchmark the costs electricity distributors may typically incur to design and build new subdivisions and other residential communities, as well small commercial and industrial (C&I) electrification service. The **Distribution System Expansion Connection and Revenue Horizons** work will review the electricity distribution system expansion connection and revenue horizons as set out in the Distribution System Code to ensure that the balance between supporting growth – housing development, in particular – and ratepayer costs remains appropriate. The OEB will report back to the Minister by June 2024.

We continue with our multiyear project on **Dynamic Pricing Pilot for Non-RPP Class B Electricity Consumers** as we design and implement a dynamic electricity pricing pilot to assess the benefits for Class B consumers that don't pay Regulated Price Plan (RPP) prices.

Reliability continues to be a focus for the OEB, as we continue to execute on our multiyear **Reliability and Power Quality Review (RPQR)** initiative with the support of a Working Group that includes consumer groups, distributors, and a transmitter.

Additionally, as endorsed in the Letter of Direction, the OEB is developing a workplan to make significant progress on **Distribution Sector Resiliency, Responsiveness, and Cost Efficiency (DRRCE)** report recommendations. This work has been divided into two programs, one focused on Distribution Sector Resiliency and Responsiveness and the second on Cost Efficiency.

Distribution Sector Resiliency and Responsiveness is focused on protecting consumers, highlighting best practices, and incorporating resilience as an additional planning driver, through the following work streams:

- **Current Practices:** Collect details of current resilience and recovery planning by Ontario electricity distributors, such as restoration plans, mutual aid practices, storm preparedness and storm-related exercises, to identify best practices and inform other work streams
- **Restoration Performance:** With the RPQR Working Group, define high-impact, low- frequency (HILF) storms, a subset of major events, and set minimum targets for restoration of service and customer communicating following a HILF event
- **System Hardening:** Drawing on best practices from Ontario and other jurisdictions, propose methodology for assessing system vulnerability and the value customers place on lost load, as well as guidance that ensures customer value is prioritized when investing in system enhancements for resilience purposes.

Cost Efficiency includes elements identified in the DRRCE report, as well as related work streams updating the OEB's incentive-base approach to rate-setting:

- **Cost of Capital Review:** Fulfilling recommendations made in the VFM Audit, this generic proceeding will review the deemed capital structure and return on

equity formula, among other matters, to ensure they continue to meet the Fair Return Standard and reflect the risk profile of rate-regulated entities. Additionally, the proceeding will address matters relating to prescribed interest rates and Cloud Computing Arrangements.

- **Total Cost Benchmarking (TCB) and Total Factor Productivity (TFP):** A multiyear initiative intended to leverage econometric modelling best practices to improve accuracy for rate setting purposes and performance monitoring. This work will begin with exploratory analysis and consultation in 2024/25.
- **Spending and Rate Term Analysis:** Review elements in the OEB's incentive rate-setting mechanisms and examining distributors' spending patterns to identify where changes or incremental incentives are warranted.
- **Performance Incentive Mechanisms:** Working with the sector, develop principles, generic designs, and other criteria for performance incentives that can be applied to aspects such as customer service, resilience, or managing peak loads to defer distribution system needs.

FACILITATE INNOVATION

The OEB will leverage new authority to approve license exemptions for pilot projects that further our statutory objective to facilitate innovation in the electricity sector. The exemptions may apply to the requirement to be licensed as an electricity distributor, retailer, wholesaler, unit sub-meter provider and gas marketer, can last up to five years and may be renewed. This authority comes after amendments were made to the Ontario Energy Board Act, 1998, in 2023. It also follows through on a recommendation, informed by stakeholder feedback, from the OEB Innovation Sandbox Renewal consultation to share lessons learned with the Ministry of Energy about legislative barriers to innovation.

The OEB will continue with work underway to execute our goal to Facilitate Innovation in Ontario's energy sector. This includes our **Innovation Sandbox**, which supports pilot projects testing new activities, services and business models in Ontario's electricity and natural gas sectors, and **Sandbox Challenge Projects**. The Sandbox Challenge funds six projects addressing the challenge: how to move pilots to broader implementation and develop innovative strategies to enhance customers' understanding of their role in the energy transition.

As part of **Utility Remuneration**, the OEB will review remuneration models deployed in other jurisdictions and their applicability for Ontario utilities, reporting back to the Minister by September 2024.

The OEB will also continue with the **DER Connections Review**, which began in 2019 to review the requirements for the connection of DERs by licensed electricity distributors. It is now in Tranche 5 of the initiative, which focuses on enabling higher DER penetration through exploring different approaches to address local capacity issues and clarifying cost responsibilities for DER connections. At this stage, we are also reviewing issues related to electric vehicle (EV) charging connections such as information sharing, connection process, technical requirements and cost responsibility.

Additionally, as outlined in the Letter of Direction we will work towards **Electricity and Natural Gas Conservation**, consulting with the IESO and Enbridge (EGI) to build off the success of the one-window program for income-tested customers and addressing the IESO-LDC working group report recommendations outlined in the Letter, with a report back in April 2024.

