HYDRO OTTAWA LIMITED

APPLICATION FOR DISTRIBUTION RATES BEGINNING JANUARY 1, 2026

EB-2024-0115

VECC COMPENDIUM 2 PANEL NET METERING

January 14, 2026

TAB 1

classes, as well as the forecasted Regulated Price Plan ("RPP"), transmission, low voltage, and regulatory rates.

Hydro Ottawa is proposing to adjust these rates on an annual basis to reflect any changes in the distribution, RPP, and transmission rates. In addition, Regulatory rates will be updated as per any applicable OEB Decision and/or Order.

4. REVISED GENERATOR CHARGES & STANDARD SUPPLY SERVICE CHARGES

4.1. GENERATOR FIXED SERVICE CHARGES

Hydro Ottawa is proposing to revise the MicroFIT, Net Metering, FIT, and HCI/RESOP/HESOP charges as part of this Application. The revised charges reflect a reassessment of the costs associated with managing these accounts on a monthly basis. Hydro Ottawa further proposes that the proposed 2021 charges be scaled annually by 2.51% for 2022-2025. As noted above, the 2.51% is consistent with the escalation rate applied to Hydro Ottawa's 2022-2025 OM&A expenses and the majority of other revenue rates as part of this Application.

Table 2 summarizes the approved Generator Service charges for 2020 and the proposed Generator Service charges for 2021-2025.

Table 2 – Generator Service Charges

	2020	2021	2022	2023	2024	2025
MicroFIT and Net-Metering ERF	$19.00	$14.00	$15.00	$15.00	$15.00	$16.00
FIT ERF	$129.00	$76.00	$78.00	$80.00	$82.00	$84.00
HCI, RESOP, Other ERF	$281.00	$314.00	$322.00	$330.00	$338.00	$347.00

4.2. STANDARD SUPPLY SERVICE CHARGE

Hydro Ottawa is proposing to increase the Standard Supply Service Administrative Charge ("SSS Charge") rate to align with the 2021-2025 Retail Services Distributor-consolidated billing monthly charge. The corresponding increase will result in customers paying an equal service

TAB 2

INTERROGATORY RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION

8.0-VECC-69

EVIDENCE REFERENCE:

Exhibit 8-4-2, page 3

QUESTION(S):

a) How many Net Metering customers does Hydro Ottawa currently have?

b) Are there any incremental costs associated with providing Net Metering Service that are not incurred to provide service to non-Net Metering customers in the same rate class?

I. If not, why not?

Ii If yes, please estimate what the total incremental costs are based on either: i) 2024 actual costs or ii) 2026 forecast costs.

RESPONSE(S):

a) Hydro Ottawa currently has 601 net metering customers as of June 30, 2025.

b) Any incremental costs associated with providing Net Metering Service that are not incurred to provide service to non-Net Metering customers in the same rate class are minimal.

i) The historical Net Metering charge was set based on recovering the costs incurred to bill the net metering customers manually. Hydro Ottawa has since automated this process resulting in large productivity benefits. Please refer to Schedule 1-3-4 - Facilitating

Innovation and Continuous Improvement Table 4 for quantifiable benefits and Section 3.2.1 for further details.

ii) See response to i).

TAB 3

5. NET METERING SERVICE CHARGE

Hydro Ottawa is proposing to remove the Net Metering service charge for the 2026-2030 period. As of November 1, 2021 Hydro Ottawa stopped charging the monthly service charge to Net Metering customers. Net metering customers, unlike other generation customers, also incur a monthly fixed service charge based on the distribution rate class they are assigned. The net metering charge was removed to encourage residents to generate their own energy, and support the City of Ottawa's Energy & Emissions Plan. For further details, please refer to Schedule 6-3-4 - Other Operating Revenue.

TAB 4

INTERROGATORY RESPONSES TO COMMUNITY ACTION FOR ENVIRONMENTAL SUSTAINABILITY

1-CO-5

EVIDENCE REFERENCE:

QUESTION(S):

Please detail what Hydro Ottawa has been doing and intends to do (over the rate term) to increase awareness and use of net metering, including for potential community projects.

