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May 16, 2025

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

**Re: System Expansion for Housing Developments Consultation – Proposed Amendments to the Distribution System Code to Establish a Capacity Allocation Model (EB-2024-0092): Comments of Toronto Hydro-Electric System Limited**

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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 approximately 18% of the electricity used in Ontario.

On April 17, 2025, the OEB issued a Notice of Proposal to amend the Distribution System Code, intended to establish a Capacity Allocation Model (“CAM”) that would allocate capacity and costs associated with system expansions to accommodate multiple residential subdivisions and other customer connections in qualifying development areas. The CAM is an extension of a series of connection related amendments being brought forward by the OEB, reflecting Directives issued by the Ministry of Energy, and based on initial stakeholder input provided to the OEB through a CAM Working Group. Toronto Hydro has taken the opportunity to review the proposed CAM provisions, and is broadly supportive of the OEB’s proposal.

Toronto Hydro firmly believes that the proposed CAM framework, in conjunction with other recent policy changes related to connections and expansions, is the right direction for the OEB to pursue in order to advance the Government’s priorities with regard to grid expansion and housing development. These policy amendments are expected to streamline the connection of new customers and allow utilities to grow their grids to ensure that they are ready to meet the demands of electrification and economic growth. As noted in prior phases of this consultation, Toronto Hydro remains fundamentally supportive of the Government’s objective of investing in Ontario’s electricity system infrastructure to bolster its housing and development goals, and submits that the introduction of the CAM is a helpful step in this regard, particularly in addressing certain unique development scenarios involving large-scale

build-outs in which connection and expansion costs may be a substantive issue. Toronto Hydro offers the following brief comments on the proposed code amendments and CAM provisions for the OEB's consideration.

Toronto Hydro strongly supports the provisions of proposed section 3.2A.2, in particular in that it establishes that the formation and use of the CAM is strictly at the utility's discretion. Toronto Hydro notes that this discretion is critical to the CAM's successful implementation and operation, as utilities will have the greatest comprehensive insight into the development of their grids, and are properly designated as responsible for the expansion and management of their capacity.

Toronto Hydro recommends that the triggering criteria for the establishment of the CAM should be amended to allow for greater utility discretion in its formation. The trigger criteria for the CAM is currently contained in the OEB's proposed definition of "qualifying development area", as it provides the conditions that need to be met in order for a CAM to be established, namely that the distributor forecast significant residential load growth, that the distributor intentionally plans more capacity than the capacity required to accommodate the paid committed capacity and agreed committed capacity, and that a significant portion of the constructed capacity consists of paid committed capacity by connecting customers. Toronto Hydro submits that this criteria, in totality, is unnecessarily restrictive in limiting the timing of when a utility can establish a CAM, given that it requires "a significant portion" of connecting customers to have paid or committed to capacity requests before the CAM can be initiated. Toronto Hydro suggests that if a utility forecasts significant residential growth in an area, whether through "a municipality's Official Plan and/or an applicable Official Plan Amendment (or Secondary Plan) and the distributor's distribution system plan for the area", waiting for a significant portion of connecting customers to have paid or committed capacity requests will only serve to delay the establishment of the expansion infrastructure that will almost certainly be necessary for these customers in the near future. Toronto Hydro recommends that the OEB amend the definition of a "qualifying development area" to allow utilities to establish a CAM in advance of "a significant portion" of connecting customers committing to capacity requests, if Municipal, Official, or distribution plans forecast or prescribe that "significant residential load growth will occur in the area", or if a plan or policy of the municipality or the Province designates an area as one that is "intended to be developed in order to promote housing, economic growth, or transit utilization". This approach would be in keeping with the Government's intent to reduce barriers to growth and expedite connections, allowing utilities to expand their grids in advance of, rather than in reaction to, anticipated growth and demand.

Proposed section 2.3.4 of Appendix I requires distributors to “make available information on the typical demand values for different building types, including but not limited to: detached homes, other housing types, and commercial buildings, for the purpose of ensuring consistent forecasting for each requested capacity, by posting it on its website.” Toronto Hydro notes that under existing practices, distributors do not track, possess, or provide such information. Given the unique nature of a connecting customer’s developments, utilities would not be able to produce a more accurate estimate than the customer themselves, who would naturally have more detailed information about their own project and plans. Toronto Hydro suggests that the section be amended such that distributors could assist developers and customers in developing forecasts, but not be required to do so. This would also avoid any potential disputes regarding the accuracy of estimates made on behalf of customers should the load be under or over estimated.

Toronto Hydro appreciates the opportunity to provide comments on the OEB’s CAM proposal, and the policy changes associated with connection and expansion more broadly, and looks forward to finalizing its implementation as a step towards streamlining and accelerating connection and grid expansion.

Respectfully,

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

**Andrew J. Sasso**  
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Toronto Hydro-Electric System Limited

AJS/jl