The OEB will continue to work with our sector partners to examine the potential regulatory landscape as DER and innovation shape **Future Utility Business Models**. When considering innovation, utility remuneration is often raised

and is being considered in our **Benefit-Cost Analysis Framework for Addressing Electricity System Needs**. As outlined in the Letter of

Direction, the OEB will report back to the Minister on this in September 2024.

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. The initiatives in this Plan continue to build on those multi-year initiatives outlined in our prior Business Plans.


Aligned with our core values, the OEB will approach this work driven to collaborate with and engage our stakeholders and with a sense of accountability, transparency and thoughtfulness. Details on non-adjudicative projects and project specific implementation plans are publicly available on our Engage with Us website (engagewithus.oeb.ca). Engage with Us is a centralized online platform for information sharing about specific OEB projects, including detailed project descriptions, project documents, timelines and contacts.

We publicly share details of our work because we value keeping stakeholders promptly informed about our projects and initiatives. To ensure we are transparent about timing of our work, as well as when and how stakeholders can share their relevant input, implementation details are available online at oeb.ca.

The timeline below provides implementation details for the 2024/25 fiscal year.

2024/25 ROADMAP OF KEY PROJECTS

STRATEGIC GOAL		Q1	Q2	Q3	Q4
 ENABLE ONTARIO'S ENERGY ADVANTAGE	Powering Ontario's Growth	Placeholder for Future Support			
	EETP	Transmission Expansion and Connection Rules Updates			
 PROTECT THE PUBLIC	Intervenor Process	Intervenor Action Plan			
	Auditor General's Value for Money Audit	Sept. 30 ► Report to Ministry			
		Consumer Protection for USMP Customers			
		Electricity Distributors Adjudicative Efficiency Assessment			
		Cost of Capital Review			
OESP Implementation	Review of MAADs policy				
		Establish Minimum Standard Reporting Requirements for Merged Entities			
 DRIVE ENERGY SECTOR PERFORMANCE	Electric Vehicles	Development of New OESP Solution			
		EV Connections			
		EV Delivery Rates			
	Housing, Transportation & Job Creation	Distribution Capacity Information Sharing			
		Residential Connection Unit Costs			
	Distribution Sector Resiliency, Responsiveness, and Cost Efficiency (DRR CE)	Dist. Sys. Expansion & Revenue Horizons			
June 28 ► Report to Ministry					
Climate Resiliency and Responsiveness					
Non-RPP Class B	Cost-Efficiency				
	By Dec. 31 ► Update to Stakeholders on Timing of Any Reforms				
 FACILITATE INNOVATION	Facilitating Innovation	Dynamic Pricing Pilot for Non-RPP Class B Electricity Consumers			
		IESO & Ministry of Energy Collaboration			
	DERs & Future Utility Business Models	Utility Remuneration			
		Sept. 30 ► Report to Ministry			
		DERs			
Electricity, Natural Gas Conservation & Demand Management	Future Utility Business Models				
	One-Window for CDM/DSM				
	April 30 ► Report to Ministry				
	Provide Guidance and Support for CDM				
	DSM				



ENERGY TRANSITION ROADMAP

As the energy transition continues to unfold, the context within which the OEB operates is also evolving. The OEB has an important role to play in ensuring that the energy transition progresses in a way that is efficient, cost-effective and provides as much value as possible to the people of Ontario. We do this by facilitating innovation that supports the energy transition and benefits consumers, ensuring planning is happening with the energy transition in mind and supporting efficient and cost-effective electrification and conservation.

As we respond to the energy transition, the OEB remains committed to continuing to transparently engage with stakeholders as we conduct our current and future activities. To this end, the OEB's Energy Transition Roadmap (the Roadmap) is a schedule of activities that map out the work of the OEB as it relates to the transition in the short- and medium-term. The Roadmap is intended to provide clarity around the OEB's work as it relates to the energy transition and supports the coordination of related activities within the broader sector.

The Roadmap only includes policy consultations, stakeholder Working Groups and other policy initiatives that directly relate to the energy transition and does not include ongoing or future adjudicative proceedings. 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. We also know that change is constant, and we are prepared to adjust course as needed by prioritizing initiatives that will ultimately benefit the public we serve. The Roadmap is below.

OEB ENERGY TRANSITION ROADMAP

■ CURRENT ■ PLANNED ■ POSSIBLE FUTURE ■ ONGOING ■ COMPLETED



POTENTIAL FUTURE INITIATIVES

- Review Utility Remuneration
- Framework for Integrated Natural Gas & Electricity Planning
- Review of Cost-Effectiveness Test for IRP and Gas Expansion
- Natural Gas Stranded Assets & Risk Allocation Review



PERFORMANCE MEASUREMENT

PERFORMANCE MEASUREMENT

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

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

Adjudicative Dashboard: The OEB monitors the timeliness of its adjudicative proceedings on an ongoing basis, using performance standards for all application types. The year-to-date results are reported online twice a year in the Adjudicative Dashboard.

Enterprise Scorecard: The OEB regularly tracks progress on strategic, operational, financial and human resource metrics. As outlined in the Memorandum of Understanding between the Minister of Energy and the Chair, year-end results are audited externally and published in the Annual Report.



Strategic Performance Measures (SPM)¹: A single-scorecard view of how the cumulative array of OEB activities (including those on the Adjudicative Dashboard and Enterprise Scorecard) drives progress along Strategic Goals and advances outcomes that provide value to the sector and public.

