

BY EMAIL and RESS

February 25, 2026

Mr. Ritchie Murray
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario
M4P 1E4

Dear Mr. Murray:

EB-2024-0115 Hydro Ottawa Limited (Hydro Ottawa) 2026-2030 Custom Rate Application for Electricity Distribution Rates - Building Owners and Managers Association Ottawa Submission on Unsettled Issues

Pursuant to the Ontario Energy Board (OEB) Procedural Order No. 7, please find attached Building Owners and Managers Association Ottawa's (BOMA Ottawa) submission on the unsettled issues.

Sincerely,



Clement Li
Consultant for BOMA Ottawa
Director, Policy & Regulatory Development
Enerlife Consulting Inc.
cli@enerlife.com

EB-2024-0115 - Hydro-Ottawa Limited 2026-2030 Custom Rate Application for Electricity Distribution Rates

Building Owners and Managers Association' Ottawa's Submission on Unsettled Issues

Background

Hydro Ottawa filed an application with the OEB on April 15, 2025, seeking approval for changes to the rates that Hydro Ottawa charges for electricity distribution, beginning January 1, 2026, and for each following year through to December 31, 2030 (the Application). On December 19, 2025, Hydro Ottawa filed a proposed Settlement Agreement which contains a substantial settlement of the issues within the Application. Three issues remain unsettled, they are 2026 OM&A, Net Metering Charge and Shared Savings Mechanism incentive for Non-Wires Customer Solutions Program.

Pursuant to Procedural Order No. 7, this is BOMA Ottawa's submission on the three unsettled issues.

BOMA Ottawa Submissions

1. 2026 OM&A

Summary

Hydro Ottawa's proposed OM&A level in 2026 is \$140M. BOMA Ottawa recommends a reduction of \$13M. A 2026 OM&A budget of \$127M appropriately aligns the OM&A budget with the settled capital expenditure, bringing the increase closer to inflation while providing necessary funding for prudent operational expenses and for meeting the demands of the energy transition over the 2026-2030 period.

The Starting point - 2025 Forecast Level

Hydro Ottawa's 2025 forecast OM&A level is \$120.6M. The proposed 2026 amount of \$140M represents a 16% increase (over the 2025 value), which is substantially higher than the historical annual growth rate over the 2021 to 2025 period (using the 2021 OEB approved value of \$90.6M as a starting point) of about 8%. It should also be noted that

the 8% per year increase during the 2021 to 2025 period was partially driven by major weather events in 2022/2023 (+\$16M) and labour strike in 2023 (+\$6M)¹. Removing these abnormalities during the 2021 to 2025 period results in an annual growth rate of about 2%.

BOMA Ottawa's recommended 2026 OM&A budget of \$127M represents a 5% increase over the 2025 forecast amount of \$120.6M. This recommendation brings the increase closer to inflation while realizing Hydro Ottawa's increasing needs to maintain a safe and reliable distribution system.

Labour Cost

Hydro Ottawa is proposing to add 81 new positions in 2026².

The proposed 2026 number of employees ("FTEs") is 716, representing an increase of 12% from 2025 FTE of 641.³ Between 2021 and 2025, the number of employees has increased from 585 (2021 actual) to 641 (2025 bridge)⁴, representing an annual growth rate of about 2%.

BOMA Ottawa submits the proposed 2026 FTE increase is excessive. The proposed FTE increase should be reduced materially to appropriately align with the settled (reduced) capital expenditure.

As shown in the pre-filed evidence (Market Compensation Review⁵), Hydro Ottawa's compensation level is materially above the P50 Market Median. This is another area that further cost efficiency could be achieved, resulting in a more appropriate 2026 OM&A budget.

¹ Exhibit 1, Tab 2, Schedule 1, Table 12

² Hydro Ottawa's AIC, page 26

³ Exhibit 1-Staff-1(A), Appendix 2-K

⁴ Ibid.

⁵ Exhibit 1, Tab 3, Schedule 3, Attachment F

2. Net Metering Charge

BOMA Ottawa supports Hydro Ottawa's proposal and its rationale to eliminate the net metering charge.

Hydro Ottawa proposes to remove net metering charge from its OEB-approved tariff. In its AIC⁶, Hydro Ottawa states that this proposal ensures fairness among load customers with respect to accessing rate optionality plans, and encourages self generation. BOMA Ottawa agrees.

BOMA Ottawa also notes that, in JT3.8 Table C (Technical Conference Undertaking Response, filed October 6, 2025), Hydro Ottawa provides the estimated revenue generated from the net metering charge. The estimated annual revenue ranges from \$74,000 in 2026 to \$138,000 in 2030. These figures will have an immaterial impact on customers' bills.

3. Shared Savings Mechanism Incentive for Non-Wires Customer Solutions Program

Hydro Ottawa proposes a shared savings mechanism (SSM) incentive related to its proposed Non-Wires Customer Solutions Program (NWCSP) in Kanata North area. The NWCSP is targeted to provide immediate risk mitigation for capacity constraints through peak demand support. The NWCSP portfolio consists of six demand side management programs:

- i. Commercial Retrofit Incentive Adder Program
- ii. Residential Demand Response Program
- iii. Commercial Demand Response (HVAC) Program
- iv. Residential Solar and Battery Storage Adder Program
- v. Commercial Solar Adder Program
- vi. Commercial Battery Storage Program.

Parties support the proposed NWCSP and it has been included in the Settlement Proposal. The unsettled issue is about the proposed SSM incentive associated with the NWCSP.

⁶ Hydro Ottawa's AIC, page 58

In its submissions, OEB staff argues that although the system needs will be addressed by the proposed NWCSP, no wires solution is being deferred or displaced and therefore there is no real savings for customers. As such, the proposed SSM incentive associated with the NWCSP should not be approved.

BOMA Ottawa acknowledges OEB staff's concern regarding the proposed incentive does not align perfectly with the structure or purpose of the SSM. However, BOMA Ottawa believes Hydro Ottawa's NWCSP initiative is innovative, effective and customer focused. Utilities should be encouraged and rewarded by deploying effective non-wire solutions to address system needs.

As such, BOMA Ottawa submits that Hydro Ottawa's proposed SSM incentive related to the NWCSP should be approved.