

ONTARIO ENERGY BOARD

RESPONSE TO IPSOS SURVEY RESULTS

FEBRUARY 2022



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SUMMARY OF FINDINGS

In late 2021, with design and development support from market research firm Ipsos, the Ontario Energy Board (OEB) invited 219 sector stakeholders to take part in its second online stakeholder satisfaction survey. The purpose was to assess year-over-year progress, as compared to a similar baseline survey conducted in late 2020, around five themes including **Performance as a Regulator, Trust and Confidence, Adjudicative Hearings, Stakeholder Consultation and Engagement** and **OEB Communications**.

A total of 72 stakeholders completed the survey, representing a response rate of 33 per cent, which Ipsos considers strong. Those surveyed included electricity and natural gas distributors and transmitters, electricity retailers, natural gas marketers, unit sub-meter providers (USMPs), storage providers, consumer representatives, and industry associations and business groups.

Moving forward from 2020, a considerable emphasis was placed on the need to improve upon stakeholder engagement, especially given its importance in enabling us to attain our strategic goals and our desire to become a top-quartile regulator. These efforts, which remain ongoing, have resulted in notable gains across almost all measured categories, many of which are in the double digits. Highlights include:

- **Performance as a Regulator** - Half (49%) of stakeholders are satisfied with the OEB’s performance as a regulator, an increase of 12 per cent over the baseline (last year’s response to the same question). Notably, overall results reveal baseline improvements across all measures in this category. Among stakeholders, retailers (62%) are the most satisfied with the OEB’s performance as a regulator.
- **Trust and Confidence** - Most stakeholders trust that the OEB is making decisions in the public’s best interest (62%), an increase over the baseline of 10 per cent; and have confidence that the OEB is developing policies (56%) and issuing decisions (54%) that are also in the public’s best interest. Among stakeholders, retailers and local distribution companies (LDCs) provided the highest ratings in these categories.
- **Adjudicative Hearings** - A vast majority of stakeholders believe the OEB has been issuing written decisions that are clear and easy to understand (74%), an increase over the baseline of 15 per cent. New to this survey, a majority of stakeholders indicated they believe Commissioners act with integrity (67%), demonstrate professionalism (65%) and make decisions independently based on the evidence before them (68%). Among stakeholders, LDCs provided the highest rating for integrity, intervenors for Commissioner professionalism and retailers for independent decision making.

- **Stakeholder Consultation and Engagement** - Overall satisfaction with the OEB's effectiveness in communicating with industry stakeholders (65%) has improved, an increase over the baseline of 15 per cent. This is particularly true for communication outside of formal adjudicative proceedings (61%), an increase of 24 per cent. Among stakeholders, LDCs provided the highest ratings in both areas.
- **OEB Communications** - Similar to 2020, OEB stakeholders continue to be most inclined to prefer electronic forms of communication, including email (86%), webinars (69%) and the OEB website (60%).

We recognize that a sizeable proportion of stakeholders continue to hold a soft positive or neutral opinion with respect to overall satisfaction. As modernization continues, we will drive at opportunities for further improvements in key defining areas including innovation, efficiency, independence and effectiveness.

This report compares results based on the feedback received in 2020. Responses highlight select initiatives that align with our Strategic Plan, Business Plan, Chief Commissioner Plan and Top Quartile Regulator initiative. Information obtained through this survey will once again serve as a measurement for improvement going forward.

PERFORMANCE AS A REGULATOR

Overall satisfaction with the OEB as a regulator:

49% satisfied ▲ 12%

STAKEHOLDER FEEDBACK	OEB RESPONSE
<p>OEB is delivering on its responsibilities</p> <p>52% satisfied</p> <p>▲ 6%</p>	<p>We are pleased with the improvements made to overall stakeholder satisfaction and recognized ability for us to deliver on our responsibilities. We will seek to build on this momentum by continuing to focus our efforts on providing clear, timely and transparent communication with stakeholders, while also placing additional emphasis on efficiency, effectiveness, independence and innovation when it comes to fulfilling our mandate.</p>
<p>OEB consults with stakeholders outside of the formal adjudicative process</p> <p>61% satisfied</p> <p>▲ 24%</p>	<p>Having implemented new approaches to improve and enhance engagement with stakeholders outside of the adjudicative process, we are encouraged to have seen a notable improvement in this area. To support further improvement, we will engage according to our Stakeholder Engagement Framework, and advance the approaches we take to engagement through the Energy [X] Change, Adjudicative Modernization Committee and our Annual Policy Day. Focused on upcoming work, these channels will create enhanced opportunities for stakeholder input.</p>
<p>OEB is operationally effective</p> <p>39% satisfied</p> <p>▲ 4%</p>	<p>We have been working hard to achieve performance outcomes that are aligned with our Strategic Plan and foundational documents. Moving forward, we will look to improve our operational effectiveness, in part, by completing initiatives outlined in our Business Plan, measuring and monitoring adjudicative performance and reporting on it twice a year, evolving our own performance and benchmarking framework, undertaking robust business planning and conducting annual self-assessment exercises.</p>

