

Sent by email to: susanna.zagar@oeb.ca

December 10, 2024

Susanna Zagar
Chief Executive Officer
Ontario Energy Board
2300 Yonge Street, 27th Floor
P.O. Box 2319
Toronto, Ontario M4P 1E4

Dear Susanna Zagar,

The Association of Municipalities of Ontario (AMO) is pleased to have the opportunity to comment on the proposed changes of the Ontario Energy Board (OEB) to the Distribution System Code (DSC) to facilitate the connection of housing developments.

AMO previously [provided feedback](#) regarding new connections for housing development expansion, and supported proposals for connection and revenue horizon extensions.

We noted that the current five-year connection horizon is misaligned with the actual timeline to build and connect new homes. We support the proposed extension of the connection horizon which will reduce the financial burden of upfront electrical connection costs. This can encourage timely development and stimulate housing construction, which is crucial to helping Ontario deliver on its housing targets.

AMO also expressed concerns that the 25-year revenue horizon was misaligned with the timeframe to maintain infrastructure over its lifecycle, resulting in issues of fairness by which the cost of maintaining the infrastructure is disproportionately placed on the first homebuyers connected in a new development. We support extending the revenue horizon for residential connections to address these concerns, and better balance the costs between new and existing customers. We also note that a 40-year revenue horizon for electrical connections is aligned with the 40-year revenue horizon for natural gas connections which better allows customers to compare different energy sources and make informed decisions about whether to adopt lower carbon producing options.

We understand from the OEB's report to the Province that there is not consensus on what timeline each should be extended to. We understand that longer horizons can lower the cost for developers to build homes. However, longer horizons also increase the financial and administrative burden to LDCs to finance housing-enabling infrastructure and manage rebates to first movers over a longer period of time. Because LDCs are responsible for delivering and managing this infrastructure, we encourage the OEB to prioritize LDC advice to ensure new horizons are successful.

Finally, while we understand that the proposed changes could help improve fairness to new homebuyers, we also understand that longer horizons increase the risk of cost recovery not being achieved. In our previous submission, we clarified that AMO's support for extended horizons is contingent on the Province taking responsibility for backstopping this risk. Without this guarantee, municipalities are concerned that as the majority shareholders of LDCs, the financial burden of covering shortfalls may fall to them, undermining municipal fiscal sustainability and the ability to deliver local services.

This review and the proposed changes tackle a key question: who pays for growth, and how do we ensure funding is available when needed? AMO is pleased to see changes being explored that can provide more fairness, consistency, and better coordinate infrastructure expansion with local growth. This aligns with our previous feedback, and the need to help build the infrastructure needed to power new homes today. We continue to call on the Province to backstop the costs of these projects.

Sincerely,



Robin Jones
AMO President

cc: Brian Hewson, Vice President, Consumer Protection & Industry Performance,
Ontario Energy Board
Karen Moore, Assistant Deputy Minister, Ministry of Energy and Electrification,
Strategic Network and Agency Policy Division
Helen Guo, Manager, Distribution Policy & Compliance, Ontario Energy Board