Continuous Improvement

The OEB recognizes that improvement is never finished. Performance measurement benefits from stability, but must also respond to evidence, feedback from stakeholders and changing needs of the organization. Recent Letters of Direction have echoed this view, challenging the OEB to hold itself to the highest standard of performance and measure outcomes that clearly define its impact in the sector.

Over the last year the OEB assessed the current state of the PMF in the context of industry best practice and stakeholder perspectives. This review included:

- Analysis of two years of data (2022, 2021) beyond baseline (2020), as detailed in the 2022/23 Annual Report.
- Consideration of the PMF structure, and whether it demonstrates that OEB activities support statutory objectives and strategic outcomes.

¹ Strategic Performance Measures (SPM): In the 2022/23 Business Plan the SPM was referred to as the PMF.

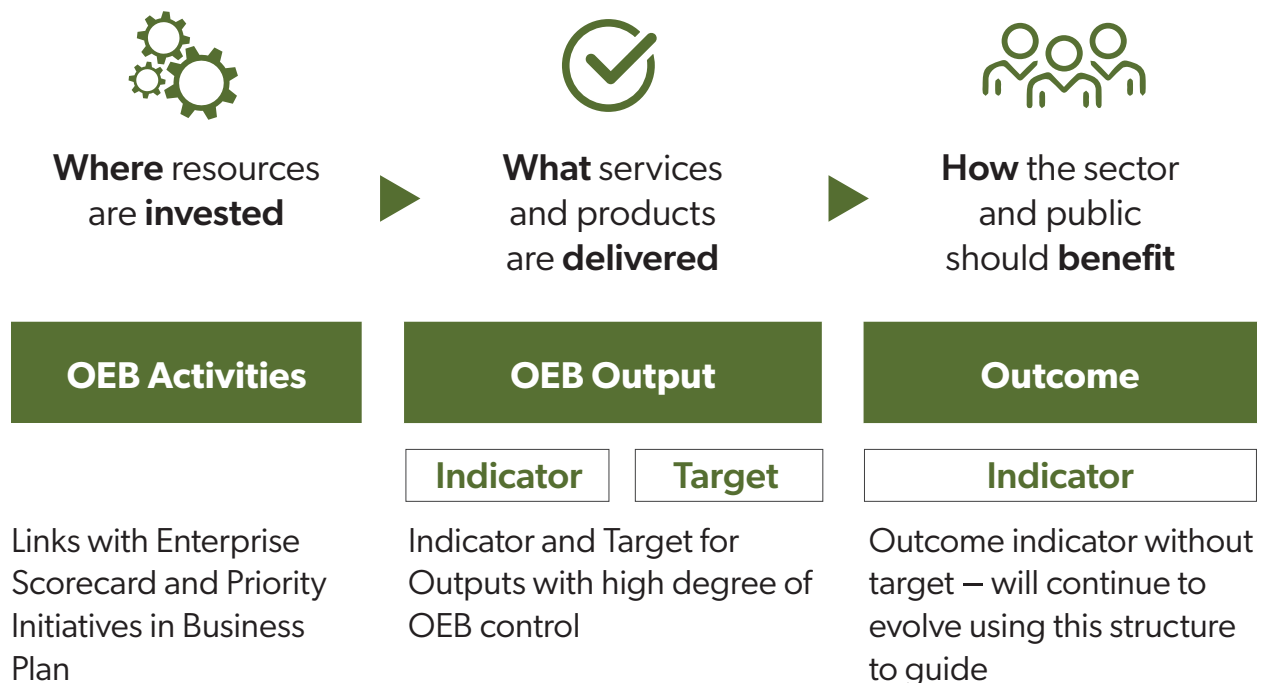
- Jurisdictional scan of performance measurement by other regulators and energy sector organizations, as well as application of recent research and thought leadership.
- Discussion with stakeholders at existing forums, including Energy [X] Change and Adjudication Modernization Committee.
- Workshops with the Ministry of Energy.

From this review it was clear that measuring outcomes, rather than just outputs, is challenging for any organization. For regulators, whose intended outcomes are delivered indirectly by those they regulate, it is particularly complex and rarely practiced. But measuring outcomes is essential for understanding whether the sector is delivering the results Ontarians expect to see.

To address this challenge and need, the OEB envisioned a new scorecard that could drive a conversation about how the OEB is contributing to outcomes; a scorecard that would provide a template for continuous improvement of indicators and ultimately lead to better outcomes for Ontarians.

New Structure

The new SPM scorecard clarifies the progression from OEB activity to OEB output to sector outcome by bringing all components together onto a single page with more specificity about the role of each.



Activities are the operational or strategic initiatives in which the OEB invests time, money and staff. **Outputs** are the deliverables of the OEB services and products resulting from the activities. In some cases, the output is provided directly to consumers. More often, the OEB outputs influence regulated entities, whose outputs then deliver the ultimate outcome in terms of economic, social or environmental benefit.

A quantifiable, measurable **Output Indicator** aims to capture, either in full or in part, the progress, deliverables or performance of a set of **Key OEB Activities**. As these indicators are largely within OEB influence, they are paired with an annual or multi-year **Target** value, against which the OEB and stakeholders can assess performance.

