



January 31, 2025

**VIA RESS**

Ontario Energy Board  
P.O. Box 2319,  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4  
Attention: Registrar

Dear Ms. Marconi,

**Re: Electric Vehicle Integration**  
**Board File No.: EB-2023-0071**

We are counsel to the Distributed Resource Coalition ("**DRC**") in the Ontario Energy Board's (the "**OEB**" or "**Board**") ongoing Electric Vehicle Integration initiative (the "**EVI Initiative**"). This letter sets out the written submissions of DRC, which are respectfully provided in response to the OEB's invitation<sup>1</sup> for written comments on a revised proposal (the "**Board's Proposal**" or the "**Proposal**") for an Electric Vehicle Charging Rate ("**EVC Rate**").

**About DRC**

DRC is a group of electricity customers and consumers, consisting of end-use residential customers, non-profit organizations, and owners' associations. DRC's members are directly affected by and interested in: (i) optimizing existing energy assets; (ii) efficiently facilitating the integration of existing and innovative distributed energy resources ("**DERs**"), including electric vehicles ("**EVs**"), to achieve customer and grid solutions; and (iii) providing input on direct customer needs and local distribution company opportunities relating to EVs. DRC's members for this EVI Initiative consultation include, subject to further update, the Electric Vehicle Society ("**EVS**") and Plug'n Drive ("**PnD**").

**Overview**

DRC strongly supports the Board's efforts to promote the widespread and efficient integration of EVs in Ontario. The growing presence of EVs represents an opportunity not only for EV users, but also for the broader energy system. Achieving the goal of efficient integration of EVs, however, will require approaches that recognize the different needs and energy-usage patterns that EVs introduce and require.

The Board's Proposal constitutes a positive step forward for EV integration, most significantly because it has correctly reflected that rates must form a central part of the discussion regarding EV integration. DRC has previously argued that the most effective approach to EV integration can

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<sup>1</sup> Dated January 7, 2025.

only take place on the basis of rates that are fair, representing a proportionate share of the burden that EV owners and ratepayers place on the broader system. This will necessarily entail changes to existing rate structures, including in terms of how rates are apportioned, how EV energy consumers and their distinct usage activities are recognized, and how to address the possibility of bi-directional charging and the significant reliability benefits it could provide to the Ontario grid.

DRC supports the EVI Initiative's efforts towards these general goals, but it also urges the Board to recognize the Proposal as only a first and partial step, underscoring the need for additional action that addresses the issues that the Proposal leaves unresolved. In particular, DRC believes that the Proposal should be expanded to establish further consultations, studies and actions that enhance the Board's ability to continue to drive improvements for EV users and integration in the short and medium term.

DRC believes that now is the time to establish the groundwork that will allow the Board to build towards an approach that is centred on the circumstances of EV owners, as opposed to the owners of EV charging stations. Proper efforts undertaken now will provide the OEB with an increased ability to ensure that rate savings are appropriately passed down to EV owners and users, instead of running the risk that they will be retained exclusively or in large part by owners of EV charging stations, thereby potentially undermining regulatory neutrality and opportunities to stimulate EV adoption in Ontario.

As DRC has previously argued, the Board can build upon the significant progress that the Proposal represents by expanding it to include the following items, which could provide the information necessary to provide the basis for future enhancements to the Board's EV integration efforts. These recommendations are meant to supplement the work that Power Advisory has already provided, given the new information and developing patterns that will become available following the Proposal's implementation:

1. The Proposal should be expanded to establish a study that evaluates the impact that any proposed changes will have on the price that EV users will pay at public charging stations, as well as any impact on the availability of publicly owned EV chargers, including in more rural or remote areas of the province.
2. Relatedly, ongoing evaluation should include specific analysis of the impact of rates and rate structures on incentivizing EV adoption. Areas of study that would be significantly beneficial include whether new rate categories should be available at load factors exceeding 20% so as to allow for an incremental decline in benefits, as opposed to the firm cut-off at 20% that the Proposal establishes. They also include further evaluation of the merits of a potential future approach, in terms of its impact on EV adoption, making use of a new EV-specific rate class, similar to the approach that Quebec has adopted.
3. Finally, the OEB should undertake ongoing evaluation of the consequences of the proposed load factor limit of 20% and the exclusion of charging stations primarily serving commercial fleets in terms of their effects on incentivizing EV adoption.

Furthermore, DRC recommends expanding the Proposal to include the following elements, which will provide additional protections to EV customers:

1. Importance of retaining rate incentives.
2. Price gouging.

DRC elaborates on each of these recommendations in the sections below.

**The Board Should Establish Ongoing Analysis in Order to Lay Groundwork for Further Progress**

DRC is supportive of the Board's Proposal and the progress that it will represent. The Proposal is a significant and valuable first step in support of EV integration, even though DRC believes that further measures in support of EV owners and ratepayers will be important in the near future to build on the Proposal's initial measures.

