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DECISION AND RATE ORDER

EB-2022-0325

GENERIC HEARING ON UNIFORM TRANSMISSION RATES – PHASE 2

**Transmission Charge Exemption and Gross Load Billing
Threshold For Electricity Storage Facilities**

BEFORE: Vinay Sharma
Presiding Commissioner

March 31, 2026



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1 OVERVIEW

The OEB initiated a generic public hearing on its own motion to consider various issues related to Ontario’s Uniform Transmission Rates (UTR). This is the second phase of this proceeding.

This Decision is a follow up to the OEB’s previous Decision and Order, issued on March 27, 2025, to implement the exemption to transmission charges for transmission-connected energy storage facilities and to implement the gross load billing threshold for embedded electricity storage facilities.

As noted in the OEB’s letter dated March 26, 2026¹, this Decision, excepting any determinations on cost awards, completes this proceeding.

¹ [Update Regarding Generic Hearing on Uniform Transmission Rates – Phase 2](#), March 26, 2026

2 CONTEXT AND PROCESS

The OEB has already made decisions on many aspects of the issues in this proceeding. In its March 27, 2025 Decision,² the OEB made determinations relating to Electricity Storage Facilities, double-peak billing, and how to treat embedded generation in a situation referred to as gross load billing. Additionally, the OEB convened a Working Group to gather more information and make recommendations regarding outstanding concerns. In its November 27, 2025 Decision,³ the OEB adopted the recommendations of the Working Group and directed OEB staff to file proposed UTR Schedule amendments, and any other considerations relating to the implementation of findings regarding Electricity Storage Facilities from the March 27, 2025 Decision.

On December 10, 2025, OEB staff filed a letter covering the following topics:⁴

- proposed UTR Schedule amendments to implement the transmission charge exemption for transmission-connected Electricity Storage Facilities. The OEB staff letter also outlined a proposed transition period for some transmission-connected Electricity Storage Facilities.
- proposed UTR Schedule amendments to implement the gross load billing threshold applicable to Electricity Storage Facilities.

In response to OEB staff's letter, the OEB received submissions from Hydro One Networks Inc. (Hydro One), Ontario Power Generation Inc. (OPG), Energy Storage Canada (ESC), Atura Power (Atura), and the Energy Storage Resources Consortium (the Consortium). These submissions covered issues relating to embedded energy storage facilities, clarity around the UTR Schedule definition of an Electricity Storage Facility and various matters related to the implementation of the transmission charge exemption to transmission-connected Electricity Storage Facilities.

² [Decision and Order](#), March 27, 2025

³ [Decision and Order](#), November 27, 2025

⁴ [Update to the OEB from OEB staff – Issue 5: Basis for Billing Energy Storage Facilities for Transmission](#), December 10, 2025

3 DECISION

3.1 Implementation of the Transmission Charge Exemption

In its March 27, 2025 Decision, the OEB directed OEB staff to coordinate the implementation of an exemption to transmission charges for transmission connected Electricity Storage Facilities. The exemption applies when these facilities are scheduled for operating reserve, providing reactive power support, providing regulation service, responding to a real-time Independent Electricity System Operator (IESO) energy dispatch, or responding to an IESO reliability directive, and is to take effect on April 1, 2026.

OEB staff recommended that the OEB amend the UTR Schedule to update the Terms and Conditions to define an Electricity Storage Facility and to define Charging Energy for the storage facilities. In its submission OEB staff recommended that the UTR Schedule should reference existing definitions, where possible.⁵

Based on references to the definition of an “Electricity Storage Facility” in O. Reg 610/98 under the *Electricity Act, 1998*⁶ and the definition of a “Storage Facility” in the Transmission System Code,⁷ OEB staff proposed to amend the UTR Schedule Terms and Conditions to include the following definition for an Electricity Storage Facility:

ELECTRICITY STORAGE FACILITY has the meaning given to that term in O. Reg 610/98 under the Electricity Act. Unless otherwise exempt by the OEB, an Electricity Storage Facility is also a facility licensed as such by the OEB.

For implementation of the transmission charge exemption, OEB staff submitted that the UTR Schedule Terms and Conditions should distinguish energy withdrawal for charging purposes from end-use load. Therefore, OEB staff proposed to amend the UTR Schedule Terms and Conditions to include the following definition for Charging Energy:

CHARGING ENERGY is the energy that an Electricity Storage Facility withdraws from the IESO-controlled grid, for the purpose of providing energy to the IESO-controlled grid in the circumstances set out in the Provincial Transmission Service Rate Schedule.

⁵ Update to the OEB from OEB staff – Issue 5: Basis for Billing Energy Storage Facilities for Transmission, December 10, 2025, pp.2-3

⁶ [O. Reg 610/98](#), section 1(4)

⁷ [Transmission System Code](#), p. 12

Charging Energy is not an end-use load, and this energy can be withdrawn by the Electricity Storage Facility for storing energy in another form. As an example, a withdrawal to serve station service is an end-use load.