Each set of key activities drives to an **Outcome**. When paired with a quantitative **Outcome Indicator**, data can be collected over longer periods of time to tell a story about the direction and magnitude of change in sector and public value.

Each of these linkages has its limitations and each indicator can only reveal a piece of the larger story. But the new structure is a commitment and a framework to articulate the purpose of the OEB's investments, and it will inform the continued adjustment of indicators for measuring relevant outcomes in the sector.

New Indicators

The new scorecard is designed to capture important work and outcomes for the OEB. In the case of indicators, the input must also be quantifiable, measurable, actionable and relevant.

Applying these criteria, some indicators remain from the previous scorecard. Others were brought forward from an existing OEB source, such as the Enterprise Scorecard. Any remaining gaps were filled with new indicators sourced only from currently available data, utilizing sources such as electricity distributor Reporting and Recordkeeping Requirements (RRR). This exercise of selecting a single indicator to represent many actions or outcomes is reductive by design and can result in some important work or outcomes not captured explicitly in any one indicator.

The OEB's regulation of both the natural gas and electricity sectors, for example, is covered implicitly through multiple rows of the scorecard. Adjudicative proceedings, industry relations enquiries and conservation apply to both electricity and natural gas utilities. And the compliance and inspection program protects both natural gas and electricity consumers.

Similarly, there is currently no single measure capturing the contribution or effectiveness of public input, yet it is a critical aspect of the OEB's adjudicative and consultative processes, factoring into nearly all activities on the new scorecard, whether as intervenors, consumers or Working Group participants.

To address the limitations inherent in a single scorecard, the OEB, with the help of external experts, will continue to evaluate the usefulness of each indicators, and whether it collectively captures the top priorities for the people of Ontario. The OEB will also continue to rely on the detail provided by the other elements of the Performance Measurement Framework, in particular, the Enterprise Scorecard which captures the progress of many other work streams. Any remaining gaps may be addressed through the detailed explanations provided with the scorecard results in the OEB's Annual Report.

Indeed, there is opportunity for further development of the scorecard indicators. The energy sector is evolving quickly, bringing new activities for the OEB and new innovative outcomes to track. The SPM will continue to evolve in response, guided by the new structure that connects activity with outcome.

SPM SCORECARD 2024

		Strategic Goal	Key OEB Activities	OEB Output Indicator	Target	Outcome	Outcome Indicator
Statutory Objectives	ENABLE ONTARIO'S ENERGY ADVANTAGE	<ul style="list-style-type: none"> Adjudication and Supporting Functions 	1. Adjudicative Efficiency [% of decisions with Total Cycle Time within performance standard]	85% (Panel) <hr/> 95% (Delegated Authority)	Predictability in regulatory requirements and timelines drives confidence for businesses and investors	<i>Indicator to be developed, as OEB role in supporting Powering Ontario's Growth becomes clear</i>	
		<ul style="list-style-type: none"> Review of Adjudicative Policies Reporting and Recordkeeping Requirements (RRR) Review and Update 	2. Red Tape Reduction [% decrease in Regulatory Compliance Requirements (RCRs) from 2018 baseline]	5% reduction by March 31, 2026	Regulations that are fit for purpose save time and money for people and businesses of Ontario	Ministry of Energy Burden Reduction [% change in RCRs]	
	PROTECT THE PUBLIC	<ul style="list-style-type: none"> Issuance of Rules and Codes Compliance Reviews Inspections 	3. Prudent and Timely Execution of Compliance Program [% of compliance reviews and inspections completed within 180 days]	70%	Resolution of priority issues and a culture of compliance result in a better experience for consumers	Non-compliant Disconnections [% of compliance inspections]	
		<ul style="list-style-type: none"> Public Information Centre (PIC) Engage with Us Social Media and Public Relations 	4. Achievement of PIC metrics [cumulative % deviation from targets]	≥ 0%	Consumers are informed about their energy bills, available choices and changes that may impact them	Satisfaction Rating on Post-call Survey [% rating as satisfied]	
	DRIVE ENERGY SECTOR PERFORMANCE	<ul style="list-style-type: none"> Reliability and Power Quality Working Group (RPQR) 	5. Achievement of RPQR milestones [% complete]	X → 100%	Improved consumer awareness and value of reliability investments	SAIDI and SAIFI [customer-weighted industry average]	
		<ul style="list-style-type: none"> Benchmarking and Productivity Reviews Cost of Capital Review 	6. Progress of 'Initiatives to Update and Modernize Rate-Setting for Distributors' [% complete]	X → 100%	Price reflects efficient and cost-effective service provided by a financially viable industry	Return on Equity (ROE) [% of utilities within +/- 3% of deemed ROE]	
	FACILITATE INNOVATION	<ul style="list-style-type: none"> Industry Relations Enquiries (IRE) Program DER Benefit Cost Analysis Development Conservation and Demand Management Support 	7. Responsiveness to IRE [% responded to within 10 days]	> 90%	Utilities and consumers are supported in utilizing a broad range of options for meeting needs	DER Incentive Use [# of applications]	
		<ul style="list-style-type: none"> Innovation Sandbox 	8. Innovation Sandbox Enquiries Responded To [#]	> 25	Increase in innovative projects moving to implementation	Sandbox Challenge Project Delivery [% of project milestones completed]	



FINANCIAL PLAN

This financial plan includes the resources required by the OEB to deliver on its mandate. The financial plan included in the Business Plan includes:

- An overview of the draft 2024-2027 section 26 operating Budget.
- An overview of the draft 2024-2027 section 30 proceedings and consultation Budget.
- An overview of the draft 2024-2027 section 79.2 Ontario Electricity Support Program Budget.
- An overview of the draft 2024-2027 section 112.5 Administrative Monetary Penalty Fund plan.

