



December 12, 2025

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

Re: EB-2025-0268 Review of the Valuation of Distribution Energy Resources

The OEB is undertaking a comprehensive review of DER compensation and delivery rates in response to the Minister of Energy and Mines' Integrated Energy Plan (IEP) Directive. The review aims to recommend changes or provide an update on OEB actions regarding overall regulatory and compensation frameworks to appropriately reflect the system value of DERs. The OEB presented a summary of the OEB's review and proposed recommendations at the November 24th stakeholder meeting. The OEB is expected to submit a report setting out its recommendations to the Minister by March 31, 2026.

AMPCO attended the stakeholder meeting, reviewed the materials and makes the following comments on the recommendations that are of interest to AMPCO and its membership. As a general comment, AMPCO submits that the implementation considerations for each proposed recommendation with respect to DER compensation and DER Delivery Rates must follow the well-established ratemaking principle that costs follow benefits, also known as the principle of cost causality or fairness, which dictates that the costs of providing a service should be allocated to the specific customers or customer classes who receive the benefits or cause those costs to be incurred.

Part 1: DER Compensation

1. Consider transitioning to net billing. AMPCO see this as a feasible option and a good alternative to retail rates for Distribution customers.
2. Review restrictions on net metering within the Distribution System Code. AMPCO supports this recommendation.
3. Amend Community Net Metering Regulation. AMPCO supports opening up community net metering more broadly.

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4. Explore ways to make more efficient use of ICI resources outside of bulk system peak.

Class A customers are compensated via reduced consumption in the top 5 demand hours by proportional reduction to GA charges. This recommendation includes consideration of opportunities to provide transmission and/or distribution capacity value where local or regional needs are identified. This recommendation impacts Class A customers, requires a change to the existing mechanism and implementation requires DERs to be located where system constraints exist that are not coincident with bulk system peak periods.

AMPCO supports this recommendation provided it is incremental to the current ICI compensation structure and no-trade-offs are created as a result of making changes to the existing mechanism. This proposal has the potential to provide additional system value and additional opportunities for Class A customers, who have flexible load, and under this proposal could use curtailment properties more often and receive additional compensation.

The Network Service Charge (NSC) determinant is the higher of: (a) customer coincident peak demand (MW) in the hour of the month when the total hourly demand of all Provincial Transmission Service (PTS) customers is highest for the month; and (b) 85% of the customer peak demand in any hour during the peak period 7 AM to 7 PM (local time) on weekdays, excluding the holidays as defined by the IESO. In AMPCO's view, the OEB should also revisit the NSC and consider removing Part B. This creates the potential for Class A customers to avoid the monthly peak providing additional value to the system benefiting all customers.

Part 2: DER Delivery Rates

E1. Behind-the-meter DERs: Standby Rates

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?

Standby rates exist for 10 electricity distributors in Ontario. Of those, standby rates are interim for six distributors. AMPCO supports this review given that interim rates exist and the review could inform and contribute to the implementation of best practices for DER delivery rates.



E2. Behind-the-Meter DERs: Bypass Compensation

The Distribution System Code provides the circumstances in which an electricity distributor must require bypass compensation from a customer, and sets out the circumstances in which bypass compensation may not be applied. The OEB is considering reviewing its policy related to bypass compensation exemptions. Areas for focus might include evaluating the continued suitability and scope of existing bypass compensation exemptions (e.g. should exemptions be extended to also include non-renewable DERs?), and opportunities for continued harmonization between applicable provisions in the TSC and DSC. AMPCO supports this review provided the review appropriately considers costs and that no costs are shifted to ratepayers.

E3. Behind-the-Meter DERs: Retail Transmission Service Rates

The OEB is considering 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. AMPCO supports the review and would be interested in the materiality of this issue and cost implications.

AMPCO appreciates the opportunity to provide its comments.

Best Regards,

A handwritten signature in black ink that reads "Shelley Grice". The signature is written in a cursive, flowing style.

Shelley Grice
Consultant
c/o AMPCO