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May 1, 2024

Registrar  
Ontario Energy Board  
2300 Yonge Street, 27th floor  
Toronto, ON M4P 1E4

**Re: System Expansion for Housing Developments Consultation – OEB File No. EB-2024-0092**

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Toronto Hydro-Electric System Limited (“Toronto Hydro”) is the local electricity distribution company for the City of Toronto. It serves over 790,000 customers and delivers about 18% of the electricity used in Ontario.

On March 13, 2024, the Ontario Energy Board (“OEB”) launched its System Expansion for Housing Developments Consultation. The review is being undertaken in response to the Minister of Energy’s November 2023 Letter of Direction, which highlights the importance of ensuring that the balance between growth and ratepayer costs remain appropriate in the context of promoting housing development. A stakeholder conference held on April 3, 2024 further explored this issue, with the OEB proposing potential extensions to both the connection and revenue horizons, along with other alternative methods for the recovery of the cost of system expansions for housing developments.

The population of Toronto is continuously expected to grow by approximately 23.8 percent between 2021 and 2031, a marked increase from the 6.8 percent growth over the prior decade (from 2011 to 2021). This growth is concentrated in certain pockets, namely the downtown core and along transit corridors, and is oriented vertically with a continuing trend of high-rise developments. This has resulted in a marked need for new housing, transit solutions and infrastructure, all of which must be serviced by Toronto Hydro in the years to come.<sup>1</sup> Aligned with priorities outlined in the Minister’s Letter of Direction, Toronto Hydro fundamentally supports the province’s objectives of investing in Ontario’s electricity system infrastructure to bolster its housing and development goals.

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<sup>1</sup> Toronto Hydro 2025-2029 Rate Application, Exhibit 1B, pg. 9-10.  
<https://www.torontohydro.com/documents/d/guest/exhibit-1b-application-overview>

Toronto Hydro is an active member of the Ontario Energy Association (“OEA”), and supports and is aligned with the OEA’s submission on these issues. Toronto Hydro offers the following additional comments for the OEB’s further consideration.

Broadly, Toronto Hydro is in favour of the efforts undertaken to review the impact of energy connection policies in support of advancing provincial housing development objectives, and more closely aligning distribution system expansion cost allocation with that of gas distributors. This position, however, is balanced by Toronto Hydro’s concerns for potential increased rates to existing rate payers should development connection costs be more broadly allocated to rate payers at large. Toronto Hydro also highlights that in the vast majority of cases, particularly where development is situated near to existing infrastructure, the current connection policies provide for fair and reasonable outcomes and largely do not inhibit the development of housing. As such, Toronto Hydro would urge that any changes to connection policies and cost responsibilities be appropriately scoped and categorically applied to developments where connection and expansion costs may be a more substantive issue, such as those cases requiring large and distant build-out, as identified by stakeholders at the OEB’s April 3 Conference.

The OEB’s policy review and proposals regarding connection and revenue horizons are useful remedies to consider, but should be adequately targeted to specific residential development categories in which current cost allocation rules are potentially prohibitive cost-barriers due to the “first beneficiary pays” principle. Further care should be taken that any changes are targeted to well defined categories of developments, as the definition of residential developments could potentially include not only individual residential homes or other similar cases (e.g. duplex, triplex, laneway suites, etc.), but also multi-unit residential buildings and mixed-use properties. Toronto Hydro is also open to exploring the alternative methods of cost recovery being considered, such as redefining the categorization between system expansions vs. system enhancements, to help facilitate large new planned multi-year residential development areas. However, the consideration of such methods will need to be thoroughly analyzed and given extensive consultation between affected stakeholders before implementation due to its wide and long-term impacts.

Toronto Hydro is pleased to continue to work with the OEB and stakeholders in reviewing the electricity connection policies and procedures, along with exploring alternative models for cost recovery, to ensure fair and efficient cost allocation principles are applied in support of the province’s objectives of advancing housing and development, while maintaining a balance between growth and ratepayer costs.

Sincerely,

A handwritten signature in blue ink, reading "Andrew J. Sasso". The signature is fluid and cursive, with the first name "Andrew" and last name "Sasso" clearly legible.

**Andrew J. Sasso**

Director, Energy Policy and Government Relations  
Toronto Hydro-Electric System Limited

AJS/jl