Further, OEB staff proposed that to enact the exemption from the UTRs, the OEB amend the “Applicability” section of the Provincial Transmission Service (PTS) Rate Schedule to read as follows (with italics showing the proposed amendments):⁸

The Provincial Transmission Service (PTS) is applicable to all Transmission Customers in Ontario who own facilities that are directly connected to the transmission system in Ontario and that withdraw electricity from this system. *The PTS is not applicable to Electricity Storage Facilities for Charging Energy that is withdrawn for the following reasons:*

- (1) For the purpose of providing operating reserve, reactive support, or regulation service to the IESO;*
- (2) In response to a real-time market energy dispatch to withdraw energy; or*
- (3) In response to a manual dispatch from the IESO for reliability of the transmission system.*

The submissions received by the OEB on this matter generally supported OEB staff’s proposed changes but requested further clarity or adjustments related to specific wording of the definitions and the effects on specific types of systems.

OPG submitted that the Sir Adam Beck Pump Generating Station qualifies as an Electricity Storage Facility and is therefore eligible for the transmission charge exemption. In its submission, OPG requested that the OEB ensure the definitions used are technology-neutral and not limited to batteries, and OPG also sought confirmation that a facility does not need to be licensed as an Electricity Storage Facility by the OEB to qualify for the exemption if it otherwise meets the definition. OPG also sought clarity on how station service, considered end-use load, will be measured and settled.⁹

Atura requested confirmation that Electricity Storage Facilities connected through customer-owned assets, such as the Napanee Energy Storage facility integrated via a generator switchyard and not connected to transmitter-owned equipment, qualify for the

⁸ Update to the OEB from OEB staff – Issue 5: Basis for Billing Energy Storage Facilities for Transmission, December 10, 2025, pp.3-4

⁹ OPG comments regarding OEB staff’s update to the OEB, January 16, 2026, pp. 2-3

same transmission charge exemption as directly transmission-connected Electricity Storage Facilities. They asked the OEB to explicitly ensure the definition covers such configurations.¹⁰

The Consortium requested further clarity on how auxiliary or station service load will be charged PTS rates.¹¹ Further, both the Consortium and ESC raised concerns on distribution-connected Electricity Storage Facilities not being eligible for the transmission charge exemption.¹²

Hydro One stated that in its view OEB staff's proposed definition for an Electric Storage Facility would not encompass all types of embedded Storage Facilities and recommended broadening or clarifying the definition to ensure consistent treatment. Further Hydro One requested that the OEB confirm whether station service load associated with the transmission-connected Storage Facilities is also exempt from transmission charges.¹³

Findings

The OEB approves the following definitions for an Electricity Storage Facility and Charging Energy, and determines that the UTR Schedule Terms and Conditions shall be amended to include the approved definitions.

ELECTRICITY STORAGE FACILITY has the meaning given to that term in O. Reg 610/98 under the *Electricity Act, 1998*.

CHARGING ENERGY is the energy that an Electricity Storage Facility withdraws from the IESO-controlled grid, for the purpose of providing energy to the IESO-controlled grid in the circumstances set out in the Provincial Transmission Service Rate Schedule.

Charging Energy is not an end-use load, and this energy can be withdrawn by the Electricity Storage Facility for storing energy in another form. As an example, a withdrawal to serve station service is an end-use load.

¹⁰ Comments of Napanee BESS Inc. and Portlands Energy Centre L.P. (collectively, "Atura Power"), January 16, 2026

¹¹ ESR Consortium Submission on UTR Phase 2 Issue 5, January 16, 2026, p. 2

¹² ESR Consortium Submission on UTR Phase 2 Issue 5, January 16, 2026, p. 1-3 and ESC Submission on UTR Phase 2, January 16, 2026, p. 1

¹³ Hydro One's Comments in Response to OEB Staff's Update, January 16, 2026, pp. 1-3

The OEB approves OEB staff's proposed amendment to the Applicability section of the UTR Schedule, such that the Provincial Transmission Service is not applicable to Electricity Storage Facilities for Charging Energy withdrawn for the specified purposes.

In its submission, OPG recommended that the OEB define Energy Storage Facilities as technology-neutral and that the relevant Electricity Storage Facilities need not be licensed by the OEB as an Electricity Storage Facility.

The OEB is satisfied that the approved definition of Electricity Storage Facility is technology neutral and includes OPG's Sir Adam Beck Pump Generation Storage facility as an eligible facility. The definition differs from OEB staff's proposal in that the reference to licensing as an Electricity Storage Facility has been removed to provide additional clarity.¹⁴

Atura requested confirmation that Electricity Storage Facilities connected through customer-owned assets, and whose charging and discharging activities are scheduled, dispatched, and settled through the IESO, are eligible for the transmission charge exemption. The approved definition of an Electricity Storage Facility addresses Atura's request. The approved definition applies to embedded storage facilities located behind a generator or load customer's connection point if the facility withdraws energy that was supplied from the transmission system, stores it, and later re-injects it back into the transmission system.

