

ONTARIO ENERGY BOARD

Electric Vehicle Charging Rate – Companion Report

EB-2023-0071 – Electric Vehicle Integration

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1. ABOUT THIS DOCUMENT

This document discusses key elements of the Electric Vehicle Charging Rate (EVC Rate) and explains how the Ontario Energy Board (OEB) considered stakeholder comments that were received on its draft EVC Rate proposal. It has been prepared for information and context, and may be read as a companion piece to the EVC Rate Overview Draft Report.

The EVC Rate will be implemented through OEB-approved rate orders for electricity distributors. Standard terms and conditions relating to the EVC Rate, to be incorporated into rate orders beginning in the 2026 rate year, are attached to the EVC Rate Overview Draft Report as Appendix A.

2. ELIGIBILITY

2.1. Demand

Background: The OEB's [Staff Discussion Paper](#) proposed that EV charging stations must have a demand between 50 kW and 4,999 kW to be eligible for the EVC Rate.

What we heard: Stakeholders noted that not all electricity distributors measure demand and determine Retail Transmission Service Rate (RTSR) billing determinants on the same basis across the province.

Some stakeholders provided recommendations on how demand should be measured for the purposes of the EVC Rate. For example, three stakeholders recommended that peak demand and billing demand for the purposes of the EVC Rate be measured consistent with the distributor's methodology for billing the RTSR charge components for customers in their applicable >50 kW demand-based rate classes.

Discussion: The OEB accepts stakeholder recommendations that electricity distributors should measure demand and determine RTSR billing determinants for the purposes of the EVC Rate on the same basis as they do for the other members of their applicable general service >50 kW rate class. The OEB appreciates stakeholder comments that this approach will ensure

consistency with existing and specific billing procedures, reduce potential administrative costs and simplify implementation.

The OEB acknowledges that not all electricity distributors necessarily measure demand in the same way. In keeping with requirements in the OEB's Distribution System Code, electricity distributors shall make clear to EVC Rate participants and interested parties how they measure demand for the purposes of rate classification and EVC Rate eligibility, and how they determine RTSR billing determinants for EVC Rate billing.

2.2. Load factor

Background: The OEB's Staff Discussion Paper proposed that EV charging stations must have a monthly load factor of 15% or less to be eligible for the EVC Rate.

What we heard: Some stakeholders recommended a higher load factor threshold than 15%. For example, some stakeholders recommended a load factor threshold of 20%, one recommended a threshold of between 20% and 25%, and one recommended a threshold of 30%.

Stakeholders in favour of a higher load factor threshold said it would encourage broader participation in the EVC Rate and support installation in areas with sporadically high or constantly medium utilization. Reasons provided also included that a 15% threshold (as proposed in the OEB's Staff Discussion Paper) could lead to a potentially steep increase in a customer's RTSR once they exceed the 15% cutoff and return to the base RTSR. Some stakeholders noted that a higher threshold would better align with the thresholds applied in other jurisdictions, like Quebec and New York.

The OEB also heard that too low of a load factor cutoff would jeopardize the "incentive" that the OEB is trying to create with the EVC Rate. For small sites, the OEB heard that utilization could reach 15% soon, and that a 15% threshold would likely require a revision in the short term.

Some stakeholders supported limiting eligibility for the EVC Rate to charging stations with a load factor of 15% or less. One stakeholder said the validity of the regression analysis results relied upon in the OEB's proposal for an EVC

Rate is questionable above a 10% load factor threshold, let alone 15%. Another stakeholder who supported the proposed 15% threshold observed that the load factors of most stations in the dataset used in the EVC Rate analysis were well below 15%.

Some stakeholders recommended that an annual load factor be used to determine a customer's eligibility for the EVC Rate instead of a monthly load factor. Reasons provided include that calculating load factors annually would provide stability and more certainty for EV charging operators as they experience variations in demand for EV charging during each year, and it would help simplify the administrative process for electricity distributors. The OEB also heard that an annual load factor calculation would more appropriately capture the seasonality of charging behaviours than a monthly load factor. One stakeholder suggested that annual calculations would eliminate the need for electricity distributors to develop policies and procedures to deal with participating customers whose monthly load factors occasionally exceed the load factor cutoff.

Some stakeholders also recommended a standardized approach to calculate load factor to ensure transparency and predictability for station operators and consistency among electricity distributors throughout the province.

