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December 9, 2024

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

Attention: Brian Hewson, Vice President, Consumer Policy & Industry Performance

RE: Proposed Amendments to the Distribution System Code to Facilitate the Connection of Housing Developments and Residential Customers (OEB File: EB-2024-0092)

On behalf of Fieldgate Developments, this letter is to provide comments on the Ontario Energy Boards (OEB) Notice of Approval to Amend a Code dated November 18, 2024. More specifically the proposed amendments to the Distribution System Code (DSC), intended to facilitate the connection of housing developments and extending the revenue horizon to 40 years for all residential customers.

The below comments are founded on Fieldgate's experience in the GTHA home building and land development industry for over 65 years. Fieldgate has active applications at all stages of entitlement across the GTHA and executed a large number of Offer to Connects with various Local Distribution Companies operating in the Regions of: Durham, Dufferin, Halton, Waterloo, Peel, York, Hamilton, Niagara, and Simcoe. In addition, Fieldgate staff have been actively involved throughout the OEB's consultation process on this OEB file (EB-2024-0092).

- 1. These DSC amendments are specifically focused on "Housing Developments" rather than the Industrial/Commercial (Employment) Developments. Given the community building synergies between Residential and Employment properties, we would like to see the same terms and conditions being offered to all types of Developments.
- 2. The OEB is proposing to amend the Distribution System Code (DSC) to extend the Connection Horizon to fifteen (15) years and the Revenue Horizon to forty (40) years. We are in support of both these amendments as they should result in a lower percentage of the hydro costs being passed onto new home buyers and new employers, ultimately through mortgages. However, the OEB should consider that no limit be placed on the Connection Horizon. This is founded on the fact that new development areas are being asked to front end the cost for the expansion of hydro infrastructure that benefit a large number of residential and employment lands.

These new development areas are to address the Province of Ontario's requirement to plan to 2051 which is well beyond the recommended fifteen (15) year Connection Horizon. In addition, the cost of such hydro infrastructure expansions are upwards of \$100 million and unnecessary and inequal burden would be placed on the initial developments versus the later stages, while sharing in the infrastructure improvements.

- 3. As part of this amendment, we would like the OEB to clearly address financial responsibilities for Transformer Station (TS) works, which we believe should be the cost of the Local Distribution Companies (LDCs). These costs typically cannot be allocated fairly across development due to their broad community benefits and timelines for complete community buildout through varying economic cycles.
- 4. We would also encourage the OEB to address the required external expansions that are deemed necessary to service new developments. External expansions that are outside of the new development boundaries offer a broad community benefit and should be the cost of the LDCs. Modifications to the DSC are required to clarify the responsibility of such external improvements and consideration for a formal cost sharing formula between the LDC and Developer(s) would ensure clarity to both parties. In addition, other funding mechanisms and permissions that would allow the LDCs to contribute financially to these improvements should be reviewed to not prevent the timely improvements from being constructed to meet the Province of Ontario's goal of building 1.5 million new homes by 2031 and to continue to attract new employers.
- 5. We would like the OEB to include a provision in the DSC to account for greater electrical usage in the Revenue Horizon. LDCs are currently implementing new standards that will allow the new hydro expansions to provide more hydro capacity for future EV Chargers and/or reduced carbon heating sources but are using historical usage figures to input into their Economic Evaluation Models (EEM). The result of which is Developers are paying more to mitigate future risk without the possibility of benefiting from the increased electrical demands further exacerbating affordability for first-time home buyers. There should be a mechanism in place that allows LDCs to determine if larger than historical amounts of energy are being consumed and, if so, to adjust their EEM for the development accordingly. As this is driven by consumer choice and public policy, we see the likely model as a blend of public and rate based investments.
- 6. Finally, while we understand that the OEB issued a Bulletin on November 5, 2024 regarding the *Expectations for Distributors to Support Timely Connection of New Load Customers*, we feel that additional amendments to the DSC are needed to ensure LDCs complete the necessary hydro infrastructure planning at the same time as their Municipal counterparts. This will provide direction and allow funding by the LDCs to review hydro infrastructure requirements and provide Master Plans at the same time as a municipally led Planning Act process such as an Official Plan Amendment. In our opinion, this is the only way to ensure timely connection for new load customers and is a process followed by almost every other agency and municipal stakeholder (i.e. roads, wastewater and water supply infrastructure delivery).

Fieldgate Developments is committed to supporting the Province of Ontario's goal to build 1.5 million new homes by 2031 along with attracting new employment to create complete communities. We appreciate the opportunity to discuss the changes being proposed by the OEB within the DSC to help achieve that goal.

Should you require clarification or additional information on the above comments, please do not hesitate to reach out.

Yours very truly, FIELDGATE DEVELOPMENTS,

Michael McLean, P. Eng Senior Vice President

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