Submissions from the Consortium, Hydro One and OPG requested clarification of the station services load or end-use load if it would be exempted from transmission charges. The OEB confirms that the approved definition for Charging Energy does not include the service station/end-use load and thus such load remains subject to applicable transmission charges.

With respect to concerns raised about the applicability of the exemption to distribution connected Electricity Storage Facilities, the OEB notes that the scope of this proceeding is limited to transmission connected facilities, consistent with the March 27, 2025 Decision. Any consideration of transmission charge treatment for distribution connected Electricity Storage Facilities is outside the scope of this Decision.

¹⁴ OPG's pumped storage facility forms part of OPG's generation facilities and is licensed as such

3.2 Transitional Arrangements for Implementing the Transmission Charge Exemption and Connection Asset Ownership

OEB staff recommended a transition period for applying the UTR exemption to Electricity Storage Facilities already operating under Connection Cost Recovery Agreements (CCRA), noting that several storage projects were connected or nearing connection based on existing UTR charge assumptions that informed their economic evaluations and capital contributions. Because CCRA for facilities connected to transmitter-owned assets relied on projected UTR revenues, exempting these facilities from transmission charges would reduce actual revenues and create discrepancies that might not be fully resolved through the Transmission System Code true-up process. OEB staff viewed this as a material change to the original economic assessments and proposed measures to ensure no party is harmed by the new exemption, emphasizing that each facility's cost responsibility should remain consistent with what it was before the exemption, with only the method of payment changing.¹⁵

Therefore, OEB staff proposed two options, for the OEB's consideration, to provide to electricity transmitters and customers with Electricity Storage Facilities as a transitional provision:

1. A one-time capital contribution true-up payment from the Electricity Storage Facility customer to the transmitter, in accordance with the CCRA, for the remaining connection costs that will not be recovered through rates as of April 1, 2026
2. A transition period specific to an individual Electricity Storage Facility customer where that customer is a party to a CCRA and has been subject to UTRs prior to April 1, 2026. The customer would continue to pay UTRs as before April 1, 2026, until the end of the economic evaluation period within its CCRA. After the economic evaluation period associated with that facility's CCRA has passed, then that facility would be exempt as per the UTR Schedule ¹⁶

¹⁵ Update to the OEB from OEB staff – Issue 5: Basis for Billing Energy Storage Facilities for Transmission, December 10, 2025, p.4

¹⁶ Update to the OEB from OEB staff – Issue 5: Basis for Billing Energy Storage Facilities for Transmission, December 10, 2025, pp. 4-5

The Consortium supported the transitional provision for CCRAs and found that the options provided are reasonable and allow energy storage resources to work with transmitters to resolve the transitional issue.¹⁷

Hydro One requested the OEB clarify details regarding the one-time true-up, such as when the transmitter would be required to redo an economic evaluation, the expectations and timing for revising the CCRA, and when any additional capital contribution should be paid by an Electricity Storage Facility customer.¹⁸

Hydro One stated that Electricity Storage Facility customers with executed CCRAs should not be allowed to delay their true-up and continue paying transmission charges until their economic evaluations expire, noting that none of the storage customers it consulted expressed concerns about completing the true-up or making any additional capital contributions before April 1, 2026, and therefore a single, uniform true-up process should apply with no optional paths.

Hydro One further explained that CCRAs for these facilities were based on the assumption that they would pay transmission charges like other load customers, which is why the transmitter owns the associated connection facilities. However, if exempt storage facilities do not assume ownership of their connection assets, other transmission customers could end up subsidizing them through UTR charges. Hydro One therefore asked the OEB to clarify whether the true-up process and CCRA revisions will require exempt Electricity Storage Facilities to take ownership of their connection facilities.¹⁹

Findings

For the existing Electricity Storage Facilities subject to CCRAs, the OEB agrees with OEB staff that transitional measures are necessary to ensure no party is harmed by the new exemption and that each facility's cost responsibility should remain consistent with what it was before the exemption, with only the method of payment changing,

The OEB finds OEB staff's proposed transitional options, of a one-time capital contribution true up or a transition period specific to individual Electricity Storage Facility customer, as just and efficient.

¹⁷ ESR Consortium Submission on UTR Phase 2 Issue 5, January 16, 2026, p. 1-2

¹⁸ Hydro One's Comments in Response to OEB Staff's Update, January 16, 2026, p. 3

¹⁹ Hydro One's Comments in Response to OEB Staff's Update, January 16, 2026, p. 3-4

The OEB notes that the Consortium supported the transitional provisions and the options.

