



DECISION AND ORDER

EB-2025-0298

2026 RENEWABLE GENERATION CONNECTION RATE PROTECTION COMPENSATION AMOUNT EFFECTIVE JANUARY 1, 2026

BY DELEGATION, BEFORE: Darryl Seal
Manager
Electricity Distribution I

January 29, 2026

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1 OVERVIEW

Subsection 79.1(1) of the *Ontario Energy Board Act, 1998* (the Act) states that the Ontario Energy Board (OEB) may provide Renewable Generation Connection Rate Protection (RGCRP) compensation amounts to eligible distributors. Ontario Regulation 330/09 (the Regulation) prescribes the methodology which the OEB uses to determine the amounts for any given year.

Ontario distributors are required to plan their systems based on their expectations of new electricity generation projects connecting to their systems. Based on their plans, distributors may apply to the OEB for funding to recover the cost of assets to enable and to connect generators to their distribution systems, including generators using renewable sources of energy such as wind or solar. The OEB then takes steps to ensure that all Ontario customers, not just the ratepayers of the individual distributor, contribute to the costs of investments to connect renewable generators in accordance with applicable legislation.

The OEB determines the eligibility of the connection investment made by each distributor in its distribution rate decisions and issues an order to the Independent Electricity System Operator (IESO) to collect and disburse specific amounts based on the approved entitlements. These decisions are made pursuant to the Regulation. The OEB has issued these decisions since May 1, 2010. The latest such decision was issued on January 30, 2025,¹ effective January 1, 2025, providing six distributors with funding.

This Decision and Order (Decision) provides an updated order to the IESO regarding the amounts to be collected from all market participants and remitted to eligible distributors. In addition to continuing the applicable funding amounts ordered for Fort Frances Power Corporation in the January 30, 2025 Decision and Order, this Decision amends the previously ordered amounts to reflect decisions regarding five distributors: Alectra Utilities Corporation (Alectra, in respect of its Enersource, PowerStream and Brampton rate zones); Elexicon Energy Inc. – Veridian service area (Elexicon – Veridian); Hydro One Networks Inc. (Hydro One, in respect of its Hydro One Distribution and Peterborough rate zone); Toronto Hydro-Electricity System Limited (Toronto Hydro); and Welland Hydro-Electric System Corp (Welland Hydro-Electric System).

The OEB reminds the distributors who receive the payments to follow the regulatory accounting set out in the Accounting Procedures Handbook Guidance issued in March

¹ EB-2024-0281, [Decision and Order](#), January 30, 2025

2015.² Specifically, the distributors should use Account 1533 - Renewable Generation Connection Funding Adder Deferral Account, Sub-account Provincial Rate Protection Payment Variances to record the variance between the distributor's revenue requirement associated with the portion of the actual capital and/or operating costs that are eligible for rate protection and the provincial rate protection payments as approved by the OEB and received from the IESO.

² [OEB Accounting Procedures Handbook Guidance](#), March 2015

2 CONTEXT AND PROCESS

The OEB has made its determination of the compensation amount, effective January 1, 2026, to be collected by the IESO in accordance with the Regulation and the requirements of the Act. The Regulation prescribes the methodology that the OEB uses to determine the amount to be collected for any given year.

The total amount to be collected by the IESO effective January 1, 2026, is derived from previous decisions of the OEB in which compensation amounts were determined for qualifying distributors.³ The findings in this Decision involve only the implementation of findings in previous rates decisions subject to certain mechanistic adjustments where applicable. This Decision and Order is being issued by delegated authority, without a hearing, under subsection 6(4) of the Act.

