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Ministry of Energy and Electrification  
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Via Email: [phydime.bysshe@ontario.ca](mailto:phydime.bysshe@ontario.ca)

RE: [Submission for ERO: 019-9284 - Proposed Amendments to the Electricity Act \(EA\), 1998, Ontario Energy Board Act \(OEBA\), 1998 and the Energy Consumer Protection Act \(ECPA\), 2010 \(The Acts\) to enable an affordable energy future.](#)

The Electricity Distributors Association (EDA) appreciates the opportunity to provide input to the Ministry of Energy and Electrification (Ministry) on proposed amendments in ERO: 019-9284 (Energy Proposal), and our support for the proposed legislation, Bill 214, *Affordable Energy Act*. The EDA represents Ontario's local hydro utilities, the part of our electricity system closest to customers. Publicly and privately owned utilities, otherwise known as local distribution companies (LDCs), own more than \$30 billion in electricity system infrastructure and invest more than \$2.5 billion annually in the grid enabling economic growth in Ontario. This infrastructure delivers electricity to 5.4 million residential, commercial, industrial, and institutional customers – powering every community in the province.

LDCs are making the critical grid infrastructure investments to support Ontario's electrification, including electric vehicle production and adoption, and "fuel-switching" heating and industrial processes. They will play a pivotal role in making Ontario's energy transformation happen. The Ministry has proposed changes that intend to enable integrated energy resource planning and promote actions with the overarching goal to enable an affordable energy future while supporting intensifying electrification and economic growth. The amendments in this proposal introduce an integrated energy resource plan, changes to the regulatory framework for new flexible billing for electric vehicle charging companies, and enhanced energy efficiency programs that unlock the value of beneficial electrification. The proposed amendments support electrification and directly impact our members' business and their customers.

Taking that into account, the EDA is pleased to offer the following feedback on the proposed amendments to the OEBA, EA, and ECPA (the Acts) for the following considerations:

**Schedule 1: Integrated Energy Resource Planning (IERP) Amendments:**

We welcome the potential for a new framework for IERP, and proposed amendments to the *Electricity Act, 1998*, that would consider all forms of energy, including electricity, energy efficiency, coordinating all energy resources, to enable affordable energy. As supported in our vision paper released in April 2024, "[Solving Grid Lock: Our vision for a customer-centric energy transition](#)", we believe that establishing formal methods for defining and incorporating new and existing grid modernization capabilities into integrated planning processes can balance priorities across several objectives in the energy network, primarily enhancing grid functionalities, system availability, through management of DER enablement. Ontario's LDCs are ready to lead the advancement of the clean energy economy by championing customer electrification and the widespread adoption of clean energy solutions. With their

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readiness to manage the challenges of a dynamic and multifaceted electricity system, LDCs will be at the forefront of innovation and progress. LDC investments in distribution system infrastructure and enabling technologies in the near term are needed to support a cost-effective and reliable energy transition.

The government's recently released energy vision is a pivotal first step, and we commend the government on combining **energy** planning into one plan, which will give the industry stability and predictability from a policy and planning standpoint and will be required for an orderly transition. Electricity distribution is an important segment of the energy system, which directly impacts how energy is delivered to the province's customers reliably. It is our responsibility to meet the increasing electricity needs of our customers, and LDCs can take ownership of electrification which can support customer programs holistically.

LDCs have noted that as technologies advance, the energy system is increasingly interdependent, and opportunities exist for reviewing the energy system in its totality. We believe that establishing five-year predictable planning cycles, with an added regulatory mechanism for all stakeholders to review unforeseen incremental energy need changes which may occur, or additionally timely management of constrained areas, will promote the success for IERP in the system. Proposed amendments to the *Electricity Act, 1998* will enable the IERP; however, energy planning must also prioritize the needs of the distribution sector and give consideration for local grid modernization, and access to funding.

To promote the success of IERP and reduce uncertainty in planning "Technical Reports" forecasting demand and adequacy, and reliability of the energy sector, the supply, capacity, storage, and demand of energy must be reported with a report with a greater degree of detail, with a complete set of assumptions and reasonableness to support the long-term energy needs of Ontario and facilitate informed stakeholder planning data to leverage Ontario's energy economic advantage. The government has also made progress on transmission expansion with five new lines in Southwestern Ontario, two in Northeastern Ontario, and one in Eastern Ontario. These significant generation and transmission investments are beneficial to the system, and address constraints, but will only be delivered with the most benefit to our customers through enhanced planning and aligning parallel investment with the distribution grid.

