



December 12, 2025

**VIA RESS**

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

Dear Mr. Murray,

**Re: DER Valuation Review stakeholder consultation  
Board File No.: EB-2025-0268**

We are counsel to the Distributed Resource Coalition (“DRC”) in the above-noted Ontario Energy Board (the “OEB” or “Board”) stakeholder consultation on Distributed Energy Resources (“DERs”) Valuation Review (the “Consultation”). DRC provides these comments in response to the OEB’s stakeholder consultation and presentation materials provided on November 24, 2025 (the “Report”).

**About DRC**

DRC is a group of electricity customers and consumers that may act as producer-consumers, or “prosumers”, in a bi-directional electricity grid, 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”) and DER aggregators (“DER/As”), to achieve customer and grid solutions; and (iii) providing input on direct customer needs and local distribution company (“LDC”) opportunities relating to EVs. DRC’s members for the Consultation include the Electric Vehicle Society (“EVS”) and Plug’n Drive (“PnD”).

**1. Is the OEB’s characterization of the context for this work appropriate?**

DRC generally agrees that the OEB’s characterization of the context is appropriate but should more explicitly recognize the central role of the electrification of transportation as a unique and increasingly relevant driver of DER adoption and customer choice in Ontario. As noted in DRC’s comments in the Distribution System Operator capabilities consultation (the “DSO Comments”),<sup>1</sup> DER participation by large aggregators, industrial users, and most importantly, individual prosumers is central to the energy transition.<sup>2</sup> EVs and EV charging infrastructure are both

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<sup>1</sup> See DRC’s October 24, 2025 comments in EB-2025-0060, [available on RDS](#).

<sup>2</sup> DSO Comments, p. 2.

sources of significant new load and emerging bi-directional DER potential, including vehicle-to-grid (“V2G”), vehicle-to-home/business (“V2H”) and other technological innovations such as virtual power plants (“VPPs”) through EV aggregation by DER/As .

The current framing, however, provides limited direction to consider the ways in which EV charging, including residential Level-2 charging, multi-unit residential building (“MURB”) charging, public fast charging, and managed charging, will shape distribution and transmission system planning and responsive rate design. DRC recommends that the Consultation and any future analysis more clearly acknowledge and take into account up-to-date EV adoption forecasts for Ontario and the implications of these updates for wider DER adoption to improve the contextual framing of the OEB’s review of DER valuation.

**2. Are the approximate DER definitions that the OEB has outlined for purposes of this work adequate?**

DRC supports the broad DER definition used by the OEB in the Report. The inclusion of managed EV charging as a DER type is appropriate, as EVs function as both storage systems and dispatchable energy and should be expressly identified as being included within DER categories. DRC notes that bi-directional EV use cases (V2G/V2H/VPP) were excluded from the modelling scope, however, they remain central to the flexibility of distribution systems and should be reflected in the definitional framework to ensure DER capabilities evolve with rapidly advancing technologies.<sup>3</sup> DRC recommends that the OEB ensure, as it moves into delivery-rate considerations, that these EV use cases are not inadvertently excluded from rate design and other incentive mechanism to ensure adequate DER valuation for innovative EV-related DER solutions beyond managed charging.

**3. Are the working rates principles that the OEB has outlined appropriate?**

DRC supports the rate-design principles identified by the OEB (cost recovery, fairness, efficiency, and simplicity) but recommends the OEB consider providing clarity on how these principles apply to EV-related DERs:

- **Fairness and cost-recovery.** Ensure that cost-recovery and rate design are informed by transparent, technology-neutral rules that enable customer participation and avoid undue cost shifting onto early EV-related DER adopters or customers in neighbourhoods experiencing high EV uptake.
- **Efficiency.** Explore dynamic price signals and incentives that unlock managed EV charging and EV aggregation as important tools to improve distribution system asset utilization and defer costly wires upgrades.
- **Simplicity.** The OEB’s rate design should recognize that modern EV chargers and DER/As can already manage complexity on behalf of EV owners, which provides significant benefits for simplifying connections and load management.

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<sup>3</sup> See also DSO Comments, p. 2.; see also Pembina Institute, “[Electric Vehicle Availability Standard Pembina Institute comments and recommendations](#)”, (November 2025), at p. 11 where Pembina Institute recommends the introduction of an EV charging infrastructure credit of 5% of the total annual EV credits after 2030, which would support further system demand and increased loads.

