

**Remarks by OEB CEO Carolyn Calwell**  
**Ontario Energy Network monthly luncheon**  
**March 2, 2026**  
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- Thank you, John, for that kind introduction.
- I was so pleased that you invited me the Ontario Energy Network's monthly luncheon.
- I appreciate the OEN's mandate to create opportunities for networking, dialogue and relationship building within Ontario's energy sector.
- This is exactly what we need right now: co-operation and co-ordination to tackle the issues our sector is facing.
- I know that a lot of you in this room are already doing that.
- Thank you for your engagement, especially with the OEB.
- We hosted more than 70 days of consultations in 2025, from streamlining transmission connections to reviewing the valuation of DERs.
- And I'm sure that many of you, or your peers and colleagues, were a part of those.
- I know we ask a lot of you.
- Thank you for your contributions.

- I truly believe that sharing expertise and perspectives is key to supporting the delivery of reliable, affordable, clean and secure energy.
- Before I jump in, I'd like to acknowledge the OEB's Board Chair, Geoff Owen....
- And senior members of my team ....

#### *Previous OEN speakers*

- Speaking of sharing expertise and perspectives, I want to reflect briefly on the messages of the OEN's two most recent lunchtime speakers, as well as the fabulous panel with Leslie Gallinger, Nicolle Butcher and Michelle Harradence, moderated by Monica Gattinger last week.
- Annette Verschuren, Chair and CEO of NRStor, spoke to this audience in December.
- She assured the room that our province's electricity system isn't broken.
- But, she said, we have to pick up the pace in all aspects of our work and find ways to get things done faster.
- In January, Alectra President and CEO Brian Bentz talked about the need for system investment and the costs of not investing – both in our grids and in the distributors who run them.
- And then last week's panel spoke about the grid as a catalyst, not a constraint.
- About the shifting mindset reflected in our collective thinking about the importance of information sharing and optionality.
- And about the Integrated Energy Plan as an enabler.
- And all of these leaders are aligned with the direction we've been getting from the Minister of Energy and Mines, Stephen Lecce, about enabling economic development, moving faster and positioning the energy system as the cornerstone of Ontario's economy.
- This resonates with me.

- And as does the need to do things differently to power our province into the future.
- What struck me about their remarks was how consistent their themes were, despite representing different perspectives.
- These leaders emphasized urgency.
- They emphasized preparedness.
- And they emphasized confidence that Ontario can meet the moment **IF** we are willing to modernize, invest and collaborate.
- Increasingly, I see alignment around these needs.
- It is not accidental.
- It reflects shared realities and a shared conviction that our province's energy future is bright and offers a path to economic prosperity for our province.
- But only if we plan and act differently than we have before.
- And do so at pace.
- This is our collective call to action.

### *Theme*

- The topic of my remarks today is: *Making the Case for Investment in a Changing World.*
- So today, my remarks will focus on three things:
  - Setting the stage for change
  - Reflecting on what the OEB is doing differently
  - And weaving throughout how we need you to meet us in this space.
- Ontario's evolving energy landscape requires significant, timely investment ...
- ... to support economic growth, maintain system reliability and enable the transition to a cleaner energy future.

- It is within this context that the OEB is focused on facilitating prudent, evidence-based spending ...
- ... that balances the need for investment with careful management of risk and cost to consumers.
- Evidence-based regulatory decisions can support provincial priorities including a reliable and resilient grid ...
- ... while ensuring that ratepayers are protected from unnecessary or inefficient expenditures.
- So today, I am going to talk about:
  - why investment is needed now, in our changing world,
  - how our changing world needs regulation that reflects our times
  - and how the OEB is working toward this through our work on integrated planning, utility remuneration and distributed energy resources, among other initiatives.
- I will talk about what the OEB is doing.
- More importantly, perhaps, is why we're doing it.
- And why this matters for communities, businesses, utilities and ratepayers across our province.

### *A changing world*

- Before I talk about how the OEB is supporting investment, let me set the stage by looking to the past.
- Our electrical grid was first built out, 120 years ago this coming May, with Sir Adam Beck's vision for public power.
- Then, mid-century, there was the economic push of war-time and post-war recovery that led to large provincial monopolies, and later, large scale investments in mega-projects.

- Later still, there was a push to deregulation and market restructuring.
- And this history matters today because each major shift or development in was tied to various economic impetus.
- Here we are again.
- The world has shifted again and so must our thinking about our energy systems.
- Global events of the past year tie our province's energy future to its economic future more than ever.
- The IESO predicts that electricity demand in Ontario will soar by 65 per cent in the next 25 years.
- All levels of government are fast tracking projects to enable energy and economic self-reliance for Canada.
- Energy policy is industrial policy.
- Premier Doug Ford and Minister Lecce are positioning our province to become an energy superpower.
- Think of the Ring of Fire and the planned 500-kilovolt transmission line from Barrie to Sudbury.
- Think of the recently announced underwater transmission line – the 3<sup>rd</sup> line – from Darlington to Toronto.
- Think of battery storage and the nuclear generation coming online through refurbishments and new build.
- The importance of investment and economic development underlie all of this.
- This requires utilities to be well capitalized, financeable and investable.
- They, in turn, need to invest in the grid.
- I'll give you an idea of the dollar amounts we're talking about:
- Right now, there's about \$70 billion in applications before the OEB.