RESPONSE(S):

As outlined in Schedule 6-3-4 - Other Operating Revenue, page 4, and Schedule 8-4-2 - Generation Charges, page 3, Hydro Ottawa stopped charging net metered customers the monthly net metering service charge, effective November 1, 2021, and is proposing to remove the monthly Net Metering service charge altogether to encourage net metering.

Net-metering is one rate option for owners of distributed energy resources (DERs) that are able to push generation back to the grid, such as solar panels. Hydro Ottawa actively engages and educates its customers on DERs and other clean energy solutions, including solar PV. Schedule 1-4-1 - Customer Engagement Ongoing outlines the comprehensive approach to customer engagement. Most relevant to the promotion of DERs include access to incentive programs, updates and in-depth blogs on Hydro Ottawa's website, articles in various newsletter (for residential, community, and commercial audiences), social media platforms, and thought leadership through industry and commercial magazines, industry events and conferences, and the ThinkEnergy podcast.

For additional information about activities Hydro Ottawa is undertaking to increase awareness and use of DERs, see the response to interrogatory 1-PP-7(e).

TAB 5

INTERROGATORY RESPONSES TO POLLUTION PROBE

1-PP-1

EVIDENCE REFERENCE:

EB-2019-0126 dec_order_Hydro Ottawa_20201119, Schedule A, Settlement Proposal page 22 of 67.

QUESTION(S):

a) Please confirm that the City of Ottawa Energy Evolution plan remains in place with Net Zero by 2050 targets. If not correct, please provide the updated plan and explain the changes.
b) Please provide the activities and outcomes delivered by Hydro Ottawa coordination over the 2021-2025 term related to cost efficiencies, reduced emissions, and enhanced energy outcomes within the City of Ottawa. For each activity and outcome, please include specific quantitative results where possible.
c) Please provide a summary of the activities and outcomes to be delivered by Hydro Ottawa coordination over the 2026-2030 term related to cost efficiencies, reduced emissions, and enhanced energy outcomes within the City of Ottawa. For each activity and outcome, please include specific quantitative results where possible.

RESPONSE(S):

a) Hydro Ottawa notes that the City of Ottawa's (City) website (accessed August 07, 2025) includes both the Energy Evolution action plan[1] and the Climate Change Master Plan.[2] Both of these sources indicate the City's target of 100% reduction of emissions from City operations by

[1]City of Ottawa, "Energy Evolution" https://ottawa.ca/en/living-ottawa/environment-conservation-and-climate/reducing-greenhouse-gas-emissions/strategies-and-action-plans/energy-evolution#section-fa5b88e5-10e8-4ed9-8031-67c6c73d7df3.
[2]City of Ottawa, "Climate Change Master Plan" https://ottawa.ca/en/planning-development-and-construction/official-plan-and-master-plans/climate-change-master-plan#section-08062b40-74a0-4521-b619-93451ff489fe.

2040, and 100% reduction of emissions from the community by 2050.

b) Please refer to Section 12.7 of Schedule 1-1-4 - Administration for an overview of how Hydro Ottawa addressed the referenced settlement agreement commitment as an OEB-approved directive.

In addition, below is a list of other notable activities and outcomes related to Energy Evolution that were enabled by Hydro Ottawa over the 2021-2025 term:

- Light Rail Transit (LRT): Hydro Ottawa has been a critical planning, coordination and delivery partner for the City's flagship LRT public transit and transit electrification project. Hydro Ottawa's core responsibilities included the relocation and protection of conflicting infrastructure, the expansion of the electrical system to accommodate future LRT stations, and the provision of commercial connections. For additional information on the infrastructure investments made by the utility during 2021-2025 in support of LRT, please see Section 5.1.1. Historical Expenditures (for System Access) in Schedule 2-5-5 - Capital Expenditure Plan.

