

ONTARIO ENERGY BOARD

IN THE MATTER OF the Ontario Energy Board Act, 1998, Schedule B to the Energy Competition Act, 1998, S.O. 1998, c.15 (the “**OEB Act**”);

AND IN THE MATTER OF an application by Hydro Ottawa Limited (“**HOL**”) for an Order or Orders made pursuant to section 78 of the Act, approving just and reasonable rates and other charges for electricity distribution to be effective January 1, 2026 and for each following year through December 31, 2030.

EB-2024-0115

WRITTEN SUBMISSIONS

OF

DISTRIBUTED RESOURCE COALITION

February 25, 2026

OVERVIEW

1. We are counsel to the Distributed Resource Coalition (“**DRC**”) in HOL’s application to the Ontario Energy Board (the “**OEB**” or “**Board**”) for an order or orders approving or setting just and reasonable electricity distribution rates and other charges, effective January 1, 2026 (the “**Application**”).
2. DRC supports HOL’s proposal to eliminate the net metering charge and supports the proposed Shared Savings Mechanism (“**SSM**”) for its Non-Wires Customer Solutions Program (“**NWCSP**”). Both proposals are consistent with broader provincial and Board policy objectives to encourage electrification, distributed energy resource (“**DER**”) integration, and cost-effective non-wires alternatives.
3. DRC’s submissions are focused on the fairness of eliminating the net metering charge and the appropriateness of the proposed Shared Savings Mechanism (“**SSM**”) in relation to HOL’s NWCSP in Kanata North. DRC also submits, generally, that the Board should ensure that HOL has adequate OM&A funding to undertake the important grid modernization, DER system access, and electric vehicle (“**EV**”) and DER-related projects identified in the Application. Supporting innovation and responding to customer needs related to DERs and EVs, necessarily includes adequate resources, knowledgeable employees, and a stable and customer-responsive workforce.
4. DRC’s submissions are organized as follows:
 - (a) Background on DRC;
 - (b) DRC’s support for eliminating the net metering charge;
 - (c) DRC’s support for the appropriateness of the proposed SSM; and
 - (d) DRC’s support for adequate OM&A funding consistent with the funding needed to advance innovation and prudently respond to the energy transition.

A. Relevant Background On DRC

5. DRC is a group of electricity customers and consumers, consisting of end-use residential customers, non-profit organizations, and owners' associations. DRC’s members are directly affected by and interested in: (i) optimizing existing energy assets; (ii) efficiently facilitating

the integration of existing and innovative DERs, including EVs, to achieve customer and grid solutions; and (iii) providing input on direct customer needs and local distribution company opportunities relating to EVs. DRC's members for this proceeding include the Electric Vehicle Society ("EVS") and Plug'n Drive ("PnD").

6. DRC represents end-use residential customers with DERs that may act as producer-consumers, or "prosumers", in a bi-directional electricity grid. It is the only intervenor before the Board in this proceeding that is focused squarely on innovative solutions and the new context of electricity distribution that is, and will be, significantly impacted by growing customer interest and investments in DERs that provide significant benefits to HOL's distribution system.
7. DRC therefore believes that it offers unique and significant expertise on DERs and the innovation activities, infrastructure, and regulatory support necessary to integrate DERs in HOL's system.

B. DRC Supports Eliminating the Net Metering Charge

8. DRC supports HOL's position that eliminating the net metering charge promotes fairness among customers and supports self-generation, recognizing that significant efficiencies have been achieved through prior billing automation.
9. DER adoption is expected to accelerate as customers respond to rising energy costs, electrification of heating, and EV adoption. Customer investments in DERs provide a range of benefits to HOL's distribution system, including the potential to reduce net peak demand, defer system upgrades, and enhance energy and infrastructure resilience. These investments are integral to Ontario's energy transition and responsive to the systems long-term needs.¹
10. Recent Letters of Direction from Ontario's Minister of Energy support the understanding that Ontario has entered into a period of energy transition in which fundamental change will take place. For example, the Minister of Energy's October 2022 Letter of Direction articulated the Ontario Government's "vision for the energy system in which Ontario leverages its clean

