



December 12, 2025

Via RESS

Mr. Ritchie Murray, Acting Registrar
Ontario Energy Board
2300 Yonge Street, 27th floor
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Mr. Murray,

**Re: ENWIN Utilities Ltd.
Review of the Valuation of Distributed Energy Resources (EB-2025-0268)
Written Comments**

On October 27, 2025, the Ontario Energy Board (“OEB”) issued a letter noting it was undertaking a comprehensive review of distributed energy resources (“DERs”) valuation, in response to the Minister of Energy and Mines’ Integrated Energy Plan (“IEP”) Directive. The OEB noted the review aimed to assess current DER compensation and costs and recommend changes or provide an update on actions by the OEB regarding the overall regulatory and compensation frameworks to appropriately reflect the system value of DERs. The OEB is expected to submit a report back to the Minister of Energy and Mines by March 31, 2026.

On November 7, 2025, the OEB published a detailed summary of its review and proposed recommendations. A stakeholder meeting was then held on November 24, 2025, followed by the opportunity for written comments by December 12, 2025.

ENWIN Utilities Ltd. (“ENWIN”) appreciates the opportunity to offer these written comments on this important initiative. ENWIN has chosen to focus its comments on specific aspects of the OEB’s DER Delivery Rates proposals and recommendations (Part 2 of the published materials).

Background

ENWIN is the licensed electricity distributor in the City of Windsor, serving approximately 92,000 customers. ENWIN’s customer base is diverse and includes various types of the DERs connected to its distribution system. These DERs range from generation and storage facilities located behind the customer meter to offset or supplement facility load, to DERs that are directly connected and inject into the distribution system.

ENWIN believes its experience and customer composition allow it to provide valuable feedback to assist in shaping the recommendations to be put forward by the OEB.

General Comments

ENWIN is supportive of this initiative and appreciates the detailed summary and analysis put forward by OEB Staff to underpin this consultation. ENWIN is engaged in doing its part to support the energy evolution and working constructively to ensure that the electricity system is able to adapt to emerging technologies and the increased requirements that are expected to be placed on it. This includes planning for the impacts of projected demand growth set to occur over the coming decades, and ensuring the system reflects evolving customer needs.¹

The recommendations and policy that may ultimately stem from this consultation will contribute towards ensuring the landscape and rules are clear for stakeholders, including current customers, DER project proponents, and local distribution companies (“LDCs”). Uncertainty and inefficiency can be created when circumstances and developments on the ground evolve more quickly than related policy, which can create gaps that must then be attempted to be addressed. Regulatory and policy certainty can also assist in removing barriers that may otherwise be present which could impact the pursuit of otherwise viable projects. A balance must also be struck between the interests of various stakeholders and ensuring that fundamental rate design principles of cost recovery, fairness, efficiency and simplicity are upheld.

ENWIN provides its comments below on specific proposals contained in the OEB’s November 7, 2025 materials.

Specific Comments – Part 2: DER Delivery Rates

C. Base distribution rates, front of the meter electricity storage

Discussion Question: Should the OEB exempt front of meter electricity storage (i.e., storage that is directly connected to a distribution system) from base distribution rates? This would be consistent with how front of meter generation is treated on Ontario’s distribution and transmission systems and how transmission connected storage will be treated beginning in 2026. Should the OEB leverage lessons from the work that OEB and the IESO are doing to co-ordinate and implement the exemption to transmission connected storage?

Discussion Question: Should the OEB consider exempting front of meter electricity storage from paying Retail Transmission Service Rates in the more immediate term? This would facilitate the integration of the distribution-connected front of meter electricity storage procured recently by the IESO.

ENWIN Comments:

- The above discussion questions contemplate exempting a particular type of DER (directly connected electricity storage) from the payment of base distribution

¹ The IESO’s 2025 Annual Planning Outlook projects electricity demand to increase by 75% by 2050.

and/or transmission rates, depending on the purpose of the DER and the nature of the services they supply to the electricity system.

- As part of this evaluation, it must be recognized that these DERs impart costs on the distribution system by nature of their connection. By way of example, these costs can include: system protection requirements (e.g. transfer trip); physical distribution system infrastructure costs, ensuring the system is designed and operated to accept injections from the resource onto the distribution system; metering; maintenance; account management requirements; billing, etc. For electricity storage, transmission costs are also incurred by the LDC related to the electricity that is transmitted to the distributors' service territory for injection by the storage resource.
- Therefore, should these DERs be exempted from the payment of distribution and/or transmission charges, it must be acknowledged that other customers connected to the distribution system may be required to absorb these costs on behalf of the exempted resource. It should therefore be considered whether this is justified when balancing fundamental rate design principles of cost causality (e.g. "user pay") against other competing policy objectives (e.g. encouraging further deployment of these resources).
- An intermediate step may be to study the nature of the costs these DERs impart on the distribution system to ensure a full understanding of their cost causality is obtained before deciding whether to exempt them from certain charges in whole or in part. This could be done independently, or as part of an overall analysis as to whether a separate storage rate class should be created to recognize that these types of resources may use the distribution system differently than traditional load customers. The impacts on existing and future capital contribution requirements must also be evaluated should a change to the rates applicable to certain customer types be considered.

E. Distribution rates for behind the meter DERs: (Standby Rates)

Discussion Question: As distributors propose to finalize their standby rates over time, should the OEB consider reviewing best standby rates practices and applying lessons learned to facilitate the ongoing effectiveness of DER delivery rates in Ontario?

