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February 25, 2026

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

Dear Mr. Murray,

**RE: EB-2024-0115 Hydro Ottawa Limited Application for electricity distribution rates  
and other charges beginning January 1, 2026  
Argument Submissions of Energy Probe**

Attached are the argument submissions of Energy Probe Research Foundation (Energy Probe) on the outstanding issues in the proceeding dealing with EB-2024-0115 Hydro Ottawa Limited Application for electricity distribution rates and other charges beginning January 1, 2026.

Respectfully submitted on behalf of Energy Probe.

Tom Ladanyi  
TL Energy Regulatory Consultants Inc.

cc. Parties to the Proceeding

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## **EB-2024-0115 Hydro Ottawa Limited**

### **Argument Submissions of Energy Probe**

**February 25, 2026**

#### **Executive Summary**

Energy Probe submits that the OEB should not approve the removal of the Net Metering Charge. Energy Probe also submits that the SSM proposed by Hydro Ottawa is not appropriate and the OEB should not approve it.

In this proceeding, Energy Probe was represented by the same consultant as CCMBC. To avoid duplication and to minimize regulatory costs, Energy Probe has only prepared argument submissions on the issues dealing with the matters of the Net Metering Charge and the Shared Savings Mechanism incentive for the Non-Wires Customer Solutions Program. Energy Probe supports the submissions of CCMBC on the issues dealing with the matter of the 2026 OM&A.

#### **Regulatory Background**

Hydro Ottawa Limited (Hydro Ottawa) filed a custom incentive rate-setting application on April 15, 2025, seeking approval for changes to the rates that it charges for electricity distribution, beginning January 1, 2026.

A settlement conference took place between Hydro Ottawa and intervenors between November 4, 2025, to November 13, 2025. The settlement proposal covering most issues was filed on December 19, 2025.

Procedural Order No. 6 issued December 30, 2025, provided for an oral hearing on the unsettled matters of 2026 OM&A and the Net Metering Charge. The unsettled matter of the proposed Shared Savings Mechanism incentive for Non-Wires Customer Solutions Program was to be heard through a written hearing. The oral hearing on unsettled issues was held from January 14, 2026, to January 16, 2026.

#### **The Net Metering Charge**

The matter of the Net Metering Charge impacts issue 5.3 regarding other revenue and issue 7.2 regarding rate design.

Hydro Ottawa proposes to remove the Net Metering Charge from its OEB-approved tariff. Hydro Ottawa stopped charging it in 2021. It claims that the removal is needed *“to promote fairness among load customers with respect to accessing rate optionality plans and encourages self-generation in Hydro Ottawa’s service territory. This proposal is further enabled and justified by*

*the efficiencies that Hydro Ottawa realized through the automation of residential and small commercial net metered customers billing processes.<sup>1</sup>”*

The OEB approved the 2025 Net Metering charge of \$15 per month<sup>2</sup> when it approved the EB-2019-0261 Settlement Agreement.<sup>3</sup> The parties to the Settlement Agreement and the OEB expected Hydro Ottawa to adhere to the agreement for the 2021 to 2025 period. However, Hydro Ottawa stopped charging the Net Metering charge on November 1, 2021.<sup>4</sup> Hydro Ottawa did not obtain approval from the OEB to stop charging it.

Hydro Ottawa stated that the charge was removed in November 2021 to encourage residents to generate their own energy and support the City of Ottawa’s Energy and Emissions Plan. There is no evidence that the City of Ottawa asked Hydro Ottawa to stop charging the Net Metering charge. Hydro Ottawa’s management made that decision on their own.<sup>5</sup> Energy Probe submits that there is no evidence that customers needed encouragement to generate their own electricity using DERs (distributed energy resources) such as rooftop solar panels or that Hydro Ottawa should have provided it.

There are two types of customers that own DERs: those who can export electricity into the grid and those who can not. Those who can export must have the necessary equipment at the premise such as a bi-directional meter and an inverter. Those customers are subject to the Net Metering charge. A customer would need to pay the monthly Net Metering charge even if that customer did not export any electricity in that month because the charge covers the incremental costs of net metering.

From a billing and settlement perspective<sup>6</sup>, a customer who exports into the grid imposes higher costs of additional activities such as billing function, data capture, review time and settlement with the IESO. Hydro Ottawa confirmed that customers that own exporting DERs impose higher costs on Hydro Ottawa than customers that do not own exporting DERs.<sup>7</sup>

The total annual revenue from the net metering charge in the last full year that it was collected was \$17.3 thousand dollars, a relatively small amount.<sup>8</sup> That amount would have increased each year if Hydro Ottawa had continued charging it. The shareholder of Hydro Ottawa was subsidizing net metering customers since November 2021 and now wants other ratepayers to subsidize them.

