



Quinte Manufacturers Association

October 21, 2025

Mr. Ritchie Murray
Acting Registrar
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, Ontario M4P 1E4

Via Email: registrar@oeb.ca

Dear Mr. Murray:

Re: EB-2025-0046 – Elexicon Energy Inc. 2026 IRM Distribution Rate Application – Comments of the Quinte Manufacturers Association

The Quinte Manufacturers Association (“QMA” or “Association”) appreciates the opportunity to participate in the above-noted proceeding and offers the following comments related to Elexicon Energy Inc.’s (“Elexicon”) transformer capacity improvements that will benefit the Association’s member manufacturers and processors.

The Bay of Quinte region with the cities of Quinte West and Belleville is the manufacturing hub for Eastern Ontario. The geographic location of the region makes it attractive to manufacturers and processors who need ready access to global markets through Toronto, Montreal and the northeast United States. The region is served by a well-integrated transportation network, modern utilities and a highly skilled workforce. Manufacturing and related industries generate more than \$6 Billion of the \$12 Billion of the region’s annual economic output. Local municipal and regional economic development offices are proactive in pursuing and assisting companies looking to locate new or expand existing operations in the region.



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Of particular concern to the QMA in this proceeding is Elexicon's ability to provide sufficient electrical capacity to meet the growing demand for reliable and secure electricity to the Associations' members into the future and the need for the new DESN 2 transformer project.

The Association has become increasingly concerned with the existing electricity capacity constraints at the Belleville Transformer Station ("TS"). Even in the current challenging economic times, there is continuing growth in the manufacturing sector in the Bay of Quinte region particularly in the cities of Belleville and Quinte West. With growth in business, there is a corresponding growth in population and related support services, all of which require a highly reliable supply of electricity from the two local distribution companies – Elexicon and Hydro One Distribution going forward. This information is reflected in the evidence contained in Elexicon's rate Application. Although arguments can be made that Elexicon should have known in years past that capacity constraints would likely emerge at the Belleville TS and that accommodation should have been made in rate base in anticipation of having to finance a major infrastructure upgrade such as a new DESN station and potentially avoid an ICM request. The QMA would argue that forecasting load growth in the Quinte region is challenging and depends heavily on expansion of the manufacturing and processing sectors and the rate at which it happens.

The majority of the Association's members receive electricity from Elexicon. Electricity costs, distribution system reliability, power quality are concerns and Association members expect Elexicon and Hydro One to be prudent in distribution asset expenditures. As noted above, power supply issues including capacity constraints at the TS have been a challenge for QMA members in the past. The QMA participates in and supports the Independent Electricity System Operator's *Peterborough to Kingston Regional Planning Process* that underpins the need for transformer capacity improvement at the Belleville TS. Elexicon's evidence (Appendix C – Belleville Business Case) states that transformer capacity requirements in Belleville are expected to increase to approximately 32MW (driven by expected manufacturing and population related growth – 12MW



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and 10MW respectively) by 2032. QMA's manufacturers require and expect a high level of certainty in all aspects of electricity supply and distribution. The Association does not want its members to be in the position of having to face the potential of capacity constraints when planning plant expansions or working to attract new business to the area. The addition of the DESN 2 at the Belleville TS is a welcome addition.

The QMA supports Elexicon's participation in the DESN 2 project and the request for ICM funding to support the capital contribution split with Hydro One and does not object to appropriate interim rate rider support. In addition, the QMA recognizes the importance of the assigned internal project manager that Elexicon has in place who will coordinate with Hydro One to "ensure that the project remains on track and budget...".¹ The QMA encourages the careful monitoring and reporting of all costs incurred by Elexicon to successfully commission the DESN 2.

The QMA believes the DESN 2 investment represents good value to electricity customers in the Quinte region by relieving capacity issues at the Belleville TS over the long term.

Respectfully,

Michael McLeod
for
Quinte Manufacturers Association

Cc: C. Davis, Chair, QMA Standing Committee
Parties to EB-2025-0046

¹ Interrogatory Response 1-Staff-39 (d)