- Zero Emission Bus (ZEB) program: together with the LRT project, the ZEB program represents a signature initiative under the City's Climate Change Master Plan to reduce GHGs from public transit. The program involves the conversion of the City's diesel-fuelled municipal bus fleet to non-emitting electric buses.

  During the 2021-2025 rate term, Hydro Ottawa's action in support of ZEB was the provision of electrical infrastructure to support the load of an electric bus terminal at the municipal transit agency's main garage for bus maintenance and storage. For more information on these investments, please see Sections 4.1.1. and 5.1.1. of Schedule 2-5-5 - Capital Expenditure Plan. Respectively, these sections provide an overview of variances in all of Hydro Ottawa's capital expenditures and in System Access expenditures for the 2021-2025 period.

- Building retrofits: Retrofitting buildings through the installation of more energy efficient equipment and technology is a major area of focus under the City's Climate Change Master Plan. On this file, Hydro Ottawa has likewise served as a coordination and implementation partner. The utility assisted the City in the design and development of signature municipal programs such as the Better Homes Loan Program, which offered financing options to homeowners to assist with energy improvements; the Better Buildings Program, which encouraged benchmarking among commercial buildings, and provided further support for energy efficiency; and the High Performance Development Standard, which contains a set of requirements aimed at elevating the performance of new building projects to achieve sustainable and resilient design. Interaction with City staff related to Energy Evolution, including the initiatives noted above, is further outlined in Schedule 1-4-1 - Customer Engagement Ongoing, Section 2.3.3.1.

  In addition, in 2024 Hydro Ottawa launched the Ottawa Retrofit Accelerator (ORA) program, which provides an ecosystem of support services to assist commercial customers with all phases of deep retrofits and energy efficiency upgrades aimed at facility-level decarbonization. These steps taken to further position Hydro Ottawa as a trusted advisor and energy partner to customers within the utility's proposal to establish ORA was assessed and affirmed by Natural Resources Canada, with $10 million in federal funding awarded to Hydro Ottawa for three-year delivery of the program. Of note, the City is an official ORA program partner. Additional information on ORA is available in Schedule 1-4-1 - Customer Engagement Ongoing, Section 2.4.4

- Energy efficiency and emission reduction projects for Ottawa Community Housing (OCH): As a subsidiary of the City of Ottawa, and the city's largest social housing provider, OCH is an important partner in pursuing the City's community GHG reduction target. Hydro Ottawa has supported OCH through its Key Accounts team, as well as with decarbonization support (through the Ottawa Retrofit Accelerator Initiative) and energy efficiency support (through the utility's Conservation and Demand Management team).

- Engagement on municipal plans and policies: alongside the provision of expertise and input on municipal retrofit programs, Hydro Ottawa offered the City support on a range of other municipal plans and policies. These included the City's 2021-2046 Official Plan, adopted by City Council in November 2021. During the consultation and development process for the Official Plan, the utility collaborated with City staff in examining the implications of their proposals for impact to the local distribution network. Other examples of constructive coordination included the utility's engagement in 2024 and 2025, respectively, on proposed municipal bylaws governing the use of battery electric storage systems (BESS), and the provision of EV parking spaces in new residential developments. Ways in which the utility engages with the City are also detailed in Section 2.3.1.1 of Schedule 1-4-1 - Customer Engagement Ongoing.

- Key Accounts symposium: during the 2021-2025 rate period, Hydro Ottawa hosted two major symposia with Key Account customers, including the City. The events were aimed at engaging with, obtaining feedback from, and providing insight and education to customers on a range of issues, challenges and opportunities, including electrification, energy efficiency, DERs, EV charging and net-zero. Within the main plenary as well as breakout sessions, there was extensive dialogue on the Climate Change Master Plan and Energy Evolution. During the 2022 symposium, Hydro Ottawa invited City of Ottawa staff to present at a breakout session focused specifically on Energy Evolution. For additional information, please see Section 2.3 of Schedule 1-4-1 - Customer Engagement Ongoing.