Hydro Ottawa resiled from what it had agreed to in the settlement agreement. It surreptitiously stopped charging a service charge approved by the OEB. Can the OEB and intervenors trust Hydro Ottawa to comply with the settlement agreement in the current case?

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<sup>1</sup> AIC, Page 5

<sup>2</sup> Exhibit 8, Tab 4, Schedule 2, page 1. Table 1

<sup>3</sup> EB-2019-0261 Settlement Proposal, September 18, 2020, page 28; and EB-2019-0261 Exhibit 8, Tab 7, Schedule 1, Updated May 5, 2020, page 8

<sup>4</sup> EB-2024-0115, Exhibit 8, Tab 4, Schedule 2, page 3

<sup>5</sup> Hearing Tr. Vol.2, pages 43-44

<sup>6</sup> Technical Conference, September 24, 2025, Tr., page 169

<sup>7</sup> Interrogatory Response 4-EP-5

<sup>8</sup> Interrogatory Response 6-EP-8

Hydro Ottawa claims that it does not need OEB approval to stop charging and OEB approved charge. Energy Probe disagrees. If distributors are free to not charge an OEB approved charge, then OEB approval of rates and charges is meaningless. Energy Probe submits that in its decision the OEB should make it clear that distributors are not free to make changes to OEB approved rates, fees and charges without prior OEB approval. The OEB should order Hydro Ottawa to reinstate the charge.

### **Shared Savings Mechanism incentive for Non-Wires Customer Solutions Program**

Hydro Ottawa is proposing a Shared Savings Mechanism (SSM) for the Non-Wires Customer Solutions Program (NWCSP), which impacts issue 5.3 regarding other revenue. Hydro Ottawa is seeking approval of six individual programs as part of its NWCSP portfolio. follows:

1. Commercial Retrofit Incentive Adder Program
2. Residential Demand Response Program
3. Commercial Demand Response (HVAC) Program
4. Residential Solar and Battery Storage Adder Program
5. Commercial Solar Adder Program
6. Commercial Battery Storage Program

Hydro Ottawa claims that the proposed SSM in support of Hydro Ottawa’s NWCSP makes prudent use of the incentive options offered by the OEB to align utility and customer interests through benefit-sharing. It claims that this provides appropriate remuneration to Hydro Ottawa for forgoing a traditional investment opportunity to earn a return on capital added to rate base while taking the on-going risk and management of an operational solution that will rely on customer participation in the nascent but evolving local market.<sup>9</sup>

*“The NWCSP is targeted to provide immediate risk mitigation for capacity constraints in the Kanata North area through peak demand support. To address this demand and improve contingency preparedness, a new station (“Kanata North MTS”) is under construction. This station will improve capacity, and support in reducing the impact of outages. Projected for completion in 2028, it will have two 100 MVA transformers and eight distribution feeders. The NWCSP will provide long-term value by helping to defer or delay the need for a second new station to serve the region in the mid 2030s.”<sup>10</sup>*

Energy Probe agrees with Hydro Ottawa that there is a risk that the level of customer participation in NWCSP will be lower than expected. However, that risk will be borne by Hydro Ottawa ratepayers, not Hydro Ottawa’s shareholder. If the NWCSP does not achieve the results Hydro Ottawa expects, then Hydro Ottawa will have to build the wires solutions which will be included in rate base at the next rebasing. Hydro Ottawa wants to be rewarded for taking a risk that ratepayers are being asked to take.

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<sup>9</sup> AIC, Page 5

<sup>10</sup> Ibid., page 60

The proposed SSM would reward \$492 thousand to Hydro Ottawa based on the savings of NWCSP over the second new station alternative.<sup>11</sup> Based on the evidence<sup>12</sup> the new station alternative is not a real alternative since it could not be in service to meet the projected load forecast. NWCSP is the only viable alternative. The SSM incentive as provided in OEB Filing Guidelines for Incentives<sup>13</sup> was to incent distributors to propose non-wires alternatives to traditional wires alternatives. In this case there is no viable wires alternative; the non-wires alternative is the only solution to the Kanata North expected peak demand problem. Energy Probe submits that the SSM proposed by Hydro Ottawa is not appropriate and the OEB should not approve it.

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<sup>11</sup> Ibid., page 62

<sup>12</sup> Interrogatory Response 2-Staff-67

<sup>13</sup> OEB, *Filing Guidelines for Incentives for Electricity Distributors to Use Third-Party DERs as Non-Wires Alternatives*, March 2023