Discussion: The OEB's final EVC Rate design increases the load factor eligibility threshold from 15% to 20% and establishes that the load factor should be calculated annually rather than monthly.

The OEB originally proposed a 15% load factor threshold given that data for public EV charging stations that exceed a 15% load factor in Canada is sparse, and that 15% was expected to account for most public charging EV station customers today, and perhaps for the foreseeable future. The OEB also noted there were limitations and approximations to the analysis that supported a relatively narrow range of eligibility to minimize any undue impacts on non-participating customers.

At the same time, the OEB appreciates comments from stakeholders who have practical experience with EV charging that too low of a threshold might require a revision in the short term. The OEB also notes the observations

offered by some that a customer's transition from the EVC Rate to the base RTSR would be more pronounced from a 15% threshold than from a higher threshold.

The OEB wishes to support predictability of the EVC Rate while maintaining cost causality and minimizing undue impacts on non-participating customers. Therefore, the OEB will increase the EVC Rate threshold from 15% to 20% but also increase the EVC Rate parameter from 0.13 to 0.17.

The higher threshold is to recognize comments from some stakeholders about predictability and participation, while at the same time recognizing arguments from other stakeholders about what can be supported based on the available data and in consideration of limitations of the analysis. The higher EVC Rate parameter is to ensure that the rate maintains cost causality as the load factor eligibility threshold is increased from 15% to 20%.

The value of 0.13 as originally proposed in the OEB's Staff Discussion Paper reflected the estimated average coincident peak-related cost for the range of load factors from 0% to 15%. The new value of 0.17 uses the same underlying analysis and methodology, but accounts for the new range of load factors, from 0% to 20%. In this way, the EVC Rate will maintain the idealized relationship between load factor and coincident peak-related costs that was approximated in Figure 9 of the 2024 [Analysis and Rate Design](#) consultant report commissioned by the OEB, which informed the OEB's proposed EVC Rate design.

To further support consistency and predictability, the OEB will specify the formula for calculating the annual load factor to be used by customers and electricity distributors for the purposes of assessing eligibility for the EVC Rate. The formula is included in EVC Rate Overview Draft Report.

2.3. Separately metered

Background: The OEB's Staff Discussion Paper proposed that EV charging stations must be separately metered to be eligible for the EVC Rate.

What we heard: All written comments from stakeholders on this aspect of the OEB's draft EVC Rate proposal supported requiring EVC Rate

participants to be separately metered. The OEB did not receive any objections.

Discussion: The OEB will not establish that EV charging stations must be separately metered to be eligible for the EVC Rate. The OEB believes that an explicit requirement for separate metering would be redundant: the requirement for separate metering is implicit within the requirement that at least 90% of the charging station’s demand must relate to EV charging.

The OEB initially proposed a requirement related to separate metering to ensure that the EVC Rate is applied only to electricity demand for EV charging services, including eligible auxiliary load, independently from the electricity use of any other facility or premises on which the participating EV charging station is located.

Since then, the OEB has refined its approach to addressing auxiliary load and ensuring that an EVC Rate participant’s demand relates primarily to EV charging. As discussed further below, the OEB proposes that auxiliary load at a charging station may not exceed 10% of a participating charging station’s total peak demand (e.g., the OEB will not prescribe specific auxiliary end-uses that are eligible or ineligible). Together with the OEB’s refined requirement that at least 90% of the charging station’s demand must relate to EV charging, this removes the need for an explicit requirement for separate metering.

2.4. Not for fleets

Background: The OEB’s Staff Discussion Paper proposed that EV charging stations must be publicly accessible to be eligible for the EVC Rate.

The intent behind this proposed requirement was to exclude charging stations that only serve or primarily serve corporate and/or public sector fleets, which would be expected to have different load profiles.

The term “accessible” was meant to indicate that the public can access the charging stations, subject to any requirements, conditions or restrictions established by the charging station owners.

The OEB proposed examples of eligible use cases, including EV charging stations that are:

- on or just off highways
- on the site of a retail establishment, plaza, shopping centre
- on the site of a municipal, university, school or hospital building
- on a site associated with a multi-unit residential building
- on a site associated with condominiums, and
- on employee parking lots.

The OEB indicated that an EV charging station would not have to provide charging service to all EV models to be eligible for the EVC Rate.

What we heard: Some stakeholders recommended that the OEB review and provide further clarity on eligible use cases. One stakeholder proposed that the eligibility criteria should exclude privately-owned chargers in multi-unit residential buildings and condominiums.