SECTION 26 FINANCIAL PLAN

The three-year financial plan is 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.

The OEB’s 228 FTE budget includes the fully onboarded 25 new resources approved in the 2023-2026 Business Plan. The table below summarizes how FTEs have been budgeted from 2024-2027:

Full-Time Equivalents (FTEs)	2024/25 Budget	2025/26 Budget	2026/27 Budget
Delivery	176	176	176
Enabling	62	62	62
Total FTEs	228	228	228

Commissioners are not included in these numbers.

Resources for adjudication work are included on both Delivery² and Enabling³ teams.

The OEB’s section 26 capital budget plan includes engaging in a technology transformation program (TTP), including multiple projects, to progress toward our digital-first approach to the OEB’s work. The program aims to deliver cognitive search services as a replacement for the current adjudicative technology system. The TTP will be completed through a phased approach over the three years of this Business Plan. The estimated cost of the program over the 2024-2027 is \$5.5M.

The section 26 fiscal year 2024/25 budget includes an increase of \$1.4M or 2.5% when looking at the 2024/25 budget that was included in last year’s Year 2 of the budget forecast. This increase was reached after adding estimated resource costs and costs related to TTP. To reduce the budget impact of TTP and the full 228 FTE resources required to deliver on its mandate, the OEB’s Board of Directors asked staff to find offsets to cost increases. The OEB has therefore included \$1.4M of budget reductions from previously budgeted amounts. Line items in the detailed budget below that have been reduced as part of that exercise include salary and benefits, consulting, and capital expenditures.

²Delivery - Applications, Consumer Protection & Industry Performance, Critical Initiatives, Operations Decision Support, Registrar, Strategic Policy and Strategy, Project Management & Change.

³Enabling - Finance & Administration, Information Technology, Human Resources, Legal Services and Public Affairs.

<i>Unit in thousand dollars (\$000's)</i>	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget
Revenues:				
General cost recovery	49,895	53,091	54,787	56,406
Licence fees	430	430	430	430
Interest income	357	447	357	357
Miscellaneous income	227	234	240	247
Amortization of deferred revenue related to capital assets	1,492	1,641	1,937	2,256
Total Revenues	52,401	55,843	57,751	59,696
Expenses:				
Salaries and benefits	40,026	42,428	43,702	45,013
Consulting and professional	3,358	3,289	3,374	3,462
Meetings, training and travel	834	868	890	913
Publications, media and advertising	625	784	805	826
Premises	3,999	4,246	4,389	4,503
Information Technology	1,355	1,608	1,650	1,693
Office and administration	711	979	1,004	1,030
Amortization	1,492	1,641	1,937	2,256
Total Expenses	52,401	55,843	57,751	59,696
Capital Expenditures:				
Leasehold improvements	10	30	31	32
Office furniture and equipment	25	30	31	31
Computer software	1,197	2,697	3,024	2,451
Computer equipment	250	260	270	280
Audio Visual	100	50	50	50
Total Capital Expenditures	1,582	3,067	3,406	2,844
Net Assessment before Operating Reserve	51,477	56,158	58,193	59,250
Operating Reserve adjustment	(1,000)	0	0	0
Total Assessment	50,477	56,158	58,193	59,250

The forecast for 2023/24 of \$49.6M compared to the 2023/24 budget of \$50.5M includes an estimated underspend to budget of \$0.9M. These savings are due to unanticipated delays in filling staff vacancies.

SECTION 30 FINANCIAL PLAN

The three-year financial plan section 30 costs are described in the *Ontario Energy Board Act, 1998*. 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.

The section 30 budget is:

Unit in thousand dollars (\$000's)	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget
Regulatory Process Cost	5,600	5,700	5,950	6,000

The forecast for 2023/24 compared to the 2023/24 budget includes an estimated underspend to budget of \$1.3M due to lower consulting and expert costs required for projects.

SECTION 79.2 FINANCIAL PLAN

The OEB administers the Ontario Electricity Support Program (OESP), which provides fixed credits (determined by a sliding scale) to all eligible lower income customers of electricity distributors and unit sub-meter providers. Section 79.2 costs are regulatory process costs related to the administration of the OESP and together with Ontario Regulation 14/18 made under the *Ontario Energy Board Act, 1998*, enables the OEB to recover its OESP administration costs from the IESO.

Subsequent to the 2023 fiscal year end, the OEB has entered into a new agreement with a Central Service provider, ICF Canada, to replace the existing OESP System. ICF will develop and deliver a new OESP System and provide ongoing hosting, operation and maintenance of the System, including the managed business process services to support it. The initial term of the agreement is for five years, expiring in April 2028, and renewable at the option of the OEB for an additional three years.