Hydro One requested clarification regarding the one-time true-up. The OEB finds that OEB staff's recommended transitional options provide sufficient clarification and flexibility on this point. The customer may choose to continue to pay UTR charges until the end of the economic evaluation period with its CCRA or pay a one-time true up, again, in accordance with the existing CCRA, for the remaining customer costs that will not be recovered through UTRs after April 1, 2026.

The OEB agrees with Hydro One regarding the ownership of connection facilities following the conclusion of the CCRA requirements. The OEB finds that once the exempt Electricity Storage Facility customer settles the CCRA requirements, whether through a one-time capital true up or completion of the economic evaluation period, the ownership of the connection facilities shall revert to the customer, consistent with the underlying cost responsibility principles. Where an Electricity Storage Facility is exempt from ongoing transmission charges, there is no longer a rate based mechanism under the UTRs to recover the future costs of owning, operating, and maintaining the connection facilities. Continued transmitter ownership would therefore shift those costs to other transmission customers. Transferring ownership to the Electricity Storage Facility customer ensures that long-term costs are borne by the benefiting party, consistent with the beneficiary pays principle.

3.3 Gross Load Billing Threshold

In its March 27, 2025 Decision, the OEB determined that the gross load billing threshold for embedded Electricity Storage Facilities will be the same as the threshold for embedded renewable generation. "Note 3" in the Provincial Transmission Service Rate Schedule defines the gross load billing thresholds. OEB staff proposed that this note include the sentence "*The renewable generation threshold shall also apply to Electricity Storage Facilities.*"²⁰

Hydro One stated that it had no concerns with the proposed addition but raised an issue that OEB staff's proposed definition of an Electricity Storage Facility would not

²⁰ Update to the OEB from OEB staff – Issue 5: Basis for Billing Energy Storage Facilities for Transmission, December 10, 2025, pp.5-6

encompass all types of embedded storage facilities. Additionally, Hydro One suggested that the OEB clarify the effective date of the change.²¹

The Consortium's submission expressed concerns about the application of gross load billing to Electricity Storage Facilities connected to distribution systems and requested that the OEB consider potential exemptions for certain facilities.

Findings

The OEB agrees with OEB staff's recommended change to "Note 3". The effective date for this change shall be the same as the UTR exemption date, April 1, 2026.

The OEB also acknowledges Hydro One's concern that the definition would not encompass all types of embedded storage facilities. To account for this concern, the OEB approves the following addition to "Note 3" in the Provincial Transmission Service Rate Schedule:

"The renewable generation threshold shall also apply to Electricity Storage Facilities. For the purposes of Gross Load Billing, this includes any embedded Electricity Storage Facility regardless of the point of connection that is used to supply customer demand."

With respect to the issues raised by the Consortium regarding the treatment of distribution-connected Electricity Storage Facilities, the OEB notes that this matter was not within the scope of the March 27, 2025 Decision or previous decisions of the phase 2 proceeding. Accordingly, the OEB does not address, in this Decision, the broader application of gross load billing to directly distribution-connected Electricity Storage Facilities or the exemptions proposed by the Consortium.

²¹ Hydro One's Comments in Response to OEB Staff's Update, January 16, 2026, p. 3

4 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The new definitions for an Electricity Storage Facility and for Charging Energy set out below shall be incorporated into the Terms and Conditions of the Uniform Transmission Rate Schedule (after “Exemption”) and go into effect on April 1, 2026.

ELECTRICITY STORAGE FACILITY has the meaning given to that term in O. Reg 610/98 under the *Electricity Act, 1998*.

CHARGING ENERGY is the energy that an Electricity Storage Facility withdraws from the IESO-controlled grid, for the purpose of providing energy to the IESO-controlled grid in the circumstances set out in the Provincial Transmission Service Rate Schedule.

Charging Energy is not an end-use load, and this energy can be withdrawn by the Electricity Storage Facility for storing energy in another form. As an example, a withdrawal to serve station service is an end-use load.

2. The amended “Applicability” section of the Provincial Transmission Service Rate Schedule set out below shall be incorporated into the Uniform Transmission Rate Schedule and go into effect on April 1, 2026.

The Provincial Transmission Service (PTS) is applicable to all Transmission Customers in Ontario who own facilities that are directly connected to the transmission system in Ontario and that withdraw electricity from this system. The PTS is not applicable to Electricity Storage Facilities for Charging Energy that is withdrawn for the following reasons:

- (1) For the purpose of providing operating reserve, reactive support, or regulation service to the IESO;
- (2) In response to a real-time market energy dispatch to withdraw energy; or
- (3) In response to a manual dispatch from the IESO for reliability of the transmission system.

3. The amended “Note 3” of the Provincial Transmission Service Rate Schedule set out below shall be incorporated into the Uniform Transmission Rate Schedule and go into effect on April 1, 2026.