¹ See Minister of Energy and Mines, [Directive regarding the implementation of the Government of Ontario's Integrated Energy Plan \(Issued under subsection 25.29 \(1\) of the Electricity Act, 1998\)](#), (June 12, 2025). (the "IEP Directive").

energy grid to promote electrification and job creation while continually enhancing reliability, resiliency and customer choice.”²

11. The promotion of electrification offers extensive benefits for Ontario and DRC firmly believes that electrification supports a reliable energy sector that responds to the energy needs of Ontario and HOL’s customers in a way that is more reliable, affordable, and resilient, all while increasing customer energy independence and choice.
12. DERs, in particular, provide significant benefits in terms of reliability, flexibility, resiliency, and affordability for Ontario’s electricity market. These benefits continue to be demonstrated as more electricity customers, grid operators, and service providers consider and adopt DERs (i.e., NWS) to meet on-site electricity demand, fulfill local electricity needs and provide wholesale market services (i.e., capacity, energy and ancillary services).³
13. Ontario’s Ministry of Energy of Mines recently provided increased support and direction for “greater participation in the energy system, including enabling the cost-effective deployment of [DERs]”⁴, and this supports the objective of the Government of Ontario to make “energy affordable and empowering customers to participate in the energy system through [DERs]”.⁵
14. The IESO has consistently expressed the view that DERs offer extensive benefits for Ontario’s energy sector. The IESO notes that DERs have been demonstrated to serve as a cost-effective solution for avoiding or deferring investment needs in the transmission and distribution system in many jurisdictions across North America.⁶
15. The IESO has also identified the following benefits of DER adoption in Ontario:
 - (a) reduce reliance on the provincial electricity grid by supplying some (or all) of the energy needed for a home, facility or business, which helps lower electricity bills;
 - (b) can be located close to urban centres, which limits (or avoids) the need for new or upgraded transmission lines; and

² Ministry of Energy, [Letter of Direction from the Minister of Energy to the Chair of the OEB Board of Directors](#) (October 21, 2022).

³ IESO, “[Ontario’s Distributed Energy Resources \(DER\) Potential Study, Volume I: Results and Recommendations](#)”, (28 September 2022), p. 1.

⁴ Minister of Energy and Mines, [Directive regarding the implementation of the Government of Ontario’s Integrated Energy Plan \(Issued under subsection 25.29 \(1\) of the Electricity Act, 1998\)](#), (June 12, 2025), p. 4.

⁵ *Ibid.*, p. 7.

⁶ IESO, *DER Potential Study*, p. 14.

- (c) can be connected to the local or provincial grid, providing back-up power during emergencies.⁷
16. DRC believes that encouraging DER adoption is in the long-term interest of all customers. Net metered DERs and renewable generation may contribute to avoided infrastructure costs and may also help mitigate system pressures during periods of high demand. As such, DRC submits that DER customers are not merely beneficiaries of the distribution system; they increasingly provide value to it and eliminating the net metering charge is an appropriate step to remove barriers and promote wider participation in Ontario's electricity system consistent with the IEP Directive.
17. Reducing net-metering costs will support increased investments in DERs and renewable generation that are key decentralized, customer-driven energy storage and supply solutions. These technologies have significant potential to enhance HOL's distribution system flexibility, improve resilience, and optimize local electricity in HOL's service territory, and may increasingly have net metering applications and benefits.⁸
18. HOL indicates that net metering is effectively a form of rate optionality for customers and that it does not impose separate fees for customers to access other options. DRC agrees that net metering customers already pay the fixed service charge applicable to their customer class and notes that maintaining an additional net metering charge is inconsistent with supporting the wider adoption of DERs as customers should not face additional barriers simply for adopting clean energy technologies that align with provincial policy objectives.
19. HOL also indicates that it has automated residential and small commercial net metering billing activities, substantially reducing administrative effort, while account billing for commercial net metering, which are a small percentage of overall net metering customers, remains a manual process. As the incremental administrative costs of net metering have been reduced through automation or represent a small percentage of overall customers, the cost causation rationale for a dedicated charge is effectively eliminated and HOL's customers should not be charged on the basis of legacy processes that no longer reflect HOL's operating reality.