**4. Is the OEB’s approach to considering DERs from electrical and functional perspectives appropriate?**

DRC supports the OEB’s dual electrical/functional classification. However, this approach should explicitly accommodate the mobility of EV energy storage and dispatchability and the diversity of use cases, including residential charging, workplace charging, MURBs, fleets, and public fast-charging stations. DRC also encourages the OEB to consider how DER/As are able to manage EV resources across multiple feeders and distribution service territories.

**5. Has the OEB appropriately characterized and considered the potential advantages and limitations of greater harmonization between Ontario’s transmission and distribution rates frameworks for electricity resources?**

DRC agrees that harmonization is desirable where practical, as aligning approaches can reduce barriers for DER adoption and improve participant understanding of system needs and available benefits and incentives. However, as identified in the Report, distribution systems face materially different local conditions, such as in EV-dense areas where neighbourhood off-peak loads may sharply increase. DRC submits that the OEB should maintain flexibility to consider distribution-specific tools such as locational signals and flexible interconnection, when and where in the distribution system it may be needed or appropriate. In addition, the OEB’s harmonization analysis should include EV-intensive feeders as test cases to ensure the framework remains responsive to real-world distribution challenges that are anticipated to increase as EV adoption becomes more widespread in accordance with provincial and federal policies.<sup>4</sup>

**6. Are the general rates categories identified by the OEB appropriate? (i.e., connection costs, base rates, specialized rates and behind-the-meter-related rates) categories**

DRC agrees that the categories of connection costs, base rates, specialized rates, and behind-the-meter-related rates are appropriate. In addition, DRC supports increased clarity and policy coherence related to mobile dispatchable storage, and recommends evaluating common EV-related DER scenarios, such as DC fast-charging stations, electrified fleets with storage and discharge capacity, MURB shared charging, and future V2G and VPP projects, into these categories in future phases of the Consultation. DRC believes that further analyzing EV-related scenarios will ensure that category boundaries do not inadvertently constrain EV-enabling tariffs or pilots and other innovative solutions to support the energy transition.

**7. Is the OEB’s characterization of the matter of grid services appropriate as it relates to delivery rates?**

DRC agrees that delivery rates should recover distribution service costs and should not directly compensate grid services, in a manner that is fair and equitable for all types of DERs. However, delivery-rate structures must not create disincentives for EV-related DERs that support grid services. For example, large electrified fleets or public fast-charging sites participating in load-

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<sup>4</sup> For example, see Canada’s annual zero-emission vehicle sales targets pursuant to s. 30.1 of the [Passenger Automobile and Light Truck Greenhouse Gas Emission Regulations](#) (SOR/2010-201). Consider also recent comments submitted to Environment and Climate Change Canada by the Pembina Institute on the federal Electric Vehicle Availability Standards supporting the significant benefits and increase of EVs in Canada as a result of federal ZEV sales targets, noting that “[u]nder the EVAS, the average price of an EV in 2035 is projected to be around \$40,000, compared with \$46,000 under a BAU scenario — a reduction of nearly \$6,000 (12%) per vehicle. Households would also save an additional \$30,000–40,000 per vehicle over 10 years in reduced fuel and maintenance costs.”

flexibility management programs should not face punitive or duplicative charges that negate the system benefits they provide. DRC encourages the OEB to ensure delivery-rate design and DER procurement frameworks operate complementary and coherently, enabling EVs to access value stacking, while ensuring regulatory frameworks fairly enable customer choice and participation and complement procurement and support customer, fleet, and DER/A participation.

### **8. Connection cost responsibility**

DRC submits that connection-cost policy is a critical issue for EV charging deployment and that increasing EV charging infrastructure necessitates clear, predictable, and technology-neutral connection-cost rules.<sup>5</sup> DRC has previously argued that the most effective approach to supporting EV-related DERs and EV integration can 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 likely entail reviewing existing rate structures, including in terms of how rates are apportioned, how EV prosumers and their distinct usage activities are recognized, and how to address bi-directional charging and the significant reliability benefits it could provide to Ontario electricity system.<sup>6</sup>

DRC encourages the OEB, in revising its connection-cost framework, to ensure that EV-enabling infrastructure is not deterred by disproportionate “first mover” contributions. Further, when reassessing renewable-specific provisions under O. Reg. 330/09, the OEB should consider holistically assessing societal benefits aligned with electrification objectives, including how storage, managed load, and EV-focused DERs can provide renewable generation benefits and should not be disadvantaged solely because they are not necessarily directly renewable generation. Accordingly, DRC recommends that the OEB should ensure connection cost responsibility policies do not disproportionately burden EV charging projects and limit bi-directional opportunities, and instead seek to ensure they support fair access to interconnection across customer classes.