The Billing Demand for Line and Transformation Connection Services is defined as the Non-Coincident Peak demand (MW) in any hour of the month. The customer demand in any hour is the sum of (a) the loss-adjusted demand supplied from the transmission system plus (b) the demand that is supplied by an embedded generator unit for which the required government approvals are obtained after October 30, 1998 and which have installed capacity of 2 MW or more for renewable generation and 1 MW or higher for non-renewable generation on the demand supplied by the incremental capacity associated with a refurbishment approved after October 30, 1998, to a generator unit that existed on or prior to October 30, 1998. The term renewable generation refers to a facility that generates electricity from the following sources: wind, solar, biomass, bio-oil, biogas, landfill gas, or water. The renewable generation threshold shall also apply to Electricity Storage Facilities. For the purposes of Gross Load Billing, this includes any embedded Electricity Storage Facility regardless of the point of connection that is used to supply customer demand. The demand supplied by embedded generation will not be adjusted for losses.

4. Transmitters shall offer customers with eligible Electricity Storage Facilities operating under Connection Cost Recovery Agreements the transition options set out below as a transitional provision. Ownership of the connection facilities shall revert to the customer once this transition is complete.
 - a) A one-time capital contribution true-up payment from the Electricity Storage Facility customer to the transmitter, in accordance with the CCRA, for the remaining connection costs that will not be recovered through rates as of April 1, 2026
 - b) A transition period specific to an individual Electricity Storage Facility customer where that customer is a party to a CCRA and has been subject to UTRs prior to April 1, 2026. The customer would continue to pay UTRs as before April 1, 2026, until the end of the economic evaluation period within its CCRA. After the economic evaluation period associated with that facility’s CCRA has passed, then that facility would be exempt as per the UTR Schedule

5. Intervenors shall submit any outstanding cost claims to the OEB by **April 16, 2026**
6. Rate-regulated electricity transmitters shall file with the OEB and forward to intervenors any objections to the claimed costs by **April 30, 2026**.
7. If a rate-regulated electricity transmitter objects to any intervenor costs, those intervenors shall file with the OEB and forward to all rate-regulated electricity transmitters their responses, if any, to the objections to cost claims on or before **May 7, 2026**.
8. Rate-regulated electricity transmitters shall pay the OEB's costs of, and incidental to, this proceeding upon receipt of the OEB's invoice.

DATED at Toronto March 31, 2026

ONTARIO ENERGY BOARD

Ritchie Murray
Acting Registrar

SCHEDULE A
DECISION AND RATE ORDER
GENERIC HEARING ON UNIFORM TRANSMISSION RATES – PHASE 2
2026 ONTARIO UNIFORM TRANSMISSION RATE SCHEDULES
EB-2022-0325
MARCH 31, 2026

TRANSMISSION RATE SCHEDULES

2026 ONTARIO UNIFORM TRANSMISSION RATE SCHEDULES

EB-2022-0325

The rates contained herein shall be implemented effective January 1, 2026.

The provisions of Paragraphs (O) and (P) of the Terms and Conditions and amendments to the “Applicability” and “Note 3” sections of the Provincial Transmission Service Rate Schedule contained herein shall be implemented effective April 1, 2026.

Issued: March 31, 2026

Ontario Energy Board

TRANSMISSION RATE SCHEDULES

TERMS AND CONDITIONS

(A) APPLICABILITY The rate schedules contained herein pertain to the transmission service applicable to:

- The provision of Provincial Transmission Service (PTS) to the Transmission Customers who are defined as the entities that withdraw electricity directly from the transmission system in the province of Ontario.
- The provision of Export Transmission Service (ETS) to electricity market participants that export electricity to points outside Ontario utilizing the transmission system in the province of Ontario. The Rate Schedule ETS applies to the wholesale market participants who utilize the Export Service in accordance with the Market Rules of the Ontario Electricity Market, referred to hereafter as Market Rules. These rate schedules do not apply to the distribution services provided by any distributors in Ontario, nor to the purchase of energy, hourly uplift, ancillary services or any other charges that may be applicable in electricity markets administered by the Independent Electricity System Operator (IESO) of Ontario.

(B) TRANSMISSION SYSTEM CODE The transmission service provided under these rate schedules is in accordance with the Transmission System Code (Code) issued by the Ontario Energy Board (OEB). The Code sets out the requirements, standards, terms and conditions of the transmitter's obligation to offer to connect to, and maintain the operation of, the transmission system. The Code also sets out the requirements, standards, terms and conditions under which a Transmission Customer may connect to, and remain connected to, the transmission system. The Code stipulates that a transmitter shall connect new customers, and continue to offer transmission services to existing customers, subject to a Connection Agreement between the customer and a transmitter.