- DER deployment and integration: Please refer to interrogatory response 1-PP-7 part (e) for a summary of the actions the utility is taking to expand DER deployment and integration, and leverage the demand benefits associated with DERs. Increased use of DERs supports Energy Evolution's goal of growing the use of renewable energy resources in Ottawa.

- Net-zero operations: For an overview of the utility's activities related to Hydro Ottawa Holding Inc.'s net-zero operations commitment, refer to the response to interrogatory

1-PP-6. These activities have also supported the City's emissions reduction and clean energy goals.

c) Hydro Ottawa has provided information regarding its coordination with the City of Ottawa on a range of issues and interests, including Energy Evolution, in the pre-filed evidence. Please refer to Section 2.3 of Schedule 1-4-1 - Customer Engagement Ongoing, and Section 6 of Schedule 2-5-2 - Coordinated Planning with Third Parties.

In addition, as part of Hydro Ottawa's business planning process, detailed in Schedule 1-2-3 - Business Plan, Energy Evolution and the Climate Change Master Plan were key strategic inputs informing the context for the development of its 2026-2030 investment plans. The list below provides an overview of key examples of alignment between the utility's plans and the City's emission reduction and renewable energy objectives.

- Electrification and decarbonization: as noted throughout this Application, electrification is a major driver of investment for the upcoming five-year rate term and is one of four strategic grid investment priorities (see Schedule 2-5-1 - Distribution System Plan Overview as well as Attachment 1-4-1(B) - Customer Experience Strategy for more information). Numerous planning considerations have informed Hydro Ottawa's approach to electrification-related investments in 2026-2030. Among the most significant of these are the unprecedented number of large load requests which the utility is fielding from customers and prospective customers whose sustainability interests and objectives are inducing them to seek upgraded service, expand their load profile and electrify their operations. In addition, Hydro Ottawa commissioned a study examining the implications of decarbonization and electrification in the transportation and building sectors on future load and the distribution system (please see Attachment 2-5-4(F) - Decarbonization Study). The reference scenario from this study has informed regional planning forecasts and the scoping of corresponding infrastructure investments for the next five years, such as the capacity of specific substations and the conversion of voltage levels for deteriorating station assets. Finally, the Hydro Road station project is another compelling

example of electrification activity. Designed to support the power supply requirements of the City's ZEB program, the station is scheduled for energization in 2027.

- Energy transition programs: during the 2026-2030 rate period, Hydro Ottawa is set to expand on existing programs (such as raising awareness of and increasing uptake of the IESO's electricity Demand Side Management programs, the Ottawa Retrofit Accelerator program), and introduce new programs (such as the Ottawa DER Accelerator project, non-wires customer solutions programs, etc.) which will facilitate customer action to implement energy efficiency measures, decarbonization measures, and the greater use of customer-owned DERs to address system needs in a targeted area of constraint. For more information, please see Section 2.4 of Schedule 1-4-1 - Customer Engagement Ongoing (for examples of programs Hydro Ottawa has run in the past) and Section 9.2.2.1 of Schedule 2-5-4 - Asset Management Process and Section 3.6.3.1 of Schedule 2-5-8 - System Service Investments (for additional information on Hydro Ottawa's proposed non-wires customer solutions programs).

  For a fulsome overview of the work Hydro Ottawa is undertaking to promote and enable increased deployment and integration of DERs, please see interrogatory response 1-PP-7 part (e).

- Battery energy storage systems (BESS): over the course of the next five-year term, Hydro Ottawa is proposing to deploy approximately 25 MW worth of BESS to help cost-effectively address capacity constraints and improve reliability in targeted areas. Please see Section 2 of Schedule 2-5-8 - System Service Investments for details.

- Removal of Net Metering Service Charge: as a focus on supporting local renewable energy, by way of this Application Hydro Ottawa is proposing to eliminate the service charge that had previously been applied to net metering resources. The utility stopped levying this charge in 2021, in order to support local distributed generation. Please see Schedule 8-4-2 - Generation Charges for further information.