Prioritizing affordability and energy efficiency will make progress toward meeting emissions targets while also empowering businesses to invest and create jobs. LDCs can play an essential role in this comprehensive approach to secure Ontario's transition to a low-carbon future. We will provide a detailed set of comments on the proposed IERP in our submission to the Ministry through the [Integrated Energy Resource Plan Consultation ERO #019-9285](#).

## **Schedule 2: Electricity Connections to Support Growth:**

We support the intent of amending the OEB Act to promote electrification and facilitate energy efficiency initiatives across the province, through faster development of connection infrastructure to enhance system readiness for industrial and housing development. Increasing electricity demands will require LDCs to update their investment plans to increase the capacity of distribution system infrastructure. After years of steady or declining demand, Ontario is now entering a period of growth driven by population and housing expansion, with 1.5 million new housing starts required by the government by 2031, an increase in energy-intensive industries, and electrification. Aligned with our previous advocacy to the Ontario Energy Board (OEB), and fostering our partnerships with developers of Ontario, we provided our recommendation in the OEB Housing Connections report that extending the

revenue horizon for connecting residential developments from 25 to 40 years would, in our view, reduce upfront costs, ensuring that our growing communities have access to reliable and affordable power, and making Ontario a destination of choice for families and economic investment. LDCs are at the forefront of ensuring that the government's policy intent is achieved, and we offer the following comments respectfully for consideration of the amendments included in Schedule 2 which are made to the Acts for supporting growth of distribution and transmission connected networks.

#### **Government regulation-making authority:**

The proposed amendments would give the government regulation-making authority to change how costs are allocated and recovered for transmission and distribution connection infrastructure where the prospect of load materializing in the future is very likely. We recommend that the Ministry post draft regulations for stakeholder consultation and grant the opportunity for stakeholders to collaborate on refining language to any proposed regulations in the future. We also recommend the inclusion for mandatory stakeholder review be added to the regulation, allowing stakeholders the added opportunity to comment and consult on any proposals arising from government decisions to adjust how costs are allocated and recovered in the prospect of load materializing in the future.

We are supportive of the proposed legislative amendments that would provide the Minister of Energy and Electrification with the regulation-making authority to change how costs are allocated and recovered, respecting distribution and transmission, assuming the industry is allowed ample opportunity for input into the development of the regulations. Consistent with our submission on [Bill 165 proposal to amend the OEBA to provide government with the authority to ensure fair and informed decision making at the OEB to foster affordable communities](#), we support that this be done only under Cabinet approval, thereby ensuring that these powers are only exercised in very significant circumstances. We trust the government will be judicious in its authority.

#### **Cost Allocation and Controls:**

We support the government instructing the OEB to review the beneficiary pays model in an expedited manner to adapt it for growth in Ontario, which we recognize was not a consideration during the initial development of the current model. The rapid rate of growth and infrastructure investments required will need to balance the impact on ratepayers and "first movers". This consideration is particularly important for greenfield development where insufficient, or no, nearby infrastructure exists. The Energy Proposal does not specify how the cost allocation would differ from the current model, nor does it define what is a "high growth" area, or what inputs are reviewed for the prospect of 'load materializing'. We support a collaborative solution that does not unfairly burden ratepayers who might subsequently be required to carry the costs of a high-growth area. Our members submit that the development of this design and implementation consideration be given to a broader allocation model in line with achieving the province's goals in housing, economic growth and electrification. We recommend that the proposal approaches cost allocation from sound rating making principles and ensures that the cost allocation balances connecting party and rate payers, and LDCs are able to recover all of their costs. We further recommend that the ministry consider the option of directing the OEB to create an investment deferral account to help LDCs become grid-ready for new load. Without the provision of a regulatory account, LDCs may need to defer or cancel a substantial amount of necessary capital work planned in their existing capital budgets to fund the reduction in customer capital contributions and incremental work that may arise under the regulations instead, potentially disrupting reliability standards in our grid system planning.

### **Reducing Costs for Last Mile Connections:**

As recommended in previous [submissions](#), we support amendments to the OEB Act that provides the government with new regulation-making authority that would, with appropriate industry consultation, work to ensure more timely and cost-effective electricity system connection for new homes and industry. We believe the review should also include more regulatory flexibility to allow LDCs to build inventory to make investment needed to be grid ready to respond to new connections and consider enhancing domestic supply to address supply change issues beyond the distributor's control. On November 1<sup>st</sup>, following a series of engagements with our members, we issued [21 recommendations](#) to the government that, if adopted, would allow LDCs to better facilitate last-mile grid connections for housing developments and large commercial and industrial customers, and we look forward to those ongoing discussions.