(C) TRANSMISSION DELIVERY POINT The Transmission Delivery Point is defined as the transformation station, owned by a transmission company or by the Transmission Customer, which steps down the voltage from above 50 kV to below 50 kV and which connects the customer to the transmission system. The demand registered by two or more meters at any one delivery point shall be aggregated for the purpose of assessing transmission charges at that delivery point if the corresponding distribution feeders from that delivery point, or the plants taking power from that delivery point, are owned by the same entity within the meaning of

Ontario's *Business Corporations Act*. The billing demand supplied from the transmission system shall be adjusted for losses, as appropriate, to the Transmission Point of Settlement, which shall be the high voltage side of the transformer that steps down the voltage from above 50 kV to below 50 kV.

(D) TRANSMISSION SERVICE POOLS The transmission facilities owned by the licensed transmission companies are categorized into three functional pools. The transmission lines that are used for the common benefit of all customers are categorized as Network Lines and the corresponding terminating facilities are Network Stations. These facilities make up the Network Pool. The transformation station facilities that step down the voltage from above 50 kV to below 50 kV are categorized as the Transformation Connection Pool. Other electrical facilities (i.e. that are neither Network nor Transformation) are categorized as the Line Connection Pool. All PTS customers incur charges based on the Network Service Rate (PTS-N) of Rate Schedule PTS. The PTS customers that utilize transformation connection assets owned by a licensed transmission company also incur charges based on the Transformation Connection Service Rate (PTS-T). The customer demand supplied from a transmission delivery point will not incur transformation connection service charges if a customer fully owns all transformation connection assets associated with that transmission delivery point. The PTS customers that utilize lines owned by a licensed transmission company to connect to Network Station(s) also incur charges based on the Line Connection Service Rate (PTS-L). The customer demand supplied from a transmission delivery point will not incur line connection service charges if a customer fully owns all line connection assets connecting that delivery point to a Network Station. Similarly, the customer demand will not incur line connection service charges for demand at a transmission delivery point located at a Network Station.

(E) MARKET RULES The IESO will provide transmission service utilizing the facilities owned by the licensed transmission companies in Ontario in accordance with the Market Rules. The Market Rules and appropriate Market Manuals define the procedures and processes under which the transmission service is provided in real or operating time (on an hourly basis) as well as service billing and settlement processes for transmission service charges based on rate schedules contained herein.

TRANSMISSION RATE SCHEDULES

(F) METERING REQUIREMENTS In accordance with Market Rules and the Transmission System Code, the transmission service charges payable by Transmission Customers shall be collected by the IESO. The IESO will utilize Registered Wholesale Meters and a Metering Registry in order to calculate the monthly transmission service charges payable by the Transmission Customers. Every Transmission Customer shall ensure that each metering installation in respect of which the customer has an obligation to pay transmission service charges arising from the Rate Schedule PTS shall satisfy the Wholesale Metering requirements and associated obligations specified in Chapter 6 of the Market Rules, including the appendices therein, whether or not the subject meter installation is required for settlement purposes in the IESO-administered energy market. A meter installation required for the settlement of charges in the IESO-administered energy market may be used for the settlement of transmission service charges. The Transmission Customer shall provide to the IESO data required to maintain the information for the Registered Wholesale Meters and the Metering Registry pertaining to the metering installations with respect to which the Transmission Customers have an obligation to pay transmission charges in accordance with Rate Schedule PTS. The Metering Registry for metering installations required for the calculation of transmission charges shall be maintained in accordance with Chapter 6 of the Market Rules. The Transmission Customers, or Transmission Customer Agents if designated by the Transmission Customers, associated with each Transmission Delivery Point will be identified as Metered Market Participants within the IESO's Metering Registry. The metering data recorded in the Metering Registry shall be used as the basis for the calculation of transmission charges on the settlement statement for the Transmission Customers identified as the Metered Market Participants for each Transmission Delivery Point. The Metering Registry for metering installations required for calculation of transmission charges shall also indicate whether or not the demand associated with specific Transmission Delivery Point(s) to which a Transmission Customer is connected attracts Line and/or Transformation Connection Service Charges. This information shall be consistent with the Connection Agreement between the Transmission Customer and the licensed Transmission Company that connects the customer to the IESO-Controlled Grid.

(G) EMBEDDED GENERATION The Transmission Customers shall ensure conformance of Registered Wholesale Meters in accordance with Chapter 6 of Market Rules, including Metering Registry obligations, with respect to metering installations for embedded generation that is located behind the metering installation that measures the net demand taken from the transmission system if (a) the required approvals for such generation are obtained after October 30, 1998; and (b) the generator unit rating is 2 MW or higher for renewable generation and 1 MW or higher for non-renewable generation; and (c) the Transmission Delivery Point through which the generator is connected to the transmission system attracts Line or Transformation Connection Service charges. These terms and conditions also apply to the incremental capacity associated with any refurbishments approved after October 30, 1998, to a generator unit that was connected through an eligible Transmission Delivery Point on or prior to October 30, 1998, and the approved incremental capacity is 2 MW or higher for renewable generation and 1 MW or higher for non-renewable generation. The term renewable generation refers to a facility that generates electricity from the following sources: wind, solar, biomass, bio-oil, biogas, landfill gas, or water. Accordingly, the distributors that are Transmission Customers shall ensure that connection agreements between them and the generators, load customers, and embedded distributors connected to their distribution system have provisions requiring the Transmission Customer to satisfy the requirements for Registered Wholesale Meters and Metering Registry for such embedded generation even if the subject embedded generator(s) do not participate in the IESO-administered energy markets.