Another stakeholder recommended that eligibility for the EVC Rate generally be limited to Direct Current Fast Charge (DCFC) stations that are accessible to the public at large. The stakeholder pointed out that the analysis that the OEB relied upon to develop the EVC Rate was based on the load profiles of public charging stations and, more specifically, public DCFC stations. The stakeholder suggested that the usage patterns of EV charging stations located in multi-residential buildings, condominiums and employee parking lots are likely to be materially different, and that such use cases, including multi-unit residential buildings, are incompatible with the principle of “public accessibility.”

One stakeholder strongly endorsed the OEB’s proposal to include use cases such as parking lots and other places that have restricted access to the generic public as eligible for the EVC Rate. However, the stakeholder noted that such use cases may not be publicly accessible. The stakeholder concluded that the definition of “publicly accessible” in the context of EVC Rate eligibility should be changed to reflect its true intent, which is simply to exclude EVCs that serve corporate or public sector fleets.

Stakeholders generally opposed requiring charging stations to support universal service for all vehicle models to qualify for the EVC Rate. The OEB heard from some stakeholders that such a requirement could deter participation in the EVC Rate, harm the economic viability of charging stations and deter infrastructure development.

Some stakeholders suggested that a requirement for “universal service” would limit the flexibility of operators to choose connectors suited to their primary customer base. Some recommended that it would be most appropriate to address the choice of vehicle connectors through private business decisions within a competitive market rather than through regulatory mandates.

Some stakeholders said connection standards are still evolving, and the lack of a universal EV connector standard would make it infeasible to accommodate all types (CCS1, NACS/J3400 for DC, and J1772, NACS/J340 for AC). The OEB also heard that requiring charging stations to serve all EV models for the EVC Rate would add to the challenge of verifying and enforcing compliance.

Discussion:

Public accessibility: The OEB has decided to shift the focus of this requirement from public accessibility to usage by fleets. The EVC Rate will therefore be available to DCFC charging stations at all venues, provided that the stations do not primarily serve commercial and/or public sector fleets.

Additional analysis of charging station data conducted by the OEB’s consultant (Memo dated October 15, 2024) suggests that while DCFCs for fleets have materially different consumption patterns compared to public EV chargers, public EV chargers at different venues have similar consumption patterns during peak times.

While consumption data was not available for DCFCs with restricted access (e.g., private parking at a condominium or private employee parking), the OEB accepts its consultant’s suggestion that DCFC load factor appears to be a reasonable predictor of coincident peak contributions. As a result, the OEB

is willing to extend the EVC Rate to non-fleet DCFC stations that meet the size and low load factor eligibility criteria and that are separately metered, regardless of venue or whether the chargers have full public access or restricted access.

Universal service: The OEB will not require EV charging stations to offer service to all EV types to be eligible for the EVC Rate. The OEB did not propose to require charging stations to support universal service for all vehicle models in its Staff Discussion Paper. The OEB is further convinced based on comments from stakeholders that it would not be necessary nor appropriate to do so.

2.5. Auxiliary loads

Background: The OEB's Staff Discussion Paper proposed that certain auxiliary loads should be permitted to be included in an EVC Rate participant's total qualifying EV charging station load. The OEB proposed that permitted auxiliary loads should include those that are required at a site to provide the charging services (such as lighting) as well as those not necessary for EV charging, but which complement it, such as tire inflation, vacuuming, washrooms, snacks and refreshments, etc.

The OEB also noted that some jurisdictions specify the amount of load that can be used for purposes other than supplying EV charging stations. For example, [Hydro-Quebec's analogous low load factor rate](#) allows up to 10 kW to be used for purposes other than supplying the charging stations. [Eversource in Massachusetts](#) requires at least 90% of the load to be dedicated to EV charging.

What we heard: One stakeholder recommended against limiting, restricting or conditioning the EVC Rate because of any station services and auxiliary loads that are associated with an EV charging installation. Some stakeholders said the restrictions on auxiliary loads proposed in the OEB's Staff Discussion Paper appeared reasonable.

Several stakeholders recommended an approach that does not specify permitted auxiliary loads but allows for a specified percentage of energy

demand or peak demand from auxiliary loads (as in the examples noted above of Hydro-Quebec and Eversource in Massachusetts).

