



May 16, 2025

Nancy Marconi
Registrar, Ontario Energy Board
2300 Yonge Street
Toronto, ON
M4P 1E4

RE: YSLOG Comments on Proposed Amendments to the Distribution System Code to Establish a Capacity Allocation Model (Board File No. EB-2024-0092)

Ms. Marconi,

As Group Manager and on behalf of the Yonge Steeles Landowners Group Inc. (YSLOG), Delta Urban Inc. is pleased to provide comments on the Ontario Energy Board's proposed amendments to the Distribution System Code (DSC) to establish a Capacity Allocation Model (CAM) as part of Board File No. EB-2024-0092. Comments are included as **Attachment 1**, attached herein.

About YSLOG

YSLOG is a collective of landowners within the Yonge Steeles Corridor Secondary Plan (YSCSP) area in the City of Vaughan, situated on the northwest corner of Yonge Street and Steeles Avenue West and specifically composed of the lands south of the CN Rail line and East of Hilda Avenue. The YSLOG currently has six participating owners representing approximately 63% of the YSLOG land area. The YSCSP South area contributes to over 25,000 planned residential units in the pipeline, with 20,000 of those units planned within the YSLOG area and accounting for nearly half of the City of Vaughan's 10-year housing target of 42,000 homes. The YSCSP South area and the YSLOG are illustrated on **Schedule A** and **Schedule B** respectively.

YSLOG's Electricity Needs

YSLOG was recently informed by the Local Distribution Company (LDC) that there is insufficient power for the 25,000 residential units planned in the YSCSP South area. The group had previously understood that power was available to accommodate the nearly 45,000 new residents planned for the fully built out area. However, the capacity has since been allocated to Metrolinx for preconstruction work on the Yonge North Subway Extension. No new housing units can be built in the area until a new transformer station and transmission infrastructure is funded and in place. The LDC requested YSLOG to upfront up to \$67 million for the energy infrastructure and estimates energy capacity cannot be in place until 2030. Given these circumstances, YSLOG has a strong interest in any measures that might facilitate a more appropriate allocation of costs.

Sincerely,
On behalf of Yonge Steeles Landowners Group Inc.

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Delta Urban Inc.

Enclosed: **Attachment 1** – Memorandum from Strategy Corp regarding the proposed DSC Amendments

Schedule A – YSCSP South Area

Schedule B – YSLOG Area



Attachment 1
Memorandum from Strategy Corp regarding the
proposed DSC Amendment



Memorandum

To: Yonge Steeles Landowners Group (YSLOG)
Date: 2025/05/15
Re: Feedback on Proposed DSC Amendments (Board File No. EB-2024-0092)

Objective

This memo provides consolidated feedback on the Ontario Energy Board's proposed amendments to the Distribution System Code (DSC) to establish a Capacity Allocation Model (CAM) as part of Board File No. EB-2024-0092.

Comments on Proposed Amendments

YSLOG should support the general direction of the proposal – a move towards fair allocation of capacity and costs associated with system expansion to accommodate multiple customer connections.

The existing approach requires the initial customer or 'first mover' to bear the entire cost of expansion into a new development area even when only a portion of the capacity is required to supply the first mover's development. The Ontario Energy Board has accurately identified the existing approach as an impediment to unlocking more housing, especially in a down market when feasibility for residential developments is already challenged.

A fairer allocation of the costs to provide electricity to the Yonge Steeles Corridor Secondary Plan (YSCSP) area would reduce cost pressures on YSLOG. However, it would not address all costs imposed on YSLOG as a result of capacity being allocated to Metrolinx for preconstruction work on the Yonge North Subway Extension. With that context, we recommend YSLOG provide the following comments as the Ontario Energy Board finalizes its proposed amendments to the DSC and establishes a new CAM.

1. OEB should establish a clear governance approach for the CAM process including appropriate dispute resolution mechanisms.

