



BY E-MAIL AND WEB POSTING

December 20, 2021

**To: All Rate-Regulated Electricity Distributors
All Participants in EB-2021-0106**

**Re: 2021 Conservation and Demand Management Guidelines for Electricity Distributors
and Notice of Hearing for Cost Awards (EB-2021-0106)**

Today, the OEB issued an updated version of the Conservation and Demand Management Guidelines for Electricity Distributors

<https://www.oeb.ca/sites/default/files/uploads/documents/regulatorycodes/2021-12/CDM-Guidelines-Elec-Distributors-20211220.pdf> (the 2021 CDM Guidelines).

The 2021 CDM Guidelines provide updated OEB guidance on the role of conservation and demand management for rate-regulated electricity distributors, taking into account conservation programs administered by the Independent Electricity System Operator (IESO) under the [provincial 2021-2024 CDM Framework](#) and previous provincial CDM frameworks, and addressing the treatment of CDM activities in distribution rates.

The 2021 CDM Guidelines place a greater emphasis on the use of CDM activities (such as energy efficiency, demand response, energy storage, behind-the-meter generation, and other innovative solutions) by distributors to address system needs and avoid or defer investments in traditional wires infrastructure. They are intended to facilitate future innovation in the energy sector regarding appropriate responses to emerging system needs.

In finalizing the 2021 CDM Guidelines, the OEB has taken into consideration comments submitted by participants in response to the [OEB staff discussion paper](#), as well as the [recommendations](#) of the Regional Planning Process Advisory Group.

The 2021 CDM Guidelines replace the [2015 CDM Guidelines](#) (EB-2014-0278), and are effective immediately. Rate applications filed by electricity distributors after this date are expected to be consistent with the 2021 CDM Guidelines, or to provide an explanation for any divergence. The OEB intends to issue updates to the [Filing Requirements for Electricity Distribution Rate Applications](#) (Filing Requirements) at a later date. Although Chapter 2 and Chapter 5 of the Filing Requirements that apply to small utilities ([issued December 16, 2021](#)) do not reference the new CDM guidelines, small utilities should ensure that their 2023 rate applications are also consistent with the 2021 CDM Guidelines, where applicable.

Aspects of the CDM Guidelines may be updated in the future as needed to account for new developments, such as learnings from the OEB's Framework for Energy Innovation consultation (EB-2021-0118), or discussions with the IESO regarding the impact of the IESO's CDM activities at the distribution level.

The OEB thanks all stakeholders for their contributions to the consultation. Any questions relating to the 2021 CDM Guidelines should be directed to the OEB's Industry Relations Enquiry e-mail at IndustryRelations@oeb.ca. Please include "2021 CDM Guidelines" in the subject line.

Cost Awards

The OEB's [September 1, 2021 decision on cost eligibility](#) determined those participants eligible to apply for an award of costs. The OEB previously indicated that it will make up to 10 hours per participant eligible for cost awards for comments filed in this proceeding. As noted in the decision on cost eligibility, any cost awards approved by the OEB will be recovered from all rate-regulated electricity distributors.

1. Participants must submit their cost claims by **January 10, 2022**. Cost claims must be completed in accordance with section 10 of the OEB's *Practice Direction on Cost Awards*.
2. Rate-regulated electricity distributors may review cost claims on the OEB's website by referencing **EB-2021-0106**. Rate-regulated electricity distributors will have until **January 24, 2022** to object to any aspect of the costs claimed. Any objection must be filed with the OEB and one copy must be sent by email to the participant against whose claim the objection is being made.
3. A participant whose cost claim was objected to will have until **January 31, 2022** to file with the OEB a reply submission as to why its cost claim should be allowed. One copy of the reply submission is to be sent by email to the objecting rate-regulated electricity distributor.

The OEB will use the process set out in section 12 of its [Practice Direction on Cost Awards](#) to implement the payment of the cost awards. Therefore, the OEB will act as a clearing house for all payments of cost awards in this process. For more information on this process parties may refer to the OEB's [Practice Direction on Cost Awards](#).

How to File Materials

Stakeholders are responsible for ensuring that any documents they file with the OEB **do not include personal information** (as that phrase is defined in the Freedom of Information and Protection of Privacy Act), unless filed in accordance with rule 9A of the OEB's [Rules of Practice and Procedure](#).

Please quote file number, **EB-2021-0106**, for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the [OEB's online filing portal](#).

- Filings should clearly state the sender's name, postal address, telephone number, and e-mail address.
- Please use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RESS\) Document Guidelines](#) found at the [Filing Systems page](#) on the OEB's website.

All communications should be directed to the attention of the Registrar at the address below and be received by end of business, 4:45 p.m., on the required date.

Email: registrar@oeb.ca

Tel: 1-877-632-2727 (Toll free)

Yours truly,

Original signed by

Christine E. Long

Registrar