TRUST AND CONFIDENCE

The level of trust that stakeholders have in the OEB to make decisions about rates and the electricity and natural gas systems that are in the best interests of Ontarians:

62% satisfied ▲ 10%

STAKEHOLDER FEEDBACK	OEB RESPONSE
<p>OEB Commissioners make decisions in an independent manner based on the evidence before them</p> <p>68% agree</p>	<p>Independence is a foundational attribute for a regulator. To better understand the contextual nature of stakeholder feedback associated with perceptions of independence, we added this question to the 2021 survey. We are encouraged that most stakeholders believe our Commissioners act independently and with integrity. Only 7 per cent are dissatisfied, and an equal percentage are undecided. Accordingly, we are committed to working with stakeholders to better understand and address remaining concerns in this area.</p>
<p>OEB is fair, well-reasoned and responsive to stakeholders in developing policy</p> <p>Fair: 50% positive ▲ 5%</p> <p>Well-Reasoned: 47% positive ▼ 3%</p> <p>Responsive: 44% positive ▲ 14%</p>	<p>While progress has been made with respect to the degree of confidence stakeholders have in our ability to develop policies that are fair and responsive, further improvement is needed. As set out in our Business Plan, we will engage with stakeholders according to our Stakeholder Engagement Framework, leverage post-event stakeholder feedback to make improvements in this area and explore the use of focus groups to better inform future opportunities for improvement.</p>
<p>OEB is fair, well-reasoned and responsive in making decisions</p> <p>Fair: 45% positive ▼ 3%</p> <p>Well-Reasoned: 51% positive ▲ 6%</p> <p>Responsive: 37% positive ▲ 7%</p>	<p>We have placed considerable emphasis on ensuring that we have a fair, well-reasoned and responsive decision-making process. While progress has been made, results indicate that further improvement is required. As set out in our Business Plan, we will continue to review the intervenor process, refine and monitor performance standards, further the reporting and record-keeping requirements review, enhance the use of benchmarking in rate applications and revise filing requirements for cost-of-service applications for larger utilities.</p>

ADJUDUCATIVE HEARINGS

Overall satisfaction with OEB’s efficiency, effectiveness, and independence of adjudicative proceedings:

Efficiency 51% satisfied ▲ 17%
 Effectiveness 28% satisfied ▲ 1%
 Independence 49% satisfied ▲ 11%

STAKEHOLDER FEEDBACK	OEB RESPONSE
<p>OEB makes decisions in a timely manner</p> <p>53% positive ▲ 17%</p> <p>OEB processes applications efficiently</p> <p>51% positive ▲ 17%</p>	<p>We are encouraged with improvements made across several areas of the adjudicative process. To harness this momentum going forward, we will, through initiatives outlined in our Business Plan and with the assistance of the Adjudicative Modernization Committee, continue to improve the efficiency of adjudication while ensuring that best practices and procedural fairness are maintained.</p> <p>Several initiatives are underway that continue to improve the efficiency and effectiveness of adjudicative processes, including right-sizing filing requirements, leveraging activity- and program-based benchmarking in decision making and continuing established pre-application meetings to ensure shared understanding at the beginning of the process.</p>
<p>OEB manages the intervenor process efficiently</p> <p>28% positive (neutral)</p>	<p>Intervenors play an active and important role in the applications process. The OEB has an initiative underway to review intervenor processes with an eye to identifying opportunities for improvements in efficiency and effectiveness. In particular, we will use active adjudication to enhance our oversight of adjudicative processes, and develop new guidance to ensure that interventions contribute meaningfully to these processes.</p>
<p>OEB right-sizes filing requirements for applications and asks only for information that is needed</p> <p>22% satisfied ▲ 4%</p> <p>64% say filing requirements are the most burdensome, an increase of 6% year-over-year</p>	<p>We recognize that applicants have raised concerns about the volume of evidence required to be filed with rate applications. In December 2021, we responded by issuing revised filing requirements for small electricity distributors. We will consider the changes made to small utility filing requirements as we move to review filing requirements for larger utilities this year. In addition, we will work to enhance the use of benchmarking in rate applications.</p>