### **9. Base distribution rates for front-of-meter generation DERs**

DRC generally supports the continued exemption of FTM generation from base distribution rates, given that loads typically drive distribution system costs. However, DRC supports exploring whether additional clarity is needed for co-located generation and EV charging infrastructure, ensuring fair, technology-neutral treatment consistent with OEB policies and objectives. DRC supports reviewing whether rules separating generation from delivery charges may help to avoid discouraging innovative co-location models that have the potential to provide significant system-wide benefits.

### **10. Base distribution rates for front-of-meter electricity storage DERs**

DRC supports the OEB’s proposal to reconsider whether distribution-connected storage should continue paying base distribution charges and RTSRs on withdrawals, particularly given the pending transmission-level storage exemption. Storage used to support EV charging, including at charging hubs or MURBs, can materially reduce system peaks and defer local distribution upgrades, providing substantial and measurable benefits to Ontario’s energy system when enabled.<sup>7</sup> DRC supports a framework that moves toward like-for-like treatment between

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<sup>5</sup> See DSO Comments, p. 3.

<sup>6</sup> See DRC’s January 31, 2025 comments in EB-2023-0071, [available on RDS](#).

<sup>7</sup> See also DSO Comments, p. 1.

transmission- and distribution-connected storage where the storage demonstrably provides system wide benefits. DRC further supports exempting FTM electricity storage from base distribution rates to ensure consistent treatment with how FTM generation is treated in Ontario's distribution and transmission systems and how transmission connected storage will be treated beginning in 2026.

### **11. Specialized DER distribution rates**

DRC supports the development of transparent, consistent principles for developing specialized DER charges. To the extent specialized metering, telemetry, or settlement requirements are needed for smart EV charging or V2G and VPP participation, such charges should be strictly cost-based and scalable to avoid causing residential or small commercial EV use cases to become uneconomic. This is consistent with the DRC's prior emphasis on lowering barriers and ensuring DER-enabled participation across asset classes.<sup>8</sup> The OEB should ensure any province-wide specialized rate structures apply equitably across service territories and do not create unintended disincentives for EV adoption or EV-related DER participation.

### **12. Delivery rates for behind-the-meter DERs**

#### *(i) Standby rates*

DRC submits that standby charges must be carefully reviewed to avoid undermining EV-related DERs such as BTM storage, V2G and VPPs, and MURB charging infrastructure. As noted in the DSO Comments, DERs must be enabled and not discouraged where they improve reliability and affordability.<sup>9</sup> Standby rates designed for self-generation may not be appropriate for flexible and mobile EV resources that reduce net load and support system operation across distribution service territories. DRC supports the OEB's proposal to undertake a best-practice review and requests that EV-specific scenarios be comprehensively included in that assessment.

#### *(ii) Bypass compensation*

DRC supports reviewing bypass compensation rules to ensure that non-emitting DERs providing load-management or storage services, such V2G, V2H, and VPPs, are not unfairly treated relative to renewable generation. Managed EV charging and EV-related storage should be expressly included in bypass exemptions where they reduce local capacity needs. As such, the OEB should seek to ensure that any required bypass compensation is technology-neutral and supportive of broader electrification objectives and policies.

#### *(iii) RTSRs*

DRC supports the OEB's examination of inconsistent net-versus-gross RTSR billing practices. EV-related DERs that reduce coincident peak contributions should receive RTSR treatment that reflects their reduced use of the transmission system. In addition, DRC believes that rate structures should not impose unnecessary barriers to EV-related DERs and DER/As.<sup>10</sup> Over-reliance on gross-load RTSR billing risks discouraging beneficial and innovative DER deployments at EV charging hubs or by DER/As of large EV fleets. Accordingly, DRC

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<sup>8</sup> DSO Comments, pp. 2-3.

<sup>9</sup> DSO Comments, pp. 1-2.

<sup>10</sup> DSO Comments, pp. 3-4.

recommends that RTSR reforms be tested against EV-intensive customer profiles and use cases to ensure they are consistent with the energy transition.

Sincerely,

A handwritten signature in black ink, consisting of a large, sweeping loop followed by a long, curved line that ends in an arrowhead pointing to the right.

Lisa (Elisabeth) DeMarco

c. Cara Clairman, PnD  
Devin Arthur, EVS