

# Utility Thoughts and OEB Cost Allocation Calculations

2025 Ontario Home Builders' Association Back to School Workshop

# Who am I?

- Ashley Rist – Engineering Manager at Entegrus Powerlines
- Worked in both Utilities and Consulting for Utilities
- I LOVE MY JOB!



# Electricity in Ontario

- The sale and maintenance of infrastructure in Ontario is regulated by the Ontario Energy Board – OEB
- Local Distribution Companies (LDCs) have territories that used to follow city limits
- You can look up which utility serves an address through the OEB website: <https://www.oeb.ca/ontarios-energy-sector/ontario-electricity-and-natural-gas-utilities-service-area-map>
- These limits can change through a Service Area Amendment

# Electricity in Ontario

- LDCs cannot profit from the sale of electricity
- What we can charge is highly scrutinized and regulated by the OEB
- What we can and cannot do is dictated by the OEB
- All filings are public record

# Utility Mindset

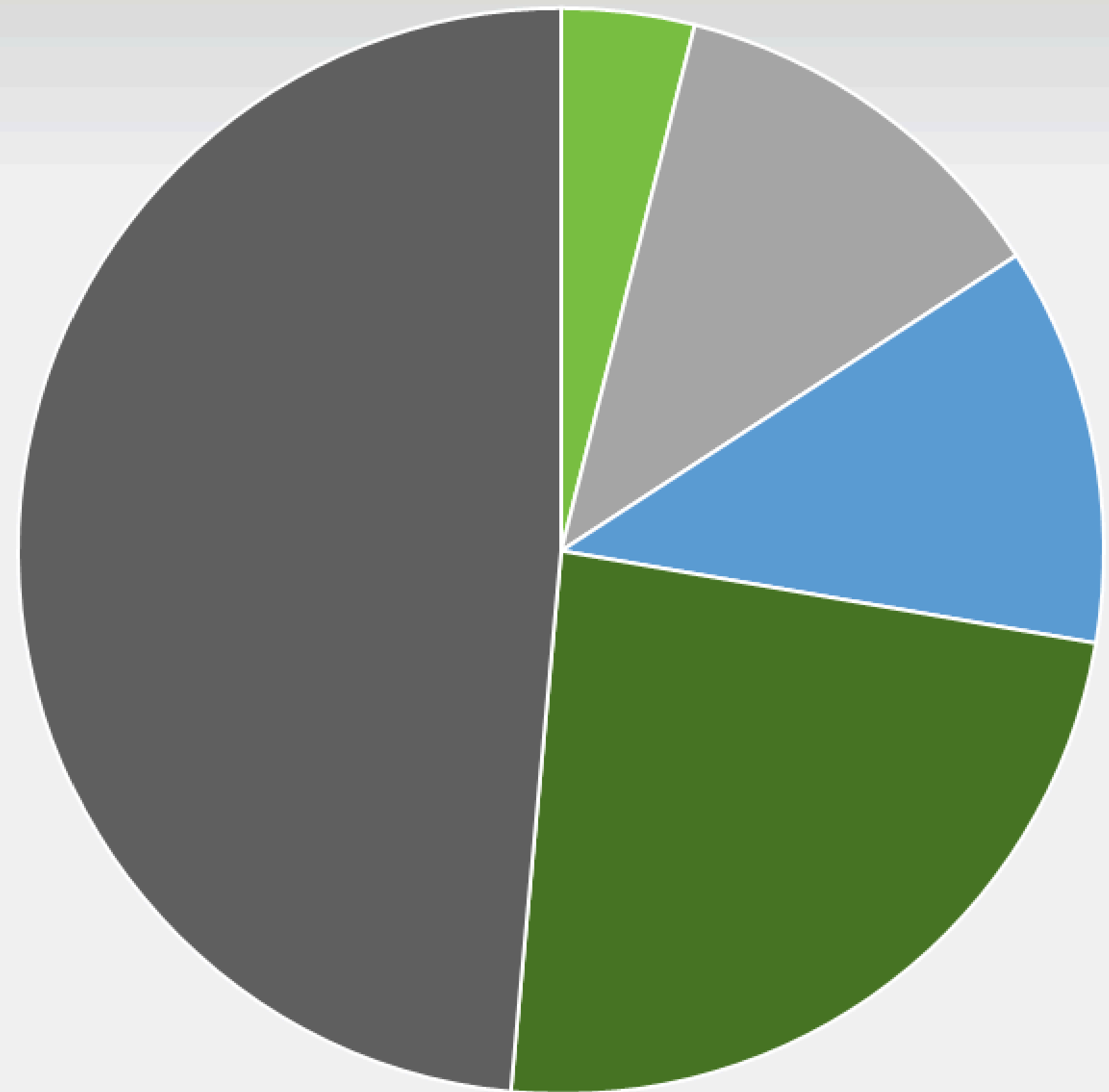
- We are bound to CSA, ESA, and OEB standards and rules
- We try our best to balance Reliability, Resiliency, and Robustness
- Each utility has its own set of Conditions of Service which outline HOW they supply power
- Utilities in Ontario have a very close-knit network of contacts
- We love data – but not every utility has the people-power to process it

# Homes in Ontario

- Due to the breadth of: climate, social/economic factors, distribution system characteristics, other factors, it's really hard to get Utilities to agree on what an appropriate size is for a home
- What worked at one utility may genuinely not work for another due to some constraints
- We have to consider what the total load of a home COULD be

# Residential Bills

- In Residential Bills there are some typical charges:



Regulatory

Transmission

HST

Distribution Charges

Electricity

# Expansion Costs and the EEM

- The current system is “beneficiary pays”
- Expansion costs are assets that could be used by more than one property and account
- Variable costs are assets that can only be used by one property
- LDCs assist in paying for Expansion Assets
  - Economic Expansion Model (EEM)
  - 40 year NPV of Revenues – Costs
  - Basic Connection Credit (BCC)



# Expansion Costs and the EEM

- Residential accounts have 15 years to connect
- Commercial accounts have 5 years to connect
- Unforecasted load can benefit the initial mover for up to 5 years

# Expansion Costs and the EEM

- At Entegrus with proposed 2026 costs:
- Residential PV of costs over 40 years: \$3,148.90
- Residential PV of revenues over 40 years: \$7,179.50
- Residential PV profit over 40 years: \$4,030.60

# What can be done to fix things?

- Changed the revenue horizon from 25 to 40 years earlier in 2025
- Capacity Allocation Model (CAM) - OEB File EB-2024-0092
  - Comes into effect September 16
  - A 15 year window where multiple developers can reserve and pay for capacity
  - Used for large “greenfield” expansions
- Ministry of Housing, Ministry of Energy and Mines, and the OEB are exploring:
  - Moving away from “beneficiary pays”
  - More government funding