

Mr. Ritchie Murray  
Acting Registrar  
Ontario Energy Board  
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December 12, 2025

**EB-2025-0268 OEB Review of the Valuation of Distributed Energy Resources  
Pollution Probe Comments**

Dear Mr. Murray:

On October 27, 2025, the Ontario Energy Board (OEB) initiated a comprehensive review of Distributed Energy Resource (DER) valuation in response to the Minister of Energy and Mines' Integrated Energy Plan (IEP) Directive. Item 11 of the IEP Directive requires the OEB to undertake a review of the valuation of DERs. The OEB is expected to submit its report to the Minister by March 31, 2026. This report back could include consideration of:

- Compensation mechanisms that reflect the value of DERs (e.g., value of DER tariff, adders to reflect differences in regional and temporal value)
- Demand/delivery charges for resources that provide grid services (e.g., DERs and storage)
- Procurement and program mechanisms that support cost-effective DER deployment at local and bulk levels.

On November 24, 2025, the OEB held a stakeholder session to collect feedback related to the consultation and Pollution Probe participated in that stakeholder session.

Pollution Probe has been actively involved in the OEB consultations related to DERs, including as a member of related working groups. DERs are an essential part of the cost-effective energy system of the future. The energy transition continues to accelerate and leading jurisdictions are enabling DERs to manage local demand and provide related customer/community benefits. DERs are not new in Ontario and some utilities have been more proactive in enabling them within their service territories. A more coordinate toolset is required to incent and communicate DER options.

There is a large number of OEB initiatives currently underway and several of these relate to advancing DERs (directly or indirectly). It is important that any initiative and policy developed to enable DERs be done in an integrated manner, recognizing all the moving parts needed to be successful. A comprehensive and integrated plan that transparently lays out all the barriers and proposed initiative solutions would better allow efficient coordination and reduce customer confusion to achieve the outcomes targeted. It is also important to track tangible results at the LDC and aggregated level to validate that real progress is being made.

Overall, Pollution Probe agrees with the approach and recommendations from the OEB. There are some adjustments required. The OEB notes that it is considering transition from net metering to net billing, where injected electricity is compensated using a locational and time-specific tariff instead of the customer's retail rate. This could allow for the development of new community net metering projects without an amendment to the regulation. Some barrier still exist that should be removed to maximize DER enablement in Ontario. For example, there is currently a restriction on DER incentives provided through the IESO programs if a customer is on net metering and we assume that this would remain a barrier for net billing. This creates an administrative barrier which forces a customer to choose between two pathways rather than embrace them both, symbiotically. Unlocking the co-benefits in the value stack required a combination of approaches, not siloed approaches. Removing this restriction would increase the installation and value of DERs. The devil is always in the details and careful monitoring of results will indicate if a policy or program is actually being successful or if adjustments are required.

Finally, it is important to balance the focus of FTM and BTM DERs. As the OEB identified in the Future of Energy Innovation consultation, utility investment in DERs could overshadow customer and community investment. Utilities are typically the window to customers on rate information, incentive communication and access to DERs. Better communication will be required to ensure that customer know the options and their benefits. It is important that the balance is maintained and that utility investments do not become a barrier to non-utility DERs.

As noted in the session, the future is distributed and all policies and programs need to work in an integrated manner to effectively promote DERs. Some utilities have visibly taken action to make this a reality and that has enabled a better foundation for the energy transition in those service territories. Ontario is at an inflection point which is distinctly different from the old style central planning approach. As customer centric DER uptake increases, the system will need to become more adept at leveraging DERs locally. This is one of the focuses of the OEB's Distribution System Operator initiative.



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Pollution Probe remains a firm supporter and advocate for modern innovation and cost-effective energy solutions that unlocks the benefits from the Energy Transition, including DERs that reduce overall grid emissions and provides a more flexible energy system for local customers. Pollution Probe looks forward to continuing to support the OEB and the Province in its pursuit to these goals.

Respectfully submitted on behalf of Pollution Probe.

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