Unit in thousand dollars (\$000's)	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget
OESP Regulatory Process Cost	6,300	7,300	6,400	6,800

SECTION 112.5 FINANCIAL PLAN

The OEB has an internally restricted fund which includes revenue from administrative penalties paid by individual regulated entities under Part VII.1 of the *Ontario Energy Board Act, 1998*. All revenue from administrative penalties, plus any related interest revenue, may only be used for activities in the public interest, i.e., activities including but not limited to providing consumers with information and education as well as facilitating innovation. The OEB plans to provide \$2.1 million of the current total of \$2.2 million from this fund to support innovation, scholarships, and other projects in the public interest by December 31, 2026.



INVESTING
IN
OUR PEOPLE

The OEB knows that its employees are fundamental to delivering public value, and never has that been more true than it is today. We are operating in an environment where the workforce is changing amid a shifting labour market and the energy transition. This is transforming consumer expectations and sector priorities and will require new capabilities in our people. Over a five-year period, we saw total employment in the sector increase more rapidly than the broader Canadian job market. To keep pace, the OEB is committed to a recruitment strategy that includes non-traditional and underrepresented candidates with transferable skills. We will continue to develop and advance our workforce while strengthening organizational performance, culture and diversity, ensuring we have skilled, capable and forward-thinking staff to deliver on our priorities.

We believe that diversity, equity and inclusion strengthen our organization and are key to maintaining an environment in which all people feel a sense of belonging and can participate fully. 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. This progression will impact our values and the work we do to further enhance our culture at the OEB.

In 2021, the OEB developed its first People Plan to support its modernization journey. The three-year plan identified actions to drive the investments in our people required to ensure the OEB was positioned to achieve its modernization goals. With success in advancing the plan and the timeframe for that plan coming to a close at the end of 2023, a new People Plan has been developed. Building on the work that was done over the past three years, the new People Plan for 2024-2027 will drive an even more ambitious investment in our core asset – our people – to meet the current moment and future needs. It is organized around three goals that speak to the work we do, the way we work and the tools we need and addresses the key challenges and opportunities in each domain in order to execute on our primary mandate of delivering public value.

1 . Shape our workforce to meet the moment

Advance the competencies needed to strengthen and sustain an effective workforce that can meet the needs of the evolving sector now and in the future.

- Develop and implement competency models for leaders and staff to ensure our people's skills are aligned with the sector's needs now and into the future.
- Advance the OEB's leadership competency with targeted solutions for current and prospective people leaders.
- Continue to improve our ability to put the right people in the right job at the right time.

2 . Provide an environment where people can do their best work

Ensure the OEB's culture and values support our people's ability to do their best work while being their true self.

- Refine the OEB's values and cultural aspirations to provide clear guidance for improving how we work.
- Realize our vision of culture to drive positive engagement and a sense of belonging.

3 . Empower our people to succeed

Provide the processes and technology required for staff to deliver exceptional results.

- Modernize the OEB’s technology platforms to enable staff to perform their jobs effectively.
- Leverage opportunities in divisional training for broader benefit.
- Strengthen the OEB’s ability to proactively manage its workforce and associated risks.

Our people priorities remain unchanged as they will enable us to consistently shape our workforce so that we:

- Attract, retain and grow key talent at every level of the organization.
- Enable leaders to actively execute business deliverables which focus on priority outcomes.
- Communicate transparently to ensure alignment of effort.
- Verify that performance and productivity are rigorously benchmarked.
- Ensure employees are skilled and embrace a culture of continuous learning.
- Sustain an agile workforce that has developed change and adaptive skills/mindsets.
- Champion diversity, equity and inclusion at every level and in all that we do.
- Demonstrate a commitment to continuous improvement.

The new People Plan includes several specific initiatives aimed at strengthening diversity, equity and inclusion at the OEB from the standpoint of both recruitment of new, more diverse hires and the continued evolution of its culture. Recruitment process improvement and expanding candidate pools will be the focus of efforts to bring traditionally under-represented communities into the organization, while the OEB’s existing DEI Council will continue to work to determine priorities for ongoing cultural evolution.

With respect to Commissioners, we will ensure the OEB is well resourced with Commissioners who have a balance of competencies required to adjudicate in the public interest.

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’s 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.

Delivery of our mandate requires careful prioritization and allocation of our people. Those priorities and deployments may evolve as we adjust and recalibrate to meet the expectations of our stakeholders.

Fiscal restraints across the public sector in an inflationary economy have led to more challenging labour negotiations across the public sector. The OEB is pleased to have concluded a three year agreement with the Society of United Professionals in 2023.

Below is the total number of employees by group in 2024/25:

Total Number of Employees by Group

Total Staffing Numbers

Permanent Full-time*	Permanent Part-time	Temporary	Commissioners**
228	0	6	10

*Includes 37 in Management and 191 in Non-Management.

