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BY EMAIL AND WEB POSTING

December 18, 2025

To: All Licensed Electricity Distributors
All Licensed Electricity Generators
All Licensed Electricity Storage Companies
All Participants in Consultation Process EB-2019-0207
All Other Interested Parties

**Re: Revisions to Distributed Energy Resources Connection Procedures
(EB-2019-0207)**

What You Need to Know

- **The OEB is amending the Distributed Energy Resources Connection Procedures to lower barriers to the connection of DERs.**
- **Key changes align with updates to the Distribution System Code - effective May 1, 2026, add stronger transparency requirements and enhance processes for managing hosting capacity limits.**
- **Version 3 of the DERCP is effective May 1, 2026.**

The Ontario Energy Board (OEB) is issuing an updated version of the *Distributed Energy Resources Connection Procedures* (DERCP) as part of its ongoing [Distributed Energy Resources \(DER\) Connections Review](#) initiative. The revised DERCP aims to broaden customer choice, improve timelines and enhance transparency, consistency and efficiency in connection processes for DERs. The DERCP changes will support the delivery of affordable, secure, reliable and clean energy, further enabling economic growth across the province by lowering barriers to participation and supporting smarter planning and investment – consistent with the objectives outlined in the Ontario's [Integrated Energy Plan](#) (IEP). The revised DERCP will come into effect on May 1, 2026, aligning with the effective date of the Distribution System Code (DSC) amendments made final in the [Notice](#) issued today.

Background

In March 2022, the OEB amended the DSC to facilitate DER connections and enhance customer choice through the establishment of the DERCP, which reflected the work of the DER Connections Review Working Group (Working Group) established under the OEB's DER Connections Review initiative.

Throughout 2025, the Working Group continued its efforts to enhance connection processes, focusing on increasing transparency, improving timelines and reducing costs for connecting DERs. The changes to the DERCP, outlined in Attachment A to this letter, reflect the input and technical expertise of the Working Group. The OEB thanks the members for their contributions in advancing these improvements. Materials related to the Working Group, including presentations and meeting notes, are available on the OEB's [Engage with Us](#) website.

The amendments to the DSC related to DER connections required revisions to the DERCP. The relevant sections of the DERCP have been revised as needed to ensure consistency with the final amendments to the DSC.

DERCP Version 3

The revised DERCP includes a number of changes to align with the latest DSC amendments, along with updates that place a greater emphasis on transparency, customer choice, process consistency and efficiency with the intention of reducing DER connection costs and timelines.

Key changes include:

- **Alignment with DSC amendments**, including increasing the maximum nameplate capacity for micro-embedded generation facilities from 10kW to 12kW, updating the connection impact assessment (CIA) timeline for small embedded generation facilities requiring assessments by host distributors, and removing all references to load displacement.
- **Enhanced information requirements**, including posting distributor-specific connection cost guidance, publishing methodologies used in calculating hosting capacity with relevant references, and providing the rationale for capacity thresholds for transfer trip requirements, along with an indication of whether cost-effective alternatives could be considered.
- **Enhanced processes for addressing hosting capacity constraints**, including a requirement to assess potential options and a clearer process for discussions

between distributors and DER customers to explore innovative solutions to address hosting capacity constraints.

Questions regarding this letter should be addressed to Industry Relations at IndustryRelations@oeb.ca.

Yours truly,

Brian Hewson
Vice President, Consumer Protection, and Industry Performance

Attachments:

- A: December 2025 updates to the DERCP
- B: DERCP Version 3
- C: DERCP-Appendix C v.
- D: DERCP-Appendix C vii.

Attachment A: December 2025 Updates to the DERCP

The following sections outline the updates to the DERCP, along with the rationale for these updates.

I. Amendments to align with the DSC

The following changes have been made to ensure alignment between the DERCP and DSC. The rationale for these changes is outlined in the OEB's December 18, 2025 Notice.

- The maximum nameplate capacity for micro-embedded generation facilities will be increased from 10kW to 12kW in the DSC. Accordingly, the following DERCP sections are revised to reflect this change:
 - a) 5.1 Description
 - b) 5.3.1 Micro Generation Facility Connection Processes
 - c) Appendix E - Simplified Connection Impact Assessment
- Section 6.2.12 b) of the DSC has been amended to allow an additional 15 days for a distributor to complete a CIA for small embedded generation facilities where a host distributor connection impact assessment is needed. The DERCP section 5.6 CIA Process for Small, Medium, and Large Generation Facilities is revised to reflect this change.
- The definition of load displacement has been removed from the DSC. Accordingly, the forms in Appendix C (items v and vii) of the DERCP have been updated to replace the term load displacement with non-exporting. Please see Attachments C and D of this letter for the revised forms.