STAKEHOLDER CONSULTATION AND ENGAGEMENT

Overall satisfaction that OEB consultation and engagement activities are relevant:

68% satisfied ▲ **22%**

STAKEHOLDER FEEDBACK	OEB RESPONSE
<p>OEB consults with stakeholders on the right policy issues</p> <p>54% positive</p> <p>▲ 19%</p>	<p>Notable gains were made in this area, but we remain committed to further improvements going forward. Mindful of our mandate and the needs of the sector, we will create more opportunities for active feedback and two-way dialogue, within our current stakeholder advisory committee structure, and seek input on agenda setting. The OEB intends to hold its 2nd annual Policy Day in September 2022.</p>
<p>OEB coordinates engagement with government and other agencies to avoid stakeholder fatigue</p> <p>40% satisfied</p> <p>▲ 17%</p>	<p>Improvements in this measure reflect the implementation of several initiatives, such as the inclusion of policy project dates to the oeb.ca/calendar providing greater transparency for participants; better internal co-ordination of scheduling between adjudicative hearing dates and policy consultations; and enhanced engagement with the Independent Electric System Operator (IESO) with which we created a joint stakeholder committee to manage overlapping issues.</p> <p>Moving forward, further improvements will focus, in part, on continued due diligence with respect to scheduling co-ordination, having transparency for milestone dates within a project, and leveraging our new Engage with Us platform as a mechanism for improved information and knowledge exchange.</p>
<p>OEB facilitates innovation in the energy sector</p> <p>34% positive</p>	<p>Innovation is a top priority for stakeholders. Accordingly, we are taking steps to enhance our work in facilitating purposeful innovation by leveraging stakeholder expertise through Energy [X] Change, creating a new Board of Directors' Innovation Task Force, advancing the Innovation Sandbox and the work of the Framework for Energy Innovation Working Group, and continuing with the OEB/IESO joint stakeholder engagements on distributed energy resources (DER) integration. Completion of work resulting from the (DER) Connection Review will also bring meaningful support to sector innovation.</p>

OEB COMMUNICATIONS

Overall satisfaction with OEB’s channels of communication with stakeholders:

65% satisfied ▲ 15%

STAKEHOLDER FEEDBACK	OEB RESPONSE
<p>OEB continues to enhance digital communication</p> <p>As in 2020, OEB stakeholders continue to be most inclined to prefer electronic forms of communication, including email (86%), webinars (69%) and the OEB website (60%).</p>	<p>Considering the challenges of a virtual environment, we are particularly encouraged by the improvement made on overall satisfaction with our communication channels. Launched in 2021, our new website offers improved search and navigation capabilities for visitors. In 2022, the site will include an enhanced What’s New news feed that enables improved tailoring of subscriber content and greater access to data sets through oeb.ca. In keeping with our Digital First Strategy, our processes will continue to be digitized and available through oeb.ca. We will also endeavour to deliver a mix of digital and in-person interactions in the future, when appropriate.</p>
<p>OEB improves and enhances the Industry Relations Enquiry (IRE) system</p>	<p>As part of an IRE system review, we are implementing changes to achieve increased response rates that aim to surpass established metrics, while ensuring enquiries that raise complex issues are assessed and properly addressed through an effective process. Upon resolution of more complex enquiries and compliance matters, we will work to issue bulletins that provide the broader sector with guidance.</p>

CONCLUSION

Achieving meaningful change is deliberate, disciplined, well planned and well executed. Driven by this ethos, the OEB moved forward from the 2020 baseline survey and remains committed to delivering meaningful change. Effective stakeholder engagement is a cornerstone of OEB modernization and imperative if we are to realize our strategic goals and desire to become a top-quartile regulator. Accordingly, we are encouraged that our 2021 results show notable improvements across most areas. Nevertheless, results also show that there is much work to be done.

As we continue to move through our modernization journey and evolve into becoming a top-quartile regulator, we will seek further opportunities for improvement by gaining deeper insights on several results. Stakeholder feedback will also remain a critical input. Once sufficient time has passed to measure the outcomes of initiatives and actions currently underway, we will survey again.

We want to thank all of the stakeholders who are participating in our modernization journey, especially those who took the time to complete this survey. Your valued feedback and collaboration will help to inform and guide our planning efforts moving forward. Without it, we cannot improve.



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