⁷ IESO, "[Distributed Energy Resources](#)", (online).

⁸ See also DRC's comments (July 22, 2025) in EB-2025-0060, supporting a greater role of DERs and EVs through developing DSO capabilities.

20. DRC therefore submits that the Board should approve HOL's proposal to eliminate the net metering charge as fair, reasonable, and consistent with the Board's and Ontario's policy objectives.

C. DRC Supports the Proposed SSM as an Appropriate Incentive

21. DRC believes that the importance of innovation in the energy sector means that utilities should be supported in pursuing incentives and funding that responds to the energy transition and defers capital spending and expensive interim infrastructure upgrades through the strategic pursuit of NWS, and that utilities should not be overly conservative and excessively cost-conscious in delivering solutions that provide wider system and ratepayer benefits.
22. Sufficient support for NWS and pursuing innovative projects, including DERs, is essential for reducing reliance on centralized generation, and ultimately providing cost savings and greater resilience to HOL's distribution system, in accordance with OEB and provincial policy goals. It is essential for utilities to explore what new technologies are best suited to the unique circumstances they face and for them to be supported in adopting new and emerging technologies with significant benefits to ratepayers.
23. DRC supports HOL's request for an SSM incentive, subject to the Board ensuring that (i) the SSM is grounded in a transparent "business-as-usual" reference scenario, (ii) all incremental costs required by the OEB's *Benefit-Cost Analysis Framework for Addressing Electricity System Needs* ("**BCA Framework**") are reflected, and (iii) the mechanism includes appropriate customer protections and reconciliation through the variance account.
24. OEB staff's objection to the SSM is effectively that the NWCSPP cannot generate "real" savings because there is no feasible (or prudent) wires alternative that HOL could have implemented in the 2026–2028 timeframe, and therefore there is nothing to share through the proposed SSM. DRC submits OEB staff's framing is too narrow and does not reflect how the BCA Framework directs distributors to define reference scenarios and the application of the OEB's *Filing Guidelines for Incentives for Electricity Distributors to Use Third-Party DERs as Non-Wires Alternatives* (the "**Incentive Guidelines**").
25. The Incentive Guidelines provide that an SSM may be proposed where a third-party DER solution yields net benefits relative to a traditional wires alternative and requires that the distributor provide information about:

- (a) the system needs being addressed;
 - (b) the wires solutions being deferred or displaced;
 - (c) the corresponding benefits to customers; and
 - (d) the rationale for the portion of savings the applicant proposes to allocate to shareholders.⁹
26. The BCA Framework governs how net benefits are calculated, including the requirement that the analysis be incremental relative to a defined reference scenario aligned with business-as-usual practices.¹⁰ The BCA Framework also recognizes that in certain limited circumstances, such as remote communities at the end of long radial lines, an NWS may become the reference scenario and a formal BCA may not be appropriate or necessary.¹¹ However, Kanata North is not such a case as it is a non-discretionary capacity constraint in a high-growth area where a long-term wires solution is proceeding and therefore the NWS addresses near-term capacity constraints and system reliability risk during the construction window that may influence longer-term system planning in HOL's service territory.
27. The Incentive Guidelines require identification of the traditional wire solution being deferred or displaced. They do not require that a temporary wires investment would necessarily have been constructed in the absence of the NWS. HOL notes that it identified traditional station capacity costs as the reference benchmark for purposes of the BCA and expressly avoided relying on the more expensive temporary option.¹² DRC submits that HOL's approach is appropriate and mitigates the risk of overstating savings.
28. The Incentive Guidelines seek to address structural disincentives to the use of third-party DERs as non-wires alternatives and to support near-term progress in DER integration,¹³ which is aligned with numerous policy documents and stated policy goals including the IEP Directive,¹⁴ while the BCA Framework expressly recognizes qualitative benefits such as reliability, planning value, innovation, and market transformation as relevant considerations in evaluating NWS.¹⁵

⁹ Incentive Guidelines, pp. 4 and 7.

