



Ontario | Commission
Energy | de l'énergie
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BY EMAIL AND WEB POSTING

August 28, 2024

**TO: All Rate-regulated Electricity Distributors
All Intervenors in Electricity Distribution Incremental Capital Module and
Cost-of-Service Proceedings
All Other Interested Stakeholders**

**RE: Review and Evaluation of the Incremental Capital Module Policy
OEB File Number: EB-2024-0236**

The Ontario Energy Board (OEB) is launching a consultation to support a review and evaluation of its [Incremental Capital Module \(ICM\)](#) policy. The review will be informed by previous ICM applications, as well as ICM-related comments received from stakeholders during the OEB's consultation¹ to review and update the [Handbook to Electricity Distributor and Transmitter Consolidations](#).

Background

The OEB issued its [Report of the Board – New Policy Options for the Funding of Capital Investments: The Advanced Capital Module](#) (2014) and the [Report of the Board – New Policy Options for the Funding of Capital Investments: Supplemental Report](#) (2016). On February 10, 2022, the OEB issued a [letter](#) that provided an update on the ICM policy for electricity distributors during extended rebasing deferral periods arising from utility consolidations. Collectively, these reports and letter outline, among other things, the OEB's current ICM policy that allows for distributors to apply for funding of significant capital investments between cost-of-service applications, provided certain criteria are met.

Consultation Timelines

A draft ICM policy report that will combine the above-mentioned reports and letter, along with initial proposed updates to the ICM policy, is targeted for stakeholder release in **October 2024**.

¹ EB-2023-0188, Elexicon Energy Inc., Alectra Utilities Corporation, Hydro One Networks Inc., and Energy Probe Research Foundation, Letters of Comment, February 29, 2024; School Energy Coalition, Letter of Comment, March 6, 2024; Consumers Council of Canada, Letter of Comment, March 7, 2024; and Vulnerable Energy Consumers Coalition and Association of Major Power Consumers in Ontario, Letters of Comment, March 7, 2024.

OEB staff will host a stakeholder meeting in **November 2024** to discuss proposed updates to the ICM policy and solicit verbal comments from stakeholders. Following this meeting, the OEB will also provide stakeholders with an opportunity to file written comments on proposed updates or other sections. Further details regarding the meeting and written comment process will be provided at the time of the release of the draft ICM policy report.

Participation

Stakeholders who intend to participate are asked to email registrar@oeb.ca by **September 10, 2024**. Emails should include “EB-2024-0236 Evaluation of the Incremental Capital Module Policy” in the subject line and provide the following information:

- Participant/organization name;
- Name(s) of attendees to be registered;
- A contact name, telephone number and email address; and
- If requesting cost awards, include the information outlined below.

Cost Award Matters and Filing Instructions

Cost awards will be available to eligible participants under section 30 of the *Ontario Energy Board Act, 1998* for participation in the consultation. Costs awarded will be recovered from all rate-regulated electricity distributors.

Information regarding cost awards and instructions for filing materials with the OEB is included in Appendix A to this letter.

Any questions relating to this letter should be directed to Urooj Iqbal at Urooj.Iqbal@oeb.ca. The OEB’s toll free number is 1-877-632-2727.

Yours truly,

Nancy Marconi
Registrar

Encl.
EB-2024-0236

Appendix A

Cost Awards Matters and Filing Instructions

Cost Award Eligibility

The OEB will determine eligibility for costs in accordance with its [Practice Direction on Cost Awards](#). Any person intending to request an award of costs must file with the OEB a written submission to that effect by **September 10, 2024**. The submission must identify the grounds on which the person believes that it is eligible for an award of costs (addressing the OEB's cost eligibility criteria as set out in section 3 of the *Practice Direction on Cost Awards*). An explanation of any other funding to which the person has access must also be provided, as should the name and credentials of any lawyer, analyst or consultant that the person intends to retain, if known. All requests for cost eligibility will be posted on the OEB's website.

If a rate-regulated electricity distributor has any objections to any of the requests for cost eligibility, such objections must be filed with the OEB by **September 17, 2024**. Any objections will be posted on the OEB's website. The OEB will then make a final determination on the cost eligibility of the requesting persons.

Eligible Activities

Cost awards will be available to eligible participants for participation in the November 2024 meeting with OEB staff to a maximum of actual meeting time plus 50% of meeting time for preparation and reporting.

Details on any subsequent consultation activities eligible for cost awards will be provided later.

Cost Awards

When determining the amount of the cost awards, the OEB will apply the principles set out in section 5 of its *Practice Direction on Cost Awards*. The maximum hourly rates set out in the Cost Awards Tariff will also be applied. The OEB expects that groups representing the same interests or class of persons will make every effort to communicate and co-ordinate their participation in this process. In accordance with section 12 of its *Practice Direction on Cost Awards*, the OEB will act as a clearing house for all payments of cost awards in this process. For more information on this process, please see the OEB's *Practice Direction on Cost Awards*.

How to File Materials

All written materials sent to the OEB in response to this letter will be placed on the public record and posted on the OEB's website. If the written materials are from a private citizen (i.e., not a lawyer representing a client, not a consultant representing a client or organization, not an individual in an organization that represents the interests of consumers or other groups, and not an individual from a regulated entity), the OEB will remove any personal (i.e., not business) contact information (e.g., address, phone number and e-mail address) before placing the materials on the public record and posting the materials on the OEB's website. However, your name and the entire content of your materials will be placed on the public record and posted on the OEB's website. If the written materials are from a person acting in a professional or business capacity, all information in the written materials will be publicly available.

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-2024-0236** 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 [File documents online page](#) on the OEB's website.
- Stakeholders are encouraged to use RESS. Those who have not yet [set up an account](#), or require assistance using the online filing portal can contact registrar@oeb.ca for assistance.
- Cost claims are filed through the OEB's online filing portal. Please visit the [File documents online page](#) of the OEB's website for more information. All participants shall download a copy of their submitted cost claim and serve it on all required parties as per the [Practice Direction on Cost Awards](#).

All communications should be directed to the attention of the Registrar 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)