II. Other DERCP amendments

Preliminary consultation phase (DERCP Section 4)

A new section 4.4 – Connection Resources – has been added to the DERCP. The existing *Restricted Feeder Lists* (previously section 4.2) has been relocated to subsection 4.4.1 within this new section. Consequently, the section numbers for Preliminary Consultation Information Request and Preliminary Consultation Report sections have been adjusted. Below are the two new requirements introduced under the new section 4.4:

- **DER hosting capacity calculation requirements**

Since a distributor can reject a connection request based on technical capacity limits – and given the complexity of factors involved in determining hosting capacity – it is important for customers and other DER stakeholders to understand how hosting capacity is calculated.

Under the new section 4.4.2, distributors will be required to prepare and publish a document detailing all methodologies used in calculating hosting capacity, along with relevant references to enhance transparency around connection data. In addition, distributors will be required to track and factor in the capacity and characteristics of DERs already connected to their distribution systems, including whether the facilities are exporting, export-limited, or non-exporting, as this information affects the hosting capacity calculation.

To support more accurate calculations and reduce reliance on estimates, embedded distributors will be required to provide high-level connection data to their host distributors on a quarterly basis.

The requirements of this section align with the requirements established for the OEB's Centralized Capacity Information Map (CCIM) initiative.

- **Distributor-specific connection cost guidance**

To improve transparency around connection costs, distributors will be required to publish connection cost guidance on their websites under the new section 4.4.3, following the template provided in Appendix G. This guidance is intended to provide customers a preliminary understanding of the potential financial implications of proposed projects, helping them make informed decision about whether to proceed with the connection process. Distributors will be required to update this guidance annually.

CIA phase (DERCP Section 5)

Section 5 includes two changes outlined below.

- **Solutions to address DER hosting capacity constraints**

Building on advancements in technologies and the introduction of flexible hosting capacity arrangements to the DERCP in March 2024, distributors will be required to identify potential innovative options – where available – before rejecting an application due to technical capacity limits. This approach is intended to help DER customers move forward with the connection process. In addition, under section 5.1, distributors are expected to provide greater transparency to the customer by specifying the technical limit, indicating whether there are plans to resolve it, and providing the expected timeline for resolution, where available.

- **Provide clarification and confirmation related to micro-embedded generation connection**

To address inconsistent practices among distributors, the DERCP has been revised to clarify that distributors must not charge micro-embedded generation

customers an application fee when a site assessment is not required. The revised DERCP specifies that a *site assessment*, as referenced in sections 5.3.2 and 5.3.7, refers specifically to a physical site visit.

Build and energization phase (DERCP Section 7)

- **Process efficiency and cost-effectiveness expectations**

Building on the simplified commissioning and verification process requirements introduced in 2025, distributors will now be required to review their practices annually to identify opportunities for cost savings and to ensure that the connection times and cost are commensurate with the complexity and impact on the distribution system.

Other Requirements (DERCP Section 8)

A new Section 8 has been introduced to capture requirements that are either technical in nature or involve streamlined processes serving as exemptions from the standard connection processes. The following two new requirements are included under this section:

- **Streamlined processes for DERs that use a Power Control System (PCS)**

Distributors will be required to offer streamlined processes for DERs that use a PCS to control and limit export capacity. For export-limited small DERs using PCS, two process options will be available, giving customers more flexibility to meet their needs while reducing connection costs and timelines:

1. Limit export capacity to meet the micro-embedded generation nameplate capacity threshold, helping to reduce overall connection costs and timelines; or
2. Limit export capacity to meet the distributor-specific simplified CIA thresholds, helping to reduce connection assessment costs.

- **Consideration of cost-effective alternatives to transfer trip**

Given the high cost of meeting transfer trip requirements, distributors will now be required to provide transparency regarding the rationale behind nameplate capacity thresholds that trigger the transfer trip requirements. This information must be included in the distributor's standard technical requirements document. Additionally, distributors must confirm within the technical requirements whether cost-effective alternatives may be considered in order to help DER customers reduce connection costs.