ENWIN Comments:

- ENWIN believes that in principle, standby rates can be an appropriate means to ensure that customers who require supplemental service from the distribution system (i.e. distribution system capacity reserved or set aside to supply service to them on an intermittent or "as required" basis) are appropriately charged the cost of providing this service.
 - Otherwise, the cost of this capacity being set aside (or "standing by") is largely required to be absorbed in the distribution rates of other customers.

- Past OEB consultations have looked at the issue of standby or similar rates, although universal policy guidance has not yet resulted.²
- ENWIN believes looking at standby rate best practices may be a positive step to learn from others' experiences across the province.
- ENWIN also believes that overarching policy on standby rates could assist in consistency, particularly as DERs continue to become more prevalent.

E. Distribution rates for behind the meter DERs: (Retail Transmission Service Rates)

Discussion Question: Should the OEB consider reviewing opportunities to achieve greater consistency in how transmission delivery rates (Retail Transmission Service Rates) are applied to distribution load customers with behind-the-meter generation, in terms of distinguishing between net load and gross load billing? This could provide added predictability for load customers with behind-the-meter DERs. It could also enhance the existing alignment between Ontario's distribution and transmission rates frameworks for behind-the-meter resources.

ENWIN Comments:

- ENWIN's Tariff of Rates and Charges contains a Gross Load Billing Note, which permits the application of Retail Transmission Service Rate Line and Transformation Connection Charges (collectively, RTSR Connections Charges) to customers with gross load billing ("GLB") applicable facilities.
 - The application of the RTSR Connection Charges on a GLB basis pursuant to ENWIN's Tariff is directly correlated to the application of Uniform Transmission Rates ("UTRs") to ENWIN on a GLB basis at the transmission system level.
- ENWIN believes there is a need for consistency between the transmission and distribution systems in this regard, where if a resource is deemed GLB-applicable at the transmission level, a similar treatment should be afforded at the distribution system level for the same resource.
 - This ensures consistency and that a resource is not impacted differently solely based on its point of connection to the electricity system.
 - This also ensures that should a transmission-connected LDC be assessed incremental UTRs by virtue of a GLB-applicable resource connected to its distribution system, a means is available to pass a similar charge through to the applicable customer, rather than having the incremental cost be absorbed by all other distribution customers.
- ENWIN also believes clarity is needed regarding which types of DERs are intended to be encompassed in the gross load billing framework.
 - The current language in the UTR Schedule does not specifically encompass all types of DERs, and interpretation guidance is often required from the OEB pertaining to certain resources.
 - A particular example is the application of GLB to distribution-connected storage resources providing services to the Independent Electricity

² For example: EB-2015-0043, OEB Staff Report, Rate Design for Commercial and Industrial Electricity Customers, Section D.4 - Proposed Capacity Reserve Charges for Customers with Generation; EB-2023-0278, Consultation on Policy for Standby Rates.

System Operator (“IESO”) market. The current UTR Schedule does not exempt these resources from GLB when connected to the distribution system, although similar resources connected to the transmission system will be exempted from transmission charges effective April 1, 2026. This is an example of a potential disconnect and the need for policy consistency.

- ENWIN also notes that in the recent EB-2022-0325 Decision, the OEB recognized that an overall, comprehensive review of the gross load billing framework may be warranted.³
 - ENWIN echoes this sentiment, since as DERs become more prevalent and additional types of DERs begin to connect to the electricity system, there is a need to assess whether the application of GLB to these resources continues to be merited in light of the evolving nature and prevalence of DERs.
 - In such a review, consideration can also be given as to whether GLB continues to be the most appropriate means to address the potential of stranded costs on the transmission system and best achieves cost causality principles.
- ENWIN also believes that it should be considered whether a GLB exemption process at the distribution system level should be created, similar to that recently created at the transmission level.⁴
 - This will assist in achieving consistency when merited between GLB applying at the transmission and distribution system levels.

Conclusion

ENWIN appreciates the opportunity to offer these comments for the OEB’s consideration, which it hopes are helpful in informing the OEB’s comments back to the Ministry of Energy and Mines on these important matters.

The matters raised in this consultation are timely given the evolving slate of DERs already connecting to the electricity system, in addition to IESO procurements targeted at specific types of resources that are relatively new to the energy landscape in Ontario. ENWIN also recognizes that proper policy development on matters of this complexity will take time, ensuring a range of input is solicited from all stakeholders. There remains a need however in the interim to ensure that a nimble and efficient process is available for parties to seek OEB guidance on emerging issues that arise in advance of the overarching policy development.

Further, while ENWIN appreciates the OEB’s summary materials and discussion questions, including considerations of potential alignment between the transmission and distribution systems where applicable, ENWIN believes that any decision regarding full exemption of certain customer types from paying transmission or distribution charges must be thoroughly supported by underlying study of the costs these resources impart on the relevant systems, and recognition that these costs may be required to be absorbed by other existing customers should an exemption be applied to a particular

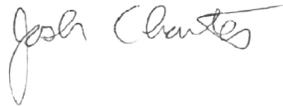
³ EB-2022-0325 Decision and Rate Order, issued November 27, 2025, p.31.

⁴ EB-2022-0325 Decision and Rate Order, issued November 27, 2025, Section 4.

customer group. ENWIN believes that only after this review can a decision be made to exempt or reduce these charges, which would need to be supported by ensuring the resource is paying its share of the costs it imparts on the system, or alternatively, that it is justified in a broader policy context that other customers should rightfully absorb these cost.

Should you have any questions, please do not hesitate to contact the undersigned.

Regards,

A handwritten signature in black ink that reads "Josh Charles". The signature is written in a cursive style with a long horizontal stroke extending from the end of the name.

Josh Charles
Director, Regulatory Affairs
ENWIN Utilities Ltd.