**Commissioners (Including 1 Chief Commissioner) are not included in the OEB’s permanent headcount.

Permanent Staff by Union Participation

Society of United Professionals	Non-Union***
164	64

***Commissioners are not included in this count.



ENTERPRISE RISK MANAGEMENT

The OEB continues to mature its approach to Enterprise Risk Management (ERM). In late fiscal year 2022/23, the OEB developed a new ERM Framework, Policy and Protocol which aligns to best practices and the government’s Enterprise Risk Management Directive. This framework was shared as part of last year’s Business Plan.

This new structured approach to ERM impacts the OEB’s identification of risks, controls and mitigations and the OEB’s tracking and reporting of risks. The information informs the OEB’s rolling three-year internal audit plan.

Enterprise Risks for the OEB

The ERM identifies key risks that the OEB faces as an economic regulator. It reflects an assessment of the likelihood and consequences of each risk; captures risk mitigation activities, improvements and changes; and identifies internal and external circumstances that impact and may change assessments of likelihood or consequence of the risk.

Four significant enterprise risks have been identified at this time (listed below). Risks are generally stable and progress was made on the risk associated with human capital with the welcome resolution of the OEB’s collective bargaining process with the Society of United Professionals in 2023.

Emerging Regulatory and Public Policy Issues

Unplanned and emerging regulatory and public policy issues may result in changes to the OEB’s mandate and legislated objectives that will require new actions and priorities by the OEB. The OEB’s ability to effectively deliver on its existing mandate may be impacted, depending on the scope and time frame of the action required in response.

The OEB actively mitigates this risk in several ways. First and foremost is its ongoing connection and dialog with sector participants, including the Ministry of Energy, the IESO, regulated entities and others. At the same time, a robust environmental scanning practice gathers signals from local, provincial, national and international contexts to further strengthen our understanding of emerging issues. From these engagements and other inputs, the OEB identifies and takes action by shifting its work plans and priorities to address emerging issues as necessary.

Innovation

The OEB has a mandate to facilitate innovation. In this context, a failure to adapt to a rapidly changing sector and consumer demands may result in the OEB not delivering on its mandate.

The OEB has taken steps to mitigate this risk by contributing to the innovation conversation as both a thought leader and a keen listener. We have provided advice to the Electrification and Energy Transition Panel, helped to shape conversations about the energy transition and emerging issues through speaking engagements at more public forums than ever and hosted the 2023 CAMPUT conference in Toronto to share, listen and learn from our regulatory peers and key sector participants. In addition, our Letter of Direction Task Force of the Board of Directors plays an important part in guiding the OEB’s response to developments in the sector.

The OEB will also leverage its newly mandated authority to approve license exemptions for pilot projects in the electricity sector, to encourage the testing and adoption of pilot or demonstration projects.

Cyber Security

The OEB will evolve and mature to continuously safeguard our operational environment.

The OEB has developed mitigations for this risk including augmented security information and event management monitoring, simulation exercises and a strengthened Cyber Incident Response Plan. Internal audit also supports this work. Additionally, a new IT Strategy for 2024-2027 will include cyber security as a key focus area and will lead to further mitigations being implemented within the timeframe of this Plan.

Human Capital

The future needs of the organization will require optimization of the OEB workforce, including Commissioners, and will necessitate the implementation of innovative workplace strategies.

The OEB's new People Plan 2024-2027 will be a key instrument in mitigating this risk. Its priorities include the development of competency models for all staff and for leaders, and associated training aligned with current and future job requirements, which will drive alignment of skills and competencies to the OEB's mandate; the implementation of technology systems to advance the maturity and efficiency of workforce planning capabilities; and ongoing workforce and succession planning, already underway, that will continue to surface skill gaps to be addressed within divisions and across the organization.

Risk	Likelihood ⁴	Consequence ⁵	Score ⁶	Trend ⁷
<p>Emerging Regulatory and Public Policy Issues</p> <p>Unplanned and emerging regulatory and public policy issues may result in changes to the OEB’s mandate and legislated objectives that will require new actions and priorities by the OEB. The OEB’s ability to effectively deliver on its existing mandate may be impacted, depending on the scope and time frame of the action required in response.</p>	4	4	16	–
<p>Innovation</p> <p>The OEB has a mandate to facilitate innovation. In this context, a failure to adapt to a rapidly changing sector and consumer demands may result in the OEB not delivering on its mandate.</p>	4	4	16	–
<p>Cyber Security</p> <p>Like other organizations, cyber security at the OEB will need to continue to evolve and mature to adequately safeguard our operational environment.</p>	3	5	15	–
<p>Human Capital</p> <p>The future needs of the organization will require optimization of the OEB workforce, including Commissioners, and will necessitate the implementation of innovative workplace strategies.</p>	3	4	12	↓

⁴Likelihood 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.

⁵Consequence 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.

⁶Risk scoring is based on residual risk.

⁷Trend is relative to previous biannual Risk Register update, conducted February 2023.



INITIATIVES INVOLVING THIRD PARTIES

Ontario Electricity Support Program (OESP)

The OEB, through a contractual agreement with the central service provider, ICF, administers the OESP to lower electricity bills for lower-income customers of electricity distributors and unit-sub meter providers. The OESP provides a monthly credit directly to eligible customers' bills based on household income and household size. The OEB has engaged third parties to assist in the delivery of the OESP. The central service provider manages application intake and processing. Applications involve sensitive personal information such as household income, social insurance numbers and dates of birth.

