

Andrew J. Sasso
Director, Regulatory Affairs & Government Relations
Toronto Hydro-Electric System Limited
14 Carlton Street; Toronto, ON M5B 1K5
regulatoryaffairs@torontohydro.com



October 3, 2025

Ministry of Energy and Electrification
Government of Ontario
77 Grenville Street
Toronto, ON

Submitted via Environmental Registry of Ontario

Re: Proposed Amendments to the Electricity Act, 1998, Ontario Energy Board Act, 1998 and the Municipal Franchises Act, to secure energy for generations (ERO 025-0993)

Toronto Hydro-Electric System Limited (“Toronto Hydro”) is the local electricity distribution company for the City of Toronto. Toronto Hydro serves approximately 3 million people and businesses every day and delivers about 18% of the electricity used in Ontario. On September 4, 2025, the Ministry of Energy and Mines (“Ministry”) proposed a series of legislative amendments intended to support the delivery of the government’s first *Integrated Energy Plan*, with the aim of enabling a more affordable, secure, reliable and clean energy future for the province. Toronto Hydro offers the following brief comments for the Ministry’s consideration.

Data Centers

The Ministry is proposing amendments to the *Electricity Act, 1998*, that would provide regulation-making authority to enable a framework to evaluate electricity connection requests of large data centers. If needed, this regulation could prohibit utilities from connecting those data centres to the grid unless certain connection requirements (to be specified through future regulations) are met. Toronto Hydro understands and accepts the economic drivers of these amendments, and while supportive of the intent, has some concerns regarding the administrative procedures should the principle of non-discriminatory access be amended. Toronto Hydro submits that any connection requirements that are to be established under these amendments need to be clear, simple, and concise, and that the process of obtaining approval for affected connections needs to be streamlined to the greatest extent possible. In so much as exceptions will be introduced to non-discriminatory access, utilities and connecting customers alike will require clarity, transparency, and timeliness in this additional approval process.

Procurement Related Deferral and Variance Account

The Ministry is proposing amendments to the *Ontario Energy Board Act, 1998*, that would allow certain rate regulated utilities affected by procurement-related restrictions introduced through legislation of the *Protect Ontario by Unleashing Our Economy Act, 2025* to establish Deferral or Variance Accounts to track the increased costs stemming from limited access to select markets. The affected utilities would be able to have these costs reviewed by the Ontario Energy Board for prudence and potentially recover those costs through rates in the normal course. Toronto Hydro is supportive of the proposed measure, as it complements the Government's earlier policy efforts by removing the primary difficulty to operating with restricted procurement options. Toronto Hydro appreciates the Government's recognition that homeshoring procurement will in some cases create isolated costs, notwithstanding the broader benefit to the Ontario economy. The ability to recover cost variances brought about by restricted access to more economical options would ease the cost impacts borne by the utility and could even go further and allow Toronto Hydro to consider working with additional local vendors that would otherwise have been omitted from its procurement process in the past.

Economic Growth as an Objective of the OEB and IESO

The Ministry is proposing a series of amendments to update the objectives of the OEB and the IESO to ensure that economic development is a core consideration in electricity system planning and decision-making. The proposed amendments are targeted towards enhancing electricity transmission and distribution planning processes to account for the expediency of the electricity grid buildout to drive economic growth and promote energy security. Toronto Hydro supports the amendments, as the consideration of growth and economic development in OEB (and IESO) forums should allow for a more future-focussed approach to utility infrastructure and grid expansion. The OEB's historical focus has, understandably, primarily been one of cost containment. Expanding the mandate to consider economic growth would permit utilities like Toronto Hydro to expand their grid infrastructure in advance of, rather than in reaction to, local load materializing, complementing the Government's economic growth objectives. The narrow caution to this amendment would be one of enabling the OEB and IESO to maintain and enforce the appropriate balance between competing objectives; maintaining ongoing prudence to avoid an uneconomical or imprudent expansionary investment, with one of allowing a more flexible build out to promote economic opportunity and growth where warranted.

Toronto Hydro appreciates the opportunity to comment on the Ministry's proposed amendments and continue to work with all stakeholders to deliver on the Government's economic and growth objectives for the province.

Respectfully,

A handwritten signature in blue ink, appearing to read "Andrew J. Sasso".

Andrew J. Sasso
Director, Regulatory Affairs & Government Relations
Toronto Hydro-Electric System Limited

AJS/jl