¹⁰ BCA Framework, p. 12.

¹¹ BCA Framework, pp. 15-16.

¹² HOL, Argument-in-Chief, paras 138-140.

¹³ Incentive Guidelines, p. 3.

¹⁴ DRC also agrees with the applicability of the supporting policy documents identified in HOL's Argument-in-Chief at para 142.

¹⁵ BCA Framework, p. 30.

29. DRC believes that the proposed SSM does not undermine affordability and, instead, aligns HOL's incentives with least-cost system planning outcomes and approval by the Board of the proposal will encourage the proactive deployment of third-party DER solutions by other distributors, consistent with the objectives of the Incentive Guidelines, BCA Framework, and the IEP Directive. DRC believes that rejecting the SSM proposal may cause HOL and other distributors to pursue more capital-intensive solutions, even where flexible NWS alternatives provide incremental value to customers, as a result of increased uncertainty of approval for appropriate incentives such as the SSM proposal.
30. DRC therefore submits that rejection of HOL's SSM proposal in its entirety is not appropriate as it enables customers to share in incremental net benefits while enabling HOL to advance cost-effective NWS consistent Board and provincial policy objectives related to NWS and DERs. Accordingly, DRC submits that the Board should approve HOL's SSM proposal for the NWCSP in Kanata North.

D. DRC Supports Adequate OM&A Funding to Support Innovation and Prudently Respond to the Energy Transition

31. DRC submits, generally, that the Board should ensure that HOL has adequate OM&A funding to undertake the grid modernization, DER system access, and EV- and DER-related initiatives identified in the Application.
32. Electrification of transportation, increasing DER penetration, and customer expectations regarding reliability and innovation are increasingly causing real operational complexity on distribution systems. Grid modernization, hosting capacity analysis, interconnection process improvements, DER integration, and targeted NWS development are no longer discretionary investments and program offerings; they are necessary operational responses to load growth, energy transition system transformation, and customer needs and expectations. Adequate OM&A funding is essential to ensure that HOL can plan, design, implement, and monitor investments and initiatives effectively and consistently during the rate term and beyond.
33. DRC believes that a narrow focus on short-term rate impacts is imprudent and will result in OM&A reductions that risk undermining longer-term affordability and reliability objectives. Insufficient operational funding may delay DER connections, slow EV charging deployment, constrain NWS development, and ultimately increase reliance on capital-intensive

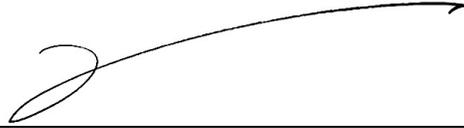
infrastructure. By contrast, prudent and appropriate OM&A investment in modernization and customer support can reduce long-run costs, improve system utilization, and defer more expensive upgrades.

34. DRC therefore submits that the Board should approve OM&A funding that reflects the operational demands of DER integration, EV load growth readiness, and NWS development. This will ensure that HOL has the staffing, systems, and program delivery capacity required to execute these initiatives by supporting cost-effective system planning, enhancing reliability, and advancing provincial and OEB policy objectives related to innovation, affordability, and decarbonization.

E. CONCLUSION AND RELIEF REQUESTED

35. For the reasons above, DRC supports HOL's proposal to eliminate the net metering charge and supports the proposed SSM for HOL's NWCSP. DRC also requests that the Board approve OM&A funding that ensures HOL is able to design, implement, and deliver on innovative NWS projects, modernization, and DER system access investments and initiatives that support customers and HOL's readiness for responding to the energy transition throughout the rate term

ALL OF WHICH IS RESPECTFULLY
SUBMITTED THIS
25th day of February, 2026.



Elisabeth (Lisa) DeMarco
Resilient LLP
Counsel for DRC



DT Vollmer
Resilient LLP
Counsel for DRC