



December 12, 2025

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

Dear Mr. Murray,

RE: Review of the Valuation of Distributed Energy Resources, OEB File No. EB-2025-0268

Essex Power Corporation (EPC) appreciates the opportunity to provide feedback in the *OEB's DER Valuation Review*. EPC leads a group of companies that includes Essex Powerlines Corporation, an LDC in southwestern Ontario with approximately 34,000 customers, Essex Energy, an energy hardware services company specializing in solar PV and DER management, and Utilismart, an energy software company serving a majority Ontario LDCs.

We affirm our support for the Electricity Distributors Association's (EDA) submission on this engagement. In our view, the EDA's analysis accurately identifies the practical needs of distributors and the system value that DERs can deliver when they are integrated and compensated appropriately.

Building further, our position is that the OEB should focus the near term on implementing value stacking between local and wholesale services, with clear, interoperable programs and a cost-allocation/delivery framework that allows resources to provide multiple services and have their multi-level benefits recognized. This is well aligned to the OEB's Recommendations #8 (transmission avoided cost in DSM), #9 (value stacking and interoperability), and #10 (explicit value stacking), which we view as of critical importance and supportive of parallel engagements such as the IESO's ERP DER Project.

We view a complete value stack, including distribution-level ancillary services, as essential to avoid undervaluing DERs and to direct investment toward the capabilities LDCs need to operate reliably. We also emphasize progressing regulatory frameworks for DSO capabilities to ensure the technical and programmatic accessibility of distribution benefits to customers where local conditions warrant them.

To maintain program simplicity and avoid unnecessary complexity, the Board should set aside Recommendation #1 (net billing) and #2 (net-metering changes) for a subsequent stage, focusing now on actionable measures that enable value stacking and close valuation gaps. Once dispatchable DERs are effectively integrated and local-wholesale stacking is operational, the Board should revisit these recommendations if significant gaps remain and a shift from net metering would deliver demonstrable net benefits.

We thank the Board once again for the opportunity to submit these comments. We would also like to extend our congratulations to OEB staff for assembling thoughtful, well-resourced supporting materials. Additional responses to questions are attached.

Best regards,

Essex Power Corporation

Response to OEB Questions

Q1: Please elaborate on any feedback you may have on the assessment of the system value of DERs, specifically with regards to:

(A) whether the value stack is an appropriate methodology for assessing the system value of DERs

As a method, it provides a visual representation of gaps in the existing mechanisms to identify DER value. It collapses many potential benefits under each category (i.e. capacity, emissions, or energy), though is generally appropriate as a guide. It can help compare across types of DER, though the analysis in the engagement materials focus narrowly on particular subsets of DERs, such as solar PV for distributed generation rather than other technologies.

(B) are the components in the value stack sufficient to assess system value of DERs?

As presented in the materials, the value stack contains the significant components of potential DER value. As noted in the EDA submission, ancillary services are a major potential source of value for distribution-connected assets and as such the value stack would be improved if it were to include this value stream in greater detail, when possible.

Q3: Are the identified misalignments of DER compensation relative to system value comprehensive? Please describe any gaps in DER compensation where DERs can provide value that were not identified.

Yes, and it is noted that the OEB considers NWS as one of the primary methods to address gaps/misalignments in DER value. We support the identification of distributor-managed NWS as addressing misalignments on pages 18 through 22 of the presentation. Additionally, we support the potential for LDCs “Developing DSO capabilities” (page 22) as an enabler for LDCs to provide compensation for local constraints and manage the complexities of value stacked programs.