- Facilitating isolations/re-energizations for electrical work: as outlined in Section 2 of Schedule 6-3-5 - Other Income & Deductions, Hydro Ottawa is proposing to offer residential electrical isolations/re-energizations for electrical work at no service charge to the customer. The intention is to facilitate work such as service upgrades if necessary for things like EV charger or heat pumps installations, or for DER connections.

- Climate adaptation and resilience: it bears emphasis that the City's Climate Change Master Plan does not focus exclusively on GHG emissions mitigation – adapting to the effects of climate change and strengthening resilience against future impacts are likewise priorities. Hydro Ottawa confirms that its capital investment program for 2026-2030 includes multiple proposals for bolstering the resilience of its distribution grid against extreme weather events. For example, the utility has established a new Distribution System Resilience Program within its System Service portfolio focused on enhancing resilience through such measures as strategic undergrounding, storm hardening, feeder reconfiguration and line relocation. Additional information is available in Schedule 2-5-7 - System Renewal Investments and Schedule 2-5-8 - System Service Investments. Of note, the formulation of these proposals was informed by rigorous climate adaptation studies and assessments, which were included in the pre-filed evidence: Attachment 2-5-4(B) - Addendum Report to Distribution System Climate Vulnerability Risk Assessment and Climate Change Adaptation Plan and Attachment 2-5-4(E) - Resilience Investment Business Case Report.

TAB 6

TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION

JT3.8

EVIDENCE REFERENCE:

Schedule 8-4-2 Generation Charges

UNDERTAKING(S):

Calculate the additional revenue that would have been earned off of net metering customers based on approved $16 rate and escalating to 2.1 percent.

RESPONSE(S):

In addition to the undertaking recorded, Hydro Ottawa agreed to provide what it believes the net metering charge would be based on current costs and provide the revenue in that scenario.

Table A provides the illustrative revenue based on inflating the 2025 Approved Net Metering Service Charge by 2.10% annually. The annual units are based on the estimate completed for productivity savings detailed in interrogatory response Attachment 1-SEC-27(A): Supporting Calculations - Innovation and Digital Transformation Productivity Initiatives, with the addition of commercial Net-Metering count.

Table A - 2026-2030 Net Metering Service Charge Illustrative Revenue ($'000s)

	Bridge	Test Years				
	2025	2026	2027	2028	2029	2030
Net-Metering Charge	$ 16.00	$ 17.00	$ 18.00	$ 19.00	$ 20.00	$ 21.00
Illustrative Revenue	-	$ 209	$ 311	$ 447	$ 627	$ 864

Based on the incremental costs for Net-Metering customers, the updated 2026 charge is estimated to be $8.00. The 2.10% inflation rate was applied for the years 2027-2030, while rounding to the nearest dollar. Table B details the illustrative revenue based on the updating costing.

Table B - 2026-2030 Net Metering Service Charge Illustrative Revenue - Updated Costing ($'000s)

	Bridge	Test Years				
	2025	2026	2027	2028	2029	2030
Net-Metering Charge	$ 16.00	$ 8.00	$ 9.00	$ 9.00	$ 9.00	$ 9.00
Illustrative Revenue	-	$ 98	$ 155	$ 212	$ 282	$ 370

Hydro Ottawa estimated the productivity savings for Net-Metering at the end of 2024. Since then the IESO has announced the Home Renovations Savings Plan ("HRSP") which enables homeowners to receive rebates for solar panels installed; in return the solar must be used for load displacement purposes only and they are not eligible for the Net-Metering program. Table C displays the Net Metering Service Charge illustrative revenue based on the assumption most Residential solar panel growth will result from the HRSP and not the Net-Metering program.