- A CAM process will include multiple parties (LDCs, developers, municipalities, etc.) with different interests and perspectives, a very large upfront expenditure by the LDC for new infrastructure, and an extended period of up to 15 years.
- The Notice of Proposal states that the LDC should engage in "collaboration" and "consultation" with the developers. However, it leaves final decisions on the application of the framework to the LDC without identifying a clear dispute resolution process.

- The OEB should establish an independent function to provide oversight and governance of the LDC's application of the CAM, including any decision by the LDC to refrain from using the CAM. It should also clearly articulate how disputes that arise during the process would be settled.

2. *LDCs should be required to provide all impacted parties with regular updates on evolving project schedule and costs.*

- The Notice of Proposal contemplates that the standard agreement between the LDC and the developers participating in the CAM would provide for an initial estimate of costs by LDC with a true-up at the end to reflect actual costs (over or under the initial estimate). This approach could expose developers to unknown future risk of cost overruns.
- The CAM process should be setup to require the LDC to provide updates on regular intervals to developers and this reporting commitment should be included in the CAM governance guidance discussed above.

The CAM should also set out a clear framework for financing costs that will be established or adjusted for developers who do not connect in the first year. It is currently unclear how interest rates, indexing and other considerations will be addressed, opening a liability of unknown costs for developers.

3. *OEB should ensure that LDCs are properly equipped to carry out their responsibilities under the CAM framework.*

- The effective management of the CAM framework will require co-ordination across many different parts of the LDC (such as load forecasting, grid planning, finance, regulatory, and stakeholder communications).
- The OEB should take pro-active steps to ensure that LDCs have the resources and internal co-ordination needed to carry out their responsibilities under the CAM. Doing so at the outset will help mitigate complaints, delays, and confusion – this is one of the lessons from the implementation of the FiT program fifteen years ago.
- One approach could be to setup a “Connections Facilitation Office” within the Ministry of Energy and Electrification or the OEB to serve as a complaints centre for impacted parties that view the LDC as not moving quickly or providing appropriate support on connections. This can be modelled on the “FiT Facilitation Office” that served a similar function under the *Green Energy Act* for proponents of FiT generation projects.

Implementation Questions

In addition to the proposed changes to the CAM framework outlined above, YSLOG has several questions regarding implementation that the group would like addressed in upcoming discussions.

These include but are not limited to:

1. How does the proposal envision a scenario where the maximum 15-year period under the proposed CAM concludes but the requested capacity has not been realized by the developer?
2. How does the proposal envision a scenario where the maximum 15-year period under the proposed CAM concludes but the LDC falls short in providing the requested capacity?
3. Does the proposal contemplate that financing agreements would expire when the CAM period expires?
4. How does the proposal envision the allocation of cost of expansion infrastructure that goes through other properties to reach the site of a developer participating in the CAM?

Additional Support for Strategically Significant Locations

In addition to moving towards a fairer cost allocation approach, the Province should consider additional support to address undue energy infrastructure costs in Strategically Significant Locations (SSL). The Ministry has already introduced the concept of an SSL through a recent consultation on potential regulatory changes under the *Ontario Energy Board Act, 1998* as part of [ERO 019-9300](#).

The YSCSP area would be the “posterchild” of a development that would meet any test of provincial significance given the thousands of planned housing units and major capital investments in higher order transit through the Yonge North Subway Extension in the area. In locations that meet a future provincial definition of an SSL, the Ministry should devise an alternate approach to funding necessary electricity expansion infrastructure if it is an impediment to unlocking large-scale residential development.