### **Schedule 3: Exemption for Electric Vehicles (EV) Charging Companies and Flexible Billing:**

We support the proposal to amend the Acts through exemptions to support the growth of EV charging companies and flexible billing to facilitate EV adoption in Ontario. EV charging activities, such as licensing, rate setting, and reporting were not considered in the drafting of previous versions of the Acts. We recognize that EV uptake combined with heat pumps represents significant changes in load profiles from historical patterns, and as LDCs support electrification and grid modernization to reflect transition from a unilateral to bi-directional grid, the changes made will support a holistic approach. Recognition for the variation of EV charging profiles and observing the trends in other jurisdictions which are considered early adopters to the grid should inform how changes and exemptions are approached in Ontario.

So long as there are no unintended consequences to other customer groupings within the energy network, we agree that these amendments would support greater enablement and deployment of EVs in Ontario and achieve appropriate administrative efficiencies in the process. As the government continues to support EVs, from developing the EV supply chain, EV manufacturing and enabling vehicle deployment, LDCs remain committed and flexible partners in this important element of electrification to remove barriers to access EVs in Ontario, thus increasing EV uptake rates.

### **Schedule 4: Programs to Increase Energy Affordability:**

We support enabling the IESO to administer enhanced energy efficiency programs that support beneficial electrification, the use of electricity instead of other fuels to reduce overall energy use and subsequently reduce costs for high consumption activities, such as home heating and cooling, regardless of fuel-type (e.g., propane, oil, wood). Beneficial electrification is key to meeting Canada's net-zero emissions targets and is a wise investment for people today and in the future. We further note that locally designed and delivered conservation programs provided by LDCs are a potential source of greater sustainable electricity savings that can address the forecasted electricity supply gap, help businesses manage electricity costs, and ensure Ontario attracts local investment.

LDCs can promote affordability initiatives and energy conservation efforts. These opportunities include implementing energy efficiency programs, such as home energy audits and rebates to help customers reduce their energy bills and minimize their environmental impact. Additionally, LDCs can collaborate with community organizations and government agencies to provide financial assistance to low-income households for energy efficiency upgrades and weatherization measures. As LDCs integrate new

technologies and enhance their capabilities, they can leverage advanced analytics and data-driven insights to enhance their services and improve customer engagement. By providing access to real-time energy usage data and personalized recommendations, LDCs can empower customers to make smarter energy choices and optimize their energy consumption. Moreover, by investing in smart grid technologies and predictive analytics, LDCs can improve grid reliability and resilience, thereby reducing the frequency and duration of power outages and enhancing overall system performance. Due to these reasons, we strongly encourage the IESO to work collaboratively with LDCs in the design and delivery of affordability initiatives and energy conservation efforts to ensure they are efficiently delivered to customers.

LDCs are critical partners that are best positioned to deliver and ensure programs are affordable and deliver the greatest value to customers. As we look to meet the forecasted demand, the time is now to unlock the critical benefits of beneficial electrification as we enable a system that leverages all available resources. We are committed to working with partners to ensure equal accessibility to beneficial electrification by designing programs that meet the needs of all customers with different needs. We believe that this is a logical extension of the existing energy efficiency framework, allowing for rapid market execution by leveraging the energy efficiency infrastructure currently in place. By expanding to beneficial electrification, the role of LDCs becomes more critical to ensure there is system reliability as more DERs come online. LDCs must be a partner in beneficial electrification programs for that reason.

### **Conclusion**

The EDA recognizes the importance of making it more affordable to connect new homes and businesses to Ontario's electricity grid. We believe a clear, practical, and achievable path is available for Ontario to establish a prudent framework to allow LDCs to modernize in the best interests of their customers, communities, and Ontario's economy. LDCs' ability to leverage their existing customer relationships, expertise, and knowledge of Ontario's energy system makes them critical enablers of Ontario's energy transition journey. Affordable energy is paramount for Ontario, and the province requires an unprecedented expansion of the electricity grid to accommodate the demands associated with new housing infrastructure and facilitate the connection of businesses stemming from economic development in the clean energy sector and decarbonized supply chains. This expansion is not limited to large new customers but encompasses the entire local supply chain. Additionally, these changes are expected to enable LDCs to maintain reliable services despite increased complexity due to the growing adoption of EVs, solar energy, and energy storage solutions.

We look forward to continued consultation, and industry collaboration, and trust that this submission helps to inform the development of regulations to support Bill 214. For more information, please feel free to contact the EDA's Brittany Ashby, Senior Regulatory Affairs Advisor, [bashby@eda-on.ca](mailto:bashby@eda-on.ca)

Sincerely,



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