- I'm talking specifically about applications brought by OPG, Enbridge, Alectra, Elexicon, Hydro Ottawa, among others.
- That includes infrastructure construction approvals, electricity and natural gas rate changes, and proposed investments into generation.
- And the EDA has said that Ontario's distribution system needs up to \$120 billion of investment in the next 20 years.
- Minister Lecce argued for the importance of investment in a national newspaper op-ed last fall.
- He argued that LDCs do not have access to sufficient capital to maintain or deliver the build-out required to meet the significant energy demand forecast anticipated by 2050.
- Around the same time, he also launched the Panel for Utility Leadership and Service Excellence – or PULSE – to advise on how to deliver reliable, affordable, secure and clean energy in the years to come.
- And the government amended the *Ontario Energy Board Act* last December to require the OEB to regulate electricity in a manner that supports economic growth, in accordance with the policies of the government.
- All of this makes the case for change today.
- But of course, none of it is easy.
- Particularly for regulators – and certainly, for the OEB.
- For instance, as we think about our economic growth mandate we also must consider system costs on ratepayers – affordability.
- What does the reward of building infrastructure ahead of demand – instead of building in step with that demand – mean for costs for consumers?
- What cost increases can rate payers reasonably tolerate?
- And conversely, can we afford to take the risk of under-building?

- And how do we deal with integrated planning across a decades-long time horizon...
- ... in our one-million-square-kilometre province...
- ... when rate applications are not co-ordinated and generally have five-year, overlapping time frames?
- What evidence do you to bring forward to help answers these questions?
- How do you make your case?
- These are the things that we think about.
- And as we think about new approaches of regulation...
- ...we mean that we are open to changing any part of the regulatory process if it will help us achieve our mandate more effectively.
- And we embrace the tension among our objectives to deliver economic growth and resilience and affordability...
- Let me illustrate with some initiatives we have underway.

### *Commissioners*

- I'll start with our approach to recruiting new Commissioners.
- With the leadership of our Chief Commissioner, Damien Côté, and of our board-level Adjudication Committee, we are focused on hiring new commissioners.
- Commissioners who bring the skills needed to approve prudent, evidence-based spending that balances investment, risk management and costs to consumers.
- Skills reflected in our newest Commissioner, Jamie Sidlofsky, whose appointment was announced last week.
- Commissioners are a big part of what we do.
- Let me now turn to some of the others.

### *Integrated Planning*

- Integrated planning is one of four priority workstreams the OEB has created since receiving our Integrated Energy Plan directive from Minister Lecce last June.
- This includes bringing together the gas/electric equation, to allow utilities to see an integrated whole.
- And it goes further...
- For instance, the City of Burlington is expecting to grow 1% per year over the next 10 years.
- That could mean more homes, more schools, more services like car washes or fitness centres, more light and some heavy industry.
- But what's happening in Milton?
- And what if some of the growth that Burlington expects goes north?
- If all the involved parties aren't co-ordinating, their individual plans can only reflect a part of the broader picture.
- So, the OEB is working with stakeholders to build reliable projections that create more certainty, for all investors.
- We want all utilities to be working from the same set of assumptions and coordinated models.
- Our team is aiming to strengthen energy system planning in Ontario, making it more responsive to a faster pace of growth and electrification.
- When done right, the benefits of integrated planning include:
  - Avoiding the risk of higher costs due to overbuilding energy infrastructure.
  - And avoiding the risk of impeding economic growth due to underbuilding energy infrastructure.
  - Enabling fuel-switching, when it's cost effective.

- And reducing the possibility of energy shortages and the associated loss of economic opportunities.
- Right now, the OEB is tackling this issue on three fronts:
  - Reviewing our Natural Gas Integrated Resource Planning Framework.
  - Reviewing Regional and Bulk System Planning, with a report due to Minister by end of this month.
  - And convening a Gas-Electric Information Sharing Forum, which met for the first time in January, to gather input from utilities and associations, Indigenous organizations, municipalities, intervenors and others.
  - Findings from this consultation will be reported to the Minister, this fall.
- And I think you will agree: Integrated planning is about speeding things up...
- ... by creating clarity, reducing duplication, improving certainty and enabling investment decisions that are grounded in the best available information.
- Good planning is pro-investment.
- ...is pro-growth.
- And pro-consumer.
- And good planning is essential if we're going to build the systems Ontario needs at the pace it requires.

#### *Utility remuneration*

- Utility remuneration is another major focus for the OEB right now.
- As you know, traditional remuneration tends to reward traditional capital infrastructure spending and leads to capital bias.
- And it can under-incent low-cost, innovative alternatives to poles and wires.
- For example, think of an LDC faced with a growing community and a local line that's almost at capacity.
- It could spend \$10 million on building a new line to serve the community.