(H) EMBEDDED CONNECTION POINT In accordance with Chapter 6 of the Market Rules, the IESO may permit a Metered Market Participant, as defined in the Market Rules, to register a metering installation that is located at the embedded connection point for the purpose of recording transactions in the IESO-administered markets. (The Market Rules define an embedded connection point as a point of connection between load or generation facility and distribution system). In special situations, a metering installation at the embedded connection point that is used to settle energy market charges may also be used to settle transmission service charges, if there is no metering installation at the point of connection of a distribution feeder to the

TRANSMISSION RATE SCHEDULES

Transmission Delivery Point. In the above situations:

- The Transmission Customer may utilize the metering installation at the embedded connection point, including all embedded generation and load connected to that point, to satisfy the requirements described in Section (F) above provided that the same metering installation is also used to satisfy the requirement for energy transactions in the IESO-administered market.
- The Transmission Customer shall provide the Metering Registry information for the metering installation at the embedded connection point, including all embedded generation and load connected to that point, in accordance with the requirements described in Section (F) above so that the IESO can calculate the monthly transmission service charges payable by the Transmission Customer.

(I) COME INTO SERVICE has the meaning given to that term in the Code.

(J) CUSTOMER FACILITIES A Transmission Customer's equipment, elements, and facilities of any kind whatsoever that are relevant to a direct connection to the transmission system at a Transmission Delivery Point where the Transmission Customer uses transformation connection assets owned by a licensed transmission company and/or line connection assets owned by a licensed transmission company.

(K) CHANGE IN OWNERSHIP When an existing Transmission Customer (the transferor) transfers the title of a load facility to a new customer (transferee), as provided in written notice to the applicable transmitter and the IESO, by the transferee.

(L) NEW CONNECTION Where new Customer Facilities will be directly connected to the transmission system at a Transmission Delivery Point and energized following commissioning.

(M) PERMANENT DISCONNECTION Where Customer Facilities are permanently disconnected from the transmission system in accordance with Section 20.1 or 20.3.1 and subject to Section 20.5 of the form of Connection Agreement applicable to the Transmission Customer in Appendix 1 to the Code.

(N) EXEMPTION Based on an assessment by the licensed transmission company (and the IESO, where applicable), where the Transmission Customer's forecast capacity needs (associated with a new or modified load facility) exceeds the maximum capacity that can be supplied by the transmission system and the licensed transmission company cannot expand the transmission system to meet the Transmission Customer's forecast capacity needs at the time the Transmission Customer's load facility goes into service (and the Transmission Customer agrees to limit its demand to the maximum capacity allocated), the Transmission Customer shall be subject to gross load billing for Line Connection service charges and Transformation Connection service charges, as appropriate, on only the maximum capacity that can be supplied by the transmission system. The application of gross load billing shall be adjusted by the licensed transmission company to the extent additional capacity can be allocated to meet the capacity needs associated with the Transmission Customer's new or modified load facility.

(O) ELECTRICITY STORAGE FACILITY Has the meaning given to that term in O. Reg 610/98 under the *Electricity Act, 1998*.

(P) CHARGING ENERGY Is the energy that an Electricity Storage Facility withdraws from the IESO-controlled grid, for the purpose of providing energy to the IESO-controlled grid in the circumstances set out in the Provincial Transmission Service Rate Schedule.

Charging Energy is not an end-use load, and this energy can be withdrawn by the Electricity Storage Facility for storing energy in another form. As an example, a withdrawal to serve station service is an end-use load.

TRANSMISSION RATE SCHEDULES

RATE SCHEDULE: (PTS)

PROVINCIAL TRANSMISSION RATES

APPLICABILITY:

The Provincial Transmission Service (PTS) is applicable to all Transmission Customers in Ontario who own facilities that are directly connected to the transmission system in Ontario and that withdraw electricity from this system. The PTS is not applicable to Electricity Storage Facilities for Charging Energy that is withdrawn for the following reasons:

- (1) For the purpose of providing operating reserve, reactive support, or regulation service to the IESO;
- (2) In response to a real-time market energy dispatch to withdraw energy; or
- (3) In response to a manual dispatch from the IESO for reliability of the transmission system.