Table C - 2026-2030 Net Metering Service Charge Illustrative Revenue - Updated Costing and Unit Estimate ($'000s)

	Bridge	Test Years				
	2025	2026	2027	2028	2029	2030
Net-Metering Charge	$ 16.00	$ 8.00	$ 9.00	$ 9.00	$ 9.00	$ 9.00
Illustrative Revenue		$ 74	$ 97	$ 111	$ 124	$ 138

TAB 7

ONTARIO ENERGY BOARD

Benefit-Cost Analysis Framework for Addressing Electricity System Needs

MAY 16, 2024

Ontario

Ontario Energy Board

distribution rate-setting applications to the OEB. The intent of the BCA Framework is to encourage the development of solutions that are in the best interests of both an electricity distributor's customers and Ontario's energy customers more broadly. It seeks consistency in how distributors choose between NWS and traditional poles-and-wires infrastructure solutions to meet an electricity system need. As stated in the FEI Report, it is not the role of the OEB to increase or accelerate NWS adoption, or to choose one technology solution over another.

The BCA Framework is applicable to electricity distribution rate-setting activities and hence will be incorporated by reference in the OEB's existing Filing Requirements.

The BCA Framework is not a substitute or alternative to the Distribution System Code's (DSC) Offer to Connect economic evaluation methodology.[5]

An electricity distributor is to still perform an economic evaluation using the methodology specified in the DSC. This BCA Framework does not apply to determining costs of expansions and connections in relation to connecting new customers. Such evaluations are governed by the DSC.[6]

2.2. Criteria for Use

Consideration of NWS in Addressing System Needs

Per NWS Guidelines, distributors shall incorporate the consideration of NWS into their distribution system planning process by considering whether a distribution rate-funded NWS may be the preferred approach to meeting a system need, thus avoiding or deferring spending on traditional infrastructure.[7]

The NWS Guidelines established a new requirement that distributors are to document their consideration of NWS when making investment decisions on electricity system needs with an expected capital cost of $2 million or more as part of distribution system planning, excluding general plant investments. The OEB may reconsider this threshold at a later date. This does not mean that a BCA will accompany all rate applications to the OEB. A distributor should first conduct a pre-assessment to identify whether there is a reasonable expectation that an NWS may be a viable approach to meeting an identified need. The OEB expects that the appropriateness of deploying

[5] Ontario Energy Board Distribution System Code, Appendix B, Methodology and Assumptions for an Offer to Connect Economic Evaluation, October 21, 2009
[6] Ontario Energy Board Distribution System Code, March 27, 2024
[7] EB-2024-0118, Non-Wires Solutions Guidelines for Electricity Distributors, March 28, 2024

TAB 8

Ontario Energy Board

Staff Discussion Paper

Rate Design for Recovery of Electricity Distribution Costs

EB-2007-0031

March 31, 2008 (Revised June 6, 2008)

3 RATE DESIGN PRINCIPLES

The Board identified three rate design principles for the purposes of this process. These principles encompass all of the "Bonbright attributes of a sound rate structure[5]" identified in the March 2007 Staff Discussion Paper:

1. full cost recovery;
2. fairness; and
3. efficiency.

3.1 Full Cost Recovery Principle

The Board's legislated mandate includes the maintenance of a financially viable distribution industry. This is consistent with the Full Cost Recovery Principle that the level and design of rates should be sufficient to provide each distributor with a reasonable opportunity to recover its revenue requirement. This view has several implications, including the following.

- Each distributor's rates should be determined by the level of costs that are reasonably and prudently incurred by the distributor to provide service to its customers. The expected revenue (i.e., based on normal weather and other conditions) should therefore equal expected costs.
- To the extent that the actual costs and revenue are uncertain, resulting in uncertainty in relation to a distributor's net income and deemed return on equity, expected costs should include an allowed return on equity with an appropriate risk premium.
- For a distributor's rates to be effective in recovering the required revenue, they should be practical, clear and uncontroversial.

[5] Principles of Public Utility Rates, Bonbright, James C., et al., Public Utilities Reports Inc., 1988, pp. 383-384.