



**BY EMAIL AND WEB POSTING**

September 18, 2025

**TO: All Licensed Electricity Distributors  
All Participants in Consultation EB-2024-0092  
All Other Interested Parties**

**RE: Guidance on Implementation of the Capacity Allocation Model for Housing Developments**

### **What You Need to Know**

- Distributors are required to apply reasonable discretion when considering CAM requests and document any decisions to decline CAM requests.
- Distributors entering into a CAM must maintain detailed records to support transparency and regulatory oversight.
- The OEB will establish generic deferral and variance accounts for distributors to track CAM-related costs, customer contribution and financing charge payments.

On June 16, 2025, the Ontario Energy Board (OEB) issued [final amendments](#) to the Distribution System Code (DSC) under Board File No. EB-2024-0092, establishing a Capacity Allocation Model (CAM) to facilitate electricity system expansions in support of housing development (June 16 Notice). These amendments came into force on September 16, 2025.

The CAM introduces a structured framework for allocating capacity and associated costs for system expansions in qualifying development areas. It is designed to address the challenges posed by large, multi-developer residential developments that require coordinated and forward-looking planning. The model enables distributors to proactively plan for future growth based on reasonable forecasts, while ensuring that connecting customers contribute to the costs of infrastructure from which they benefit.

In response to stakeholder feedback received during the consultation process, this letter sets out the OEB's expectations and guidance to support implementation of the CAM, including record-keeping and accounting.

## **Guidance on Distributor Responsibility and Record-keeping for CAM Administration**

The CAM was introduced to provide a balanced and forward-looking approach to electricity system expansions. In doing so, it supports housing developments by addressing the challenges of connecting large, multi-phased developments. Aligned with the Ministry of Energy and Electrification's December 19, 2024 [Letter of Direction](#), this makes the CAM an important tool for enabling timely, efficient, and coordinated electricity supply to new developments.

While the DSC provides discretion to distributors to enter into a CAM, the OEB is issuing this letter to reinforce that distributors are required to act reasonably and in good faith when considering requests from developers to establish a CAM. Decisions should be informed by prudent planning and alignment with the criteria for qualifying development areas as set out in the DSC.

To assure that this discretion is applied reasonably, a distributor must maintain a written record of the reasons for its decision to not establish a CAM when it receives a request from developers. Distributors will be expected to provide this information to OEB staff upon request.

Where a distributor proceeds with a CAM, it is required to maintain comprehensive records, including: committed and uncommitted capacity plans; expansion costs and customer capital contribution payments as they are received; financing charge amounts; and any supporting documentation relevant to the CAM. These records will support regulatory oversight and future regulatory review of CAM-related expenditures.

The OEB's June 16 Notice identified the importance of distributors working collaboratively with developers. Accordingly, the OEB expects distributors to provide transparency and open communication throughout the CAM process. This includes providing developers with access to CAM-related information, cost estimates and updates on project scope and timelines.

## **Deferral and Variance Accounts for CAM**

The OEB recognizes the financial and administrative implications associated with CAM-related expansions, particularly in relation to committed but unpaid capacity and uncommitted capacity. To address these concerns, the OEB plans to establish generic deferral and variance accounts (DVAs) for distributors to record CAM-related costs, customer contribution payments and financing charges. This approach will facilitate the initiation of the CAM projects by distributors. The OEB will issue accounting orders for the generic CAM-related DVAs. If a distributor believes that a distributor-specific DVA is

warranted due to unique circumstances, the distributor may apply to the OEB for approval of such an account.

As noted in the June 16 Notice, the OEB will continue to monitor the implementation of the CAM and will be prepared to provide further guidance or make adjustments to the CAM if warranted to ensure its effectiveness.

Should you have any questions regarding this guidance, please contact Industry Relations at the OEB via email at [IndustryRelations@oeb.ca](mailto:IndustryRelations@oeb.ca).

**DATED** at Toronto, September 18, 2025

**ONTARIO ENERGY BOARD**

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