OESP Intake Agencies

The OEB has entered into agreement 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.

Independent Electricity System Operator (IESO)

The OEB works in partnership with the IESO on many initiatives reflecting our respective roles in the sector. We know that close collaboration between the OEB and IESO is important for the sector to ensure that initiatives in which we both have an interest

move forward in a coordinated and cohesive manner. Our coordinated work on Distributed Energy Resources (DERs) illustrates this collaborative effort. We are examining the benefits and challenges of integrating DERs at the distribution and bulk system levels through our Joint Targeted Call projects and Joint Engagement sessions. We are also exploring how to improve the efficiency and alignment of incentives through our Joint Study of DER Incentives. These initiatives with the IESO reflect our shared commitment to facilitate innovation in Ontario's energy sector and maximize value for consumers.

OEB Indigenous Scholarship

Starting in 2024, the OEB will be launching the OEB Indigenous Scholarship through Indspire, an Indigenous national charity that invests in the education of First Nations, Inuit and Métis people. Two scholarships will be awarded each year for students enrolled in Ontario post-secondary education. The students will also have an opportunity to engage with the OEB through discussion groups, meetings with staff and paid work terms. Indigenous peoples face unique challenges related to energy, both in terms of the services they receive and the impacts of energy projects on their communities. To improve outcomes, we are committed to improving engagement with Indigenous communities by strengthening relationships, building greater understanding and facilitating change so that Indigenous communities are supported and empowered through the energy transition. These scholarships will address the gap in post-secondary education rates for Indigenous youth, support a growing need for talent in the energy sector and increase OEB cultural awareness.



REALTY

The 2022 Ontario Budget announced the Community Jobs Initiative to bring jobs at provincial agencies to communities across Ontario to help spur economic growth. The government also announced an Office Optimization Strategy as an enterprise-wide approach to space planning and delivery, to unlock and increase the value of real estate assets across the province.

As a public sector agency, these strategies impact the OEB's approach to the expiry of its lease at the end of 2024. In consideration of the location of many of its most frequent adjudicative and regulatory participants, the OEB has submitted a business case to the Ministry of Infrastructure to be approved to stay within Toronto. The OEB has also sought and received approval for a short-term extension of its lease at 2300 Yonge Street in Toronto when the current lease expires on December 31, 2024. The OEB is committed to moving toward compliance with the government's Realty Directive and Mandatory Office Space Standards, which should result in savings over time.

Future lease expenditures and capital costs of improvements cannot be estimated until realty decisions are finalized and approved. Accordingly, no acquisitions, leasehold additions, moving costs or renovations are assumed in this Plan.



INFORMATION TECHNOLOGY / ELECTRONIC SERVICE DELIVERY PLAN

Over the last three years, the OEB has focused on technology improvements driven by our Digital First Strategy. To guide continued advancement of technology, the OEB’s IT Strategy sets out a roadmap for IT solutions, process improvements and capability uplifts. This work is needed for the organization to further advance digital delivery and data sharing while mitigating key enterprise technological risks such as cyber security.

Technology Transformation Program

The OEB’s current back-office system was first adopted in 2007 and is now in need of replacement with a system that can better support the needs and future objectives of the OEB. This system is the backbone for both internal and external access to information. The Technology Transformation Program (TTP) is a multi-year initiative intended to replace the system and implement new tools associated with both adjudicative and non-adjudicative functions. The TTP will address challenges with the existing system. It will position the OEB as a modern regulator and provide several other benefits to both internal and external stakeholders. To ensure system continuity and mitigate delivery risks, the TTP will employ a phased approach.

Advance Cyber Security and Governance

The OEB will proactively assess and evolve the organization’s cyber security posture and related IT governance infrastructure to keep ahead of emerging threats. This includes regularly refining and optimizing technical protections and threat responses, ongoing learning to stay informed of the evolving external landscape and the development of policies, standards, guidelines and training so that all staff are aware and informed of cybersecurity risks and their role in avoiding and responding to them.

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

Category	2024/25	2025/26	2026/27
Business Systems	2,657	2,944	2,381
End User Computing	150	150	150
Infrastructure	200	250	250
Total	3,007	3,344	2,781

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 Microsoft 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

The OEB is committed to transparency and accountability as we execute this Plan. To allow full public access to the Plan, 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. Throughout the fiscal year, we will provide updates to the public through our website (oeb.ca). We will also deliver quarterly updates to the Minister and regular operational updates to staff at the Ministry of Energy. Additionally, the CEO and Chief Commissioner will continue their practice of providing written letters to the sector twice a year, highlighting recent work.

Engagement is an integral part of the OEB's ability to execute our mandate, gain insights and deliver sound policy decisions that support sector sustainability and innovation, Ontario's economy and to protect consumers and provide public value. We are dedicated to regular and meaningful engagement of stakeholders, including ensuring that Indigenous people's voices are heard and respected, to obtain diverse perspectives on matters of importance, while building trust and enhancing transparency. We do this through formal and informal consultations, digital engagement like Engage with Us, advisory groups, social media such as LinkedIn and Twitter as well as other platforms.



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