	<u>Monthly Rate (\$ per kW)</u>
Network Service Rate (PTS-N):	6.39
\$ Per kW of Network Billing Demand ^{1,2}	
Line Connection Service Rate (PTS-L):	1.03
\$ Per kW of Line Connection Billing Demand ^{1,3,4}	
Transformation Connection Service Rate (PTS-T):	3.47
\$ Per kW of Transformation Connection Billing Demand ^{1,3,4,5}	

The rates quoted above shall be subject to adjustments with the approval of the Ontario Energy Board.

Notes:

1. The demand (MW) for the purpose of this rate schedule is measured as the energy consumed during the clock hour, on a "Per Transmission Delivery Point" basis. The billing demand supplied from the transmission system shall be adjusted for losses, as appropriate, to the Transmission Point of Settlement, which shall be the high voltage side of the transformer that steps down the voltage from above 50 kV to below 50 kV at the Transmission Delivery Point.
2. The Network Service Billing Demand is defined as the higher of (a) customer Coincident peak demand (MW) in the hour of the month when the total hourly demand of all PTS customers is highest for the month, and (b) 85 % of the customer peak demand in any hour during the peak period 7 AM to 7 PM (local time) on weekdays, excluding the holidays as defined by IESO. The peak period hours will be between 0700 hours to 1900 hours Eastern Standard Time during winter (i.e. during standard time) and 0600 hours to 1800 hours Eastern Standard Time during summer (i.e. during daylight savings time), in conformance with the meter time standard used by the IESO settlement systems.
3. The Billing Demand for Line and Transformation Connection Services is defined as the Non-Coincident Peak demand (MW) in any hour of the month. The customer demand in any hour is the sum of (a) the loss-adjusted demand supplied from the transmission system plus (b) the demand that is supplied by an embedded generator unit for which the required government approvals are obtained after October 30, 1998 and which have installed capacity of 2 MW or more for renewable generation and 1 MW or higher for non-renewable generation on the demand supplied by the incremental capacity associated with a refurbishment approved after October 30, 1998, to a generator unit that existed on or prior to October 30, 1998. The term renewable generation refers to a facility that generates electricity from the following sources: wind, solar, biomass, bio-oil, biogas, landfill gas, or water. The renewable generation threshold shall also apply to Electricity Storage Facilities. For the purposes of Gross Load Billing, this includes any embedded Electricity Storage Facility regardless of the point of connection that is used to supply customer demand. The demand supplied by embedded generation will not be adjusted for losses.
4. Upon a New Connection, Permanent Disconnection, or Change in Ownership, the total monthly charge for each of the Line Connection Service and the Transformation Connection Service will be prorated. The proration shall be based on the total monthly charge for each service and the applicable number of days of the month using the come into service date for a New Connection, the date of the Permanent Disconnection, or the date of the Change in Ownership of Customer Facilities as identified in an agreement where the transmitter consents to the assignment of the Transmission Connection Agreement by the transferor to the transferee, whichever is applicable.
5. The Transformation Connection rate includes recovery for OEB approved Low Voltage Switchgear compensation for Toronto Hydro Electric System Limited and Hydro Ottawa Limited.

EFFECTIVE DATE:
April 1, 2026

BOARD ORDER:
EB-2022-0325

REPLACING BOARD
ORDER: EB-2025-0232
January 15, 2026

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Ontario Uniform Transmission
Rate Schedule

TRANSMISSION RATE SCHEDULES

TERMS AND CONDITIONS OF SERVICE:

The attached Terms and Conditions pertaining to the Transmission Rate Schedules, the relevant provisions of the Transmission System Code, in particular the Connection Agreement as per Appendix 1 of the Transmission System Code, and the Market Rules for the Ontario Electricity Market shall apply, as contemplated therein, to services provided under this Rate Schedule.

EFFECTIVE DATE:
April 1, 2026

BOARD ORDER:
EB-2022-0325

REPLACING BOARD
ORDER: EB-2025-0232
January 15, 2026

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Ontario Uniform Transmission
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TRANSMISSION RATE SCHEDULES

RATE SCHEDULE: (ETS)

EXPORT TRANSMISSION SERVICE

APPLICABILITY:

The Export Transmission Service is applicable for the use of the transmission system in Ontario to deliver electrical energy to locations external to the Province of Ontario, irrespective of whether this energy is supplied from generating sources within or outside Ontario.

Hourly Rate

Export Transmission Service Rate (ETS):

\$1.95 / MWh

The ETS rate shall be applied to the export transactions in the Interchange Schedule Data as per the Market Rules for Ontario's Electricity Market. The ETS rate shall be subject to adjustments with the approval of the Ontario Energy Board.

TERMS AND CONDITIONS OF SERVICE:

The attached Terms and Conditions pertaining to the Transmission Rate Schedules, the relevant provisions of the Transmission System Code and the Market Rules for the Ontario Electricity Market shall apply, as contemplated therein, to service provided under this Rate Schedule.