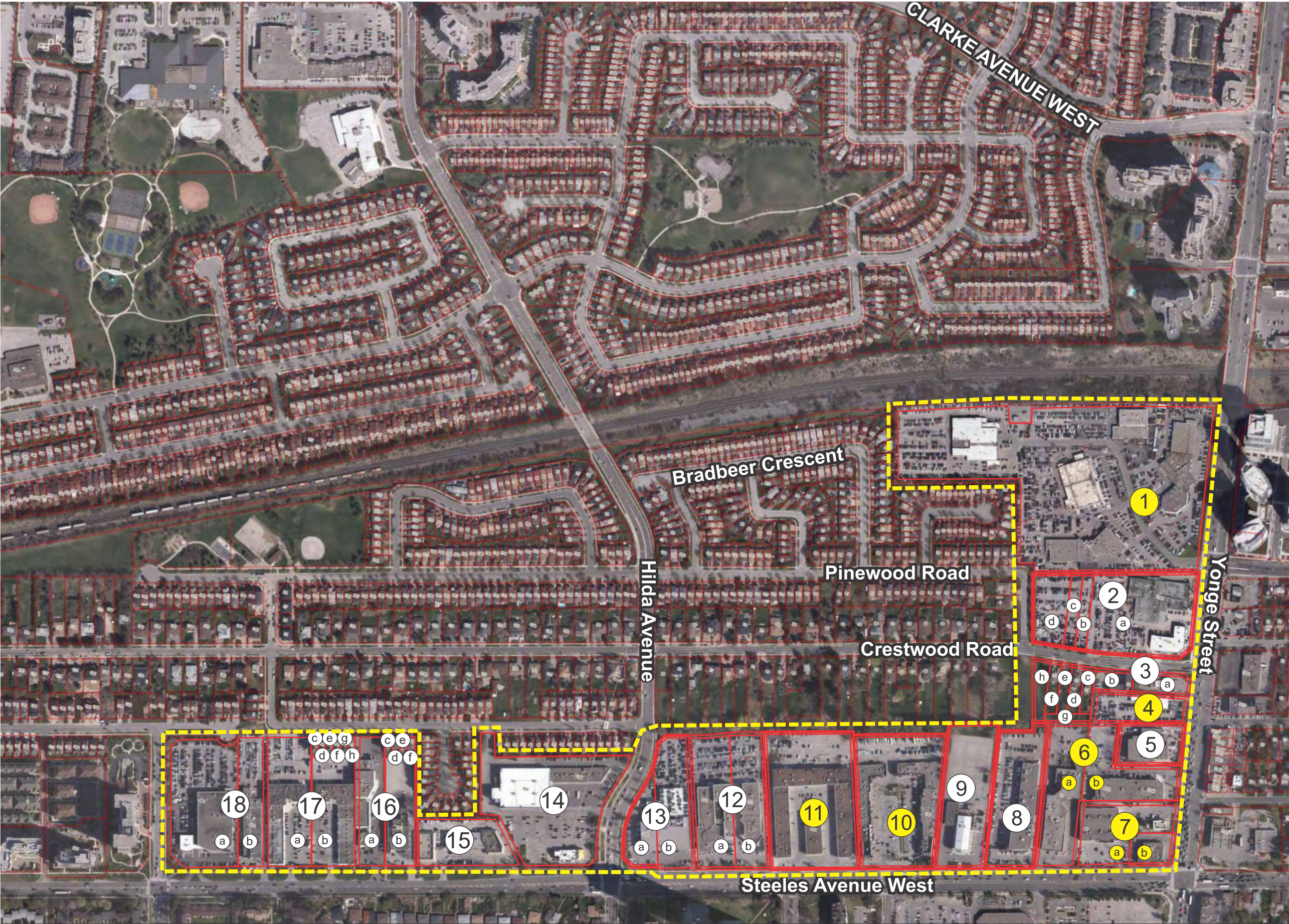
The Ministry can consider different approaches including leveraging the Building Ontario Fund to bridge between the LDC’s initial costs and recovery from ratepayers.







Schedule A

Yonge Steeles Corridor Secondary Plan South Area

YONGE STEELES CORRIDOR SECONDARY PLAN SOUTH AREA



LEGEND

-  YONGE STEELES CORRIDOR SECONDARY PLAN SOUTH AREA
-  LOT BOUNDARY
-  PARTICIPATING OWNER
-  NON-PARTICIPATING OWNER

26 February 2025

N.T.S.