DRC's lingering concerns arise from its view that effective EV integration should aim to provide individual EV owners with access to affordable, reliable, and readily-available EV charging infrastructure. Accordingly, the success of efforts in support of EV integration should be judged primarily according to the experiences of EV owners, as opposed to an approach that remains limited to EV charging stations and their owners.

DRC has previously submitted that the Board should resist any temptation to place its primary focus on the experience of owners or operators of EV charging stations, except to the extent that supports for charging stations will lead to demonstrable improvements for individual EV owners. Analysis of the consequences on EV charging stations may (and likely does, in the case of the Board's Proposal) constitute an important first step, but the consequences for EV owners as the ultimate energy consumers and ratepayers should form the core of what drives policy decisions in this important area.

DRC believes this comprehensive analysis should take place at the earliest opportunity in order to provide the foundation for future policy initiatives that further support EV adoption and integration. However, it does not wish to delay the Proposal's likely positive impact, and it believes that additional steps will be possible on the productive foundation that the Proposal represents.

As a result, DRC recommends that the Board should immediately instigate several complementary forms of study aimed at assessing the Proposal's economic impact for EV owners, as well as additional, related opportunities to enhance incentives and support for EV adoption, recognizing that such studies can take place alongside and without producing any delay to the Proposal's implementation.

In particular, DRC recommends that the Board instigate the following studies as part of any approval and subsequent implementation of the Proposal:

1. A study that evaluates the ongoing impact that the Proposal produces on the price that EV owners will pay<sup>2</sup> at public charging stations, as compared with a scenario where the Proposal was not approved. DRC is highly concerned that cost savings will not be passed along to EV-owning consumers, especially in more rural and remote locations where competition among EV chargers is limited.

Accordingly, DRC recommends study that assesses the impact of the Proposal on the price that EV customers pay, including a sufficiently representative sample that allows for the assessment of price impacts in more rural and remote locations of the province, which may be more vulnerable to scenarios where anticipated savings are not passed along to consumers.

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<sup>2</sup> As opposed to the costs incurred by the owners of EV chargers.

2. A study that evaluates the ongoing impact that the Proposal produces on the availability of public charging stations, as compared with a scenario where the Proposal was not approved. DRC is concerned that, if cost savings are not adequately passed along to EV owners, the Proposal, without future complementary policy measures, may fall short of goals to maximize the opportunity for EV adoption, especially in more rural and remote locations where competition among EV chargers may be lower.

Accordingly, DRC recommends a study that assesses the impact of the Proposal on the availability of charging stations, including a sufficiently representative sample that allows for the assessment of charging availability in more rural and remote locations of the province.

3. Two studies that specifically analyse the impact of the Proposal's rate structures on incentivizing EV adoption, including a comparison of those effects against other potential models in terms of the ability of those alternatives to provide further support to EV incentivization and widespread adoption.

DRC is concerned that the proposed load factor eligibility limit of 20%, in the absence of transitional categories beyond this limit that could provide for an incremental decline in benefits, may fail to maximize opportunities to incentivize more widespread EV adoption.

DRC also believes that, in the medium to long-term, a new EV-specific rate class similar to the approach that Quebec has adopted may offer a superior approach towards the incentivization and integration of EV adoption, especially as the number of EVs in Ontario increases.

Accordingly, DRC recommends a study that assesses the potential impact of new rate categories for load factors exceeding 20%, which would be designed to allow for an incremental decline in benefits, as opposed to the abrupt cut-off at 20% that the Proposal establishes.

DRC also recommends further evaluation of the merits of a potential future approach, in terms of its impact on EV adoption, making use of a new EV-specific rate class, similar to the approach that Quebec has adopted.

4. Finally, a study examining the decision to exclude from eligibility charging stations primarily serving commercial fleets in terms of the impact of that decision on the incentivization of widespread EV adoption.

DRC is concerned that this decision may reduce the incentive for Ontario companies to make the investments necessary to transition their fleets to EVs, limiting the significant environmental and grid reliability benefits this would provide.

Accordingly, DRC recommends a study that assesses the impact of the exclusion from eligibility of charging stations primarily serving commercial fleets, as against a scenario where such an exclusion did not exist.

DRC believes that each of these recommendations would take advantage of the new data that implementation of the Proposal will generate, thereby providing an opportunity for future

exploration of whether refinements to the Proposal's foundation could lead to additional progress and positive policy outcomes.

**Concluding Remarks**

We would be pleased to discuss any of these issues with you at your convenience. We thank you for your consideration and your efforts on this important initiative.

Sincerely,

*Nicholas Daube*

Nicholas Daube, Counsel for DRC

c. Devin Arthur, EVS  
Cara Clairman, PnD