³ EB-2013-0130, EB-2020-0013, EB-2023-0195, EB-2023-0291, EB-2024-0058, and EB-2025-0055

3 2026 COMPENSATION AMOUNT AS OF JANUARY 1, 2026

The OEB has determined the amount to be distributed to the eligible distributors by the IESO as of January 1, 2026, is \$750,839 per month. This Decision extends amounts reflected in the OEB's previous decisions and orders that persist for the current year, and includes amended compensation amounts in accordance with subsequent decisions.⁴

The amended amounts effective January 1, 2026, are:

Table 1 – Amended Payment Amounts

| Distributor | Amended 2026 Annual Payment Amounts | Equivalent Monthly Payment Amounts |
|--|-------------------------------------|------------------------------------|
| Alectra – PowerStream ⁵ | \$229,052 | \$19,088 |
| Alectra – Enersource ⁶ | \$125,528 | \$10,461 |
| Alectra – Brampton ⁷ | \$121,121 | \$10,093 |
| Elexicon – Veridian ⁸ | \$73,964 | \$6,164 |
| Hydro One – Peterborough ⁹ | \$14,370 | \$1,198 |
| Hydro One – Hydro One Distribution ¹⁰ | \$6,986,604 | \$582,217 |
| Toronto Hydro ¹¹ | \$1,451,200 | \$120,933 |
| Welland Hydro-Electric System ¹² | \$6,044 | \$504 |
| Total | \$9,007,883 | \$750,658 |

Funding for Fort Frances Power Corporation remains in place at \$181 per month (\$2,172 annually) as set out in the OEB's previous RGCRP decision.¹³

In its 2025 RGCRP Decision issued on January 30, 2025,¹⁴ the OEB issued an interim monthly funding amount of \$431 for Welland Hydro-Electric System based on the OEB's previous RGCRP decision¹⁵ and noted that the OEB may issue an updated decision on

⁴ EB-2013-0130, EB-2020-0013, EB-2023-0195, EB-2023-0291, EB-2024-0058, and EB-2025-0055

⁵ EB-2025-0055, Decision and Rate Order, December 16, 2025

⁶ Ibid

⁷ Ibid

⁸ EB-2020-0013, Decision and Rate Order, December 17, 2020

⁹ EB-2023-0291, Decision and Order, May 7, 2024

¹⁰ Ibid

¹¹ EB-2023-0195, Draft Rate Order, Appendix FA-FB – ES, HONI and GPMC, November 26, 2024

¹² EB-2024-0058, Draft Rate Order, Appendix 2-FC, April 3, 2025

¹³ EB-2024-0281, Decision and Order, January 30, 2025

¹⁴ Ibid

¹⁵ EB-2024-0137, Decision and Order, June 18, 2024

2025 RGCRP compensation amounts to reflect any approved 2025 funding amounts for Welland Hydro-Electric System that may be ordered in its cost of service application.¹⁶

On March 27, 2025, the OEB issued its Decision and Order approving Welland Hydro-Electric System RGCRP funding amount for the period 2025-2030, including a monthly compensation amount of \$469 for 2025.¹⁷

Table 2 shows the previous 2025 RGCRP Decision and Order (EB-2024-0281) and the approved 2025 RGCRP funding during Welland Hydro-Electric System's cost of service application (EB-2024-0058).

Table 2 – Approved 2025 RGCRP Payment Amount

| | 2025 RGCRP Payment (EB-2024-0281) | | 2025 RGCRP Payment (EB-2024-0058) | |
|-------------------------------|--------------------------------------|--|--------------------------------------|--|
| | 2025 Annual Payment Amount | Equivalent Monthly Payment Amount | 2025 Annual Payment Amount | Equivalent Monthly Payment Amount |
| Welland Hydro-Electric System | \$5,172 | \$431 | \$5,632 | \$469 |

From January 1, 2025 to December 31, 2025, the total IESO payments from the EB-2024-0281 Decision and Order amount to \$5,172 which is less than the amount of \$5,632 that was approved by the OEB in the EB-2024-0058 Decision and Order. The variance of \$38 per month (which is the difference between \$469 and \$431) will be added to the approved 2026 RGCRP monthly funding of \$466 to capture the difference in the IESO monthly payments between the two Decisions (EB-2024-0281 and EB-2024-0058) in 2025.

The OEB calculates the 2026 monthly amount for Welland Hydro-Electric System to \$504 (which is the sum of \$466 and the \$38).