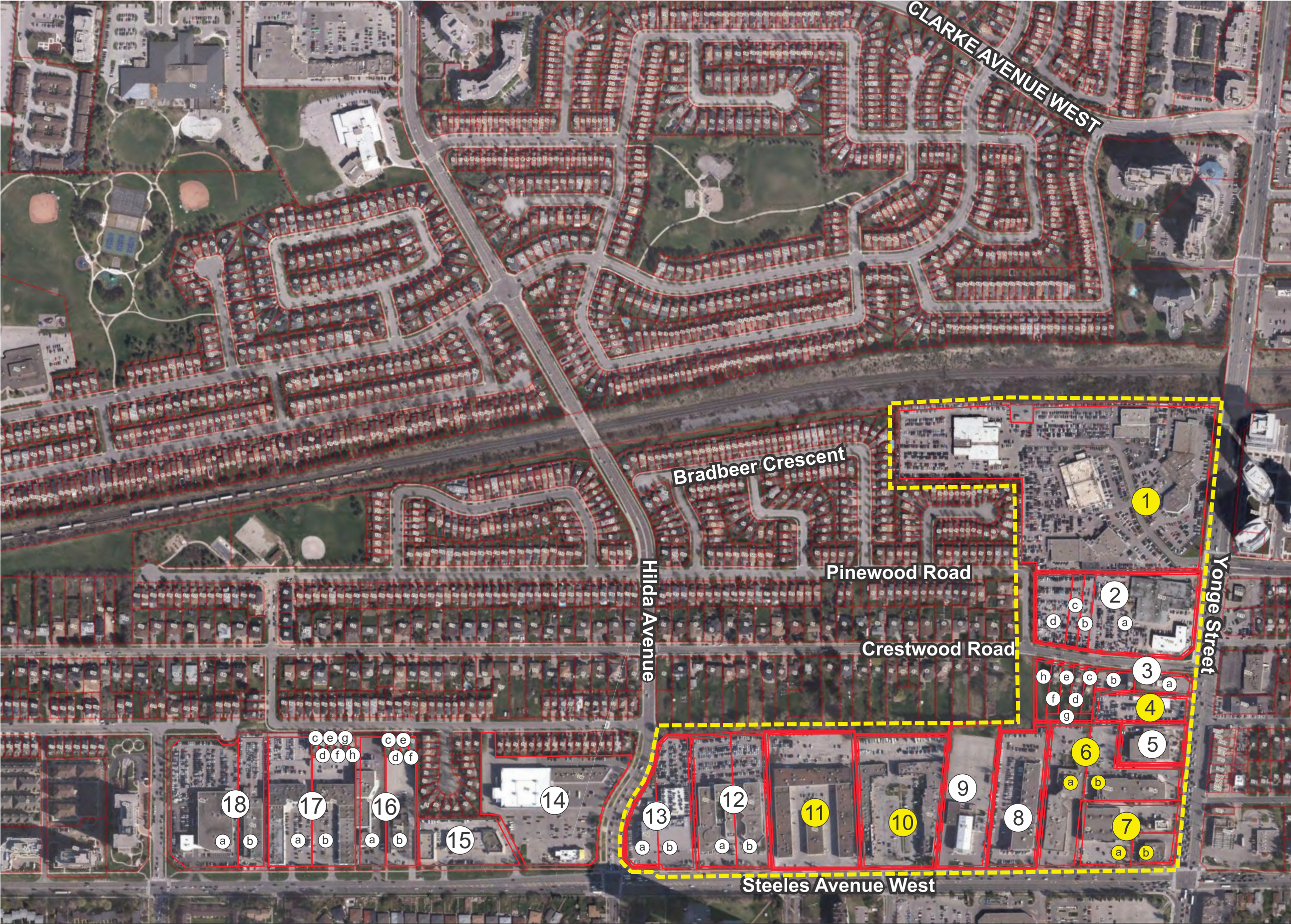




Schedule B

YSLOG Area

Cost Sharing Agreement Benefitting Area



LEGEND

- COST SHARING AGREEMENT BENEFITTING AREA
- LOT BOUNDARY
- PARTICIPATING OWNER
- NON-PARTICIPATING OWNER