- That capital asset earns the utility a regulated profit every year.
- Or, it could spend \$2 million on things like smart thermostat programs or battery incentives.
- But these are operating expenses, so the utility makes no return on them, just recovers their costs.
- The motivation is clear.
- Obviously, traditional remuneration makes it harder to integrate emerging technologies.
- And it risks driving up customer rates during periods of major transformation – like the one we’re in right now.
- Our utility remuneration work aims to ensure that Ontario’s rate-making approach is fit for purpose – for today.
- This is the point of our Benefit-Cost Analysis Framework, first published in 2024.
- It provides a straightforward methodology for assessing the economic feasibility of DERs and other non-wires solutions.
- A consultation on Phase 2 of the Framework is currently underway and we expect to publish an updated framework later this year.
- Another major component of our utility remuneration work is our review of the Incremental Capital Module policy.
- This policy allows distributors to apply for funding of significant capital investments between rebasing periods...
- ... when those needs can’t be met through existing rates.
- Data collected since the first ICM decision was made in 2009 shows that distributors have received an average of 68% of their funding requests, but the range of ask to award varies by 48%.
- I am eager to understand if this reflects prudence – or an abundance of caution?
- Is a 68% success rate appropriate, or does it signal a policy – or evidentiary – deficiency?

- We should know.
- And so, we're now reviewing this policy.
- We're looking to create clarity and predictability in how incremental investments are approved.
- That clarity and predictability should, in turn, give distributors greater flexibility and regulatory efficiency in managing essential projects.
- We'll need your input.
- And for you to think hard about how you will make your cases going forward.
- Our utility remuneration portfolio also includes our Total Cost Benchmarking and Spending Pattern Analysis work.
- This is data that can inform your own analysis: It's meant to be a tool that's useful for you.
- Together with a consultation launched in January, these initiatives will inform our Next Generation Rate Framework, which we plan to deliver later this year.
- Ultimately, remuneration is about alignment.
- Aligning utility incentives with the outcomes we all want: reliability, affordability, innovation and investment readiness.
- This work is foundational to Ontario's future competitiveness.
- I can't talk about utility remuneration without talking about PULSE.
- The panel's objective was to examine how to best fund and deliver the next generation of electricity infrastructure.
- And to do so through a lens that includes access to capital and enabling investment in our system.
- The OEB's Board Chair, Geoff Owen, and I were pleased to meet with panel members in late 2025.

- We appreciated the opportunity to engage and to talk to them about this work, in particular.
- We look forward to the panel's recommendations...
- And to implementing those recommended by government, at pace.

### *DERs*

- Next, I will turn to our DER initiatives.
- DERs hold inherent value in many ways:
  - For a homeowner installing solar panels, a dairy farmer using small wind turbines to power their operations or a business storing energy in on-site batteries.
  - And DERs can do so much more, where those values are recognized.
  - The OEB's DER work aims to facilitate distributor investment in cost-effective technologies that enhance customer benefits and support grid modernization.
  - And we're doing that – as with all the work we do – in a balanced, measured way.
- In late 2025 we:
  - delivered our Distribution System Operator roadmap to the Minister to lay out a path forward toward a DSO model,
  - published final amendments to the Distribution System Code and our updated DER Connections Procedures document,
  - and provided the Ministry a sneak peek at the Centralized Capacity Information Map, which was released publicly in January.
- The OEB also has several DER-related consultations in progress right now.
- By the end of this month, we're scheduled to conclude our work on the Review of the Valuation of DERs.
- This involves developing a valuation and compensation framework...
- ... to enhance DER adoption and reflect system-wide benefits.

- Other consultations should enable economic growth by:
  - standardizing DER connections requirements,
  - helping distributors adopt DSO capabilities to unlock greater value from DERs and
  - developing cost-recovery mechanisms for distributors that invest in DERs and non-wire solutions across service boundaries.
- These initiatives are diverse and inter-related.
- But what they have in common is the planned reduction of capital bias and the creation of the right incentives for investment in DERs.
- This is not about DERs versus traditional assets.
- It's about choosing the right solution.
- And about laying the foundation to make the best case for these investments.
- DERs can be powerful tools that lower system costs, improve reliability and give customers more value for their energy dollars.
- They need to be included in our modern, flexible ecosystem if Ontario is going to compete.

### *Conclusion*

- That brings me back to the theme of my remarks today: making the case for investment in a changing world.
- As you've heard me say, the OEB's goal is to enable secure, reliable, affordable and clean energy for Ontario.
- The case for change is made.
- The case to support where we go next is evolving.
- And the OEB's current and ongoing work on integrated planning, utility remuneration and DER policy – among other things – is supporting that case.
- All in aid of enabling economic growth.

- Balanced with affordability and consumer protection.
- These are the opportunities in front of us:
  - to create prosperity
  - modernize our grid,
  - deliver reliable, affordable, clean and secure energy.
- And they will only be realised if we continue working together with the level of transparency, creativity and partnership that has defined so many of your contributions already.
- This is a moment that calls for leadership across the sector.
- It calls for:
  - courage to make the right investments,
  - discipline to manage risks carefully,
  - and a shared commitment to building an energy system that will serve Ontarians for generations.

Thank you.