The total monthly amount to be collected by the IESO from all market participants effective January 1, 2026, is \$750,839. The amount billed to each market participant will vary with the actual consumption of the market participant in that month.

In making this determination, the OEB notes that all distributors pass on their share of this charge to their electricity distribution customers through the Wholesale Market Service Rate (WMSR), currently approved by the OEB at \$0.0047 per kilowatt-hour.¹⁸ It

¹⁶ EB-2024-0058

¹⁷ EB-2024-0058, Draft Rate Order, Appendix 2-FC, April 3, 2025

¹⁸ EB-2025-0299, Decision and Order, December 11, 2025

is the OEB's view that at its current level, this change in RGCRP amounts will have a negligible impact on balances in the Wholesale Market Service - Retail Services Variance Account (Account 1580) and the OEB will not adjust the WMSR at this time.

4 IMPLEMENTATION

The amount to be collected by the IESO shall be \$750,839 per month effective January 1, 2026, from all market participants.

The following monthly amounts are to be forwarded to the qualifying distributors, by the IESO:

| | |
|--|----------------|
| • Hydro One Networks Inc. | |
| ○ Hydro One Distribution | \$ 582,217 |
| ○ Peterborough rate zone | \$ 1,198 |
| • Toronto Hydro-Electricity System Limited | \$ 120,933 |
| • Alectra Utilities Corporation | |
| ○ Enersource | \$ 10,461 |
| ○ PowerStream | \$ 19,088 |
| ○ Brampton | \$ 10,093 |
| • Elexicon Energy Inc. - Veridian service area | \$ 6,164 |
| • Welland Hydro-Electric System Corp. | \$ 504 |
| • Fort Frances Power Corporation | <u>\$ 181</u> |
| Total to be forwarded | \$ 750,839 |

Attached to this Decision and Order are the communications to the IESO (Appendix A) and to distributors (Appendix B) regarding the 2026 monthly payments as of January 1, 2026.

5 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Effective January 1, 2026, the IESO shall collect \$750,839 per month from all market participants until such time as the OEB revises this amount.
2. Effective January 1, 2026, the IESO shall distribute the amounts for each qualifying distributor on a monthly basis as set out in section 4 of this Decision and Order.

DATED at Toronto January 29, 2026

ONTARIO ENERGY BOARD

Darryl Seal
Manager
Electricity Distribution I

APPENDIX A

2026 RENEWABLE GENERATION CONNECTION RATE PROTECTION

**Communication to the IESO on Collection of Compensation Amounts under
Ontario Regulation 330/09 as of January 1, 2026**

EB-2025-0298

DECISION AND ORDER

JANUARY 29, 2026



Ontario
Energy
Board | Commission
de l'énergie
de l'Ontario

BY EMAIL

January 29, 2026

Carrie Aloussis
Senior Manager, Regulatory Affairs
Independent Electricity System Operator
120 Adelaide Street West
Suite 1600
Toronto ON M5H 1T1

Dear Ms. Aloussis:

Re: Collection of Compensation Amounts under Ontario Regulation 330/09 for 2026 as of January 1, 2026

Ontario Regulation 330/09 under the *Ontario Energy Board Act, 1998*, regarding cost recovery for eligible investments for the purpose of connecting or enabling the connection of a qualifying generation facility to a distribution system, requires the Ontario Energy Board (OEB) to calculate the monthly amount to be collected by the Independent Electricity System Operator (IESO) to provide compensation to qualifying distributors for rate protection provided to consumers.

The OEB has issued previous orders, setting the compensation amount each year from 2010 to 2025, authorizing the IESO to implement the charge for each of those years. On January 29, 2026, the OEB issued its Decision and Order¹ updating the 2026 compensation amounts as of January 1, 2026. The Decision and Order is attached.

Amount to be charged by the IESO as of January 1, 2026

In its January 29, 2026, Decision and Order, the OEB determined that effective January 1, 2026, and until such time as the OEB orders otherwise, the amount to be collected by the IESO shall be \$750,839 per month from all market participants.

¹ EB-2025-0298, Decision and Order, January 29, 2026

The OEB expects the IESO to implement this charge as soon as possible with monthly amounts adjusted, if necessary, to ensure the entire amount is collected and remitted to the qualifying distributors in a timely manner.

The following monthly amounts are to be forwarded to the following qualifying distribution utilities:

| | |
|--|---------------|
| • Hydro One Networks Inc. | |
| ○ Hydro One Distribution | \$ 582,217 |
| ○ Peterborough rate zone | \$ 1,198 |
| • Toronto Hydro-Electricity System Limited | \$ 120,933 |
| • Alectra Utilities Corporation | |
| ○ Enersource | \$ 10,461 |
| ○ PowerStream | \$ 19,088 |
| ○ Brampton | \$ 10,093 |
| • Elexicon Energy Inc. - Veridian service area | \$ 6,164 |
| • Welland Hydro-Electric System Corp. | \$ 504 |
| • Fort Frances Power Corporation | <u>\$ 181</u> |
| Total to be forwarded | \$ 750,839 |

Yours truly,

Ritchie Murray
Acting Registrar

cc: Alectra Utilities Corporation
Toronto Hydro-Electricity System Limited
Fort Frances Power Corporation
Elexicon Energy Inc.
Hydro One Networks Inc.
Welland Hydro-Electric System Corp.

APPENDIX B

2026 RENEWABLE GENERATION CONNECTION RATE PROTECTION

**Communication to Distributors on Collection of Compensation Amounts under
Ontario Regulation 330/09 as of January 1, 2026**

EB-2025-0298

DECISION AND ORDER

JANUARY 29, 2026



BY EMAIL

January 29, 2026

To: All Licensed Electricity Distributors

Re: Collection of Compensation Amounts under Ontario Regulation 330/09 for 2026, as of January 1, 2026

Ontario Regulation 330/09 under the *Ontario Energy Board Act, 1998*, regarding cost recovery for eligible investments for the purpose of connecting or enabling the connection of a qualifying generation facility to a distribution system, requires the Ontario Energy Board (OEB) to calculate the monthly amount to be collected by the Independent Electricity System Operator (IESO) to provide compensation to qualifying distributors for rate protection provided to consumers. On January 29, 2026, the OEB issued its Decision and Order directing the IESO to adjust the charge effective January 1, 2026.¹ The Decision and Order is attached.

Amount to be Charged by the IESO as of January 1, 2026

This Decision and Order established the 2026 compensation amounts (as of January 1, 2026) for the following qualifying distributors, based on the rate decisions setting annual amounts for those distributors:

- Alectra Utilities Corporation
 - Enersource (EB-2025-0055)
 - PowerStream (EB-2025-0055)
 - Brampton (EB-2025-0055)
- Toronto Hydro-Electric System Inc. (EB-2023-0195)
- Fort Frances Power Corporation (EB-2013-0130)
- Elexicon Energy Inc. - Veridian service area (EB-2020-0013)
- Hydro One Networks Inc.
 - Peterborough rate zone (EB-2023-0291)
 - Hydro One Distribution (EB-2023-0291)
- Welland Hydro-Electric System Corp. (EB-2024-0058)

¹ EB-2025-0298, Decision and Order, January 29, 2026

Commencing January 1, 2026, an amount of \$750,839 per month will be collected from all market participants. The amounts collected shall be distributed to qualifying distributors.

The monthly amount billed to each distributor in the province will vary depending on the energy withdrawn from the IESO-controlled grid for each month.

Amount to be Charged by Distributors in 2026

In determining the amount to be collected by the IESO, the OEB acknowledged that distributors will be passing on this charge to their electricity distribution customers through the Wholesale Market Service Rate (WMSR) currently approved by the OEB at \$0.0047 per kWh. It is the OEB's view that at its current level, the change of the Renewable Generation Compensation Rate Protection would have a minimal impact on balances in the Wholesale Market Service - Retail Services Variance Account (Account 1580), and therefore the OEB did not adjust the WMSR at this time.

Yours truly,

Ritchie Murray
Acting Registrar