One stakeholder suggested that it would be difficult to establish a percentage of peak station demand that would be reasonable in all circumstances because the power requirement for load, such as lighting and washroom facilities, are more than likely to be the same regardless of the power rating of the individual charging stations or even the number of stations. Another suggested that given the minimum size of stations that would be eligible for the EVC Rate, as well as other factors, the load required for EV charging would still represent most of the total load of the entire EV charging installation (compared to the load required for auxiliary loads).

Discussion: The OEB will allow some auxiliary load to be included in the demand of EV charging stations that participate in the EVC Rate. The OEB will not exclude any specific types of auxiliary end-uses from participation. Instead, for the purposes of EVC Rate eligibility, the auxiliary load at a charging station may not exceed 10% of the charging station's total peak demand. The OEB's approach to auxiliary loads is intended to avoid over-prescriptiveness for EVC Rate participants and minimize administrative burden on electricity distributors.

2.6. Non-DCFC chargers

Background: The OEB's Staff Discussion Paper was informed by analysis that focused on DCFC-level EV charging service. The paper acknowledged that, in addition to providing DCFC (Level 3) charging, some participating stations might also provide lower voltage charging, such as Level 2 charging.

The OEB did not propose to require separate meters for DCFC chargers and other charging types at participating EV charging stations. However, the discussion paper said the OEB would be interested in stakeholder views on whether, for EVC Rate eligibility purposes, a limit should be prescribed on the share of charging station load that may come from non-DCFC chargers.

What we heard: Stakeholders supported allowing both DCFC-level chargers and lower-level chargers to be eligible for the EVC Rate.

Most stakeholders who provided comments on this issue recommended that no limit be imposed on the proportion of charging station load that may come from non-DCFC chargers, for the purposes of EVC Rate eligibility.

Others suggested that lower-level chargers should be allowed, but only if the station also includes DCFC charging. For example, some stakeholders recommended that eligible stations have at least one DCFC charger to be eligible for the EVC Rate. Another stakeholder recommended that sites that include DCFC chargers and Level 2 chargers be eligible for the EVC Rate if the DCFC chargers represent most of the total power requirements for the stations on site. The stakeholder suggested that it would be reasonable to require that DCFC charging make up at least 90%-95% of the site's charging station power requirements.

Discussion: Charging stations will be required to have at least one DCFC stall to be eligible for the EVC Rate. DCFC stations that participate in the EVC Rate may also include lower-level, non-DCFC chargers (e.g., Level 2 chargers). Any lower level, non-DCFC chargers behind a participating EVC Rate meter will not be considered auxiliary loads for the purposes of determining EVC Rate eligibility.

The requirement to have at least one DCFC charger as an “anchor” recognizes that the analysis commissioned by the OEB to support the EVC Rate design was based on DCFC-level EV charging. At the same time, the intent of not establishing a limit on the proportion of charging station demand from non-DCFC chargers is to facilitate administrative ease and encourage participation.

Eligibility for the EVC Rate will be based on the load factor of the entire participating charging station, including any non-DCFC chargers. Given that lower-level chargers could increase a station's load factor (all else being equal), the OEB expects that EVC Rate participants will manage their demand as necessary to ensure ongoing eligibility.

2.7. DERs and net metering

Background: The OEB's Staff Discussion Paper did not address whether a distributed energy resource (DER), such as generation or storage, may be

connected alongside a participating EVC Rate charging station and its meter. During the webinar that the OEB held to discuss its draft EVC Rate proposal with stakeholders, the OEB said that it was open-minded on DER eligibility and that it welcomed feedback from stakeholders.

What we heard: One stakeholder recommended that it would not be appropriate to permit EV charging stations with any material DER capacity behind the meter to be eligible for the EVC Rate. The stakeholder said that installation of generation or storage behind the meter at EV charging stations is likely to materially change the load profile of the EV charging station site as seen by the distributor at the meter. The stakeholder said that allowing DERs in conjunction with the EVC Rate would undermine the principle that the EVC Rate is based on cost causality and industry acceptance of the other EVC Rate eligibility requirements.

One stakeholder suggested that participating EVC rate customers should not be restricted from participating in net metering. Another stakeholder recommended that the OEB evaluate unintended consequences before permitting other loads to be metered alongside a participating EV charger.

Discussion: Charging stations that participate in the EVC Rate may include DERs behind the participating EVC Rate meter.

The total DER capacity behind a participating EVC Rate meter may not exceed the total peak demand of the participating EV chargers. For example, if a charging station that participates in the EVC Rate has a maximum EV charging peak demand of 1,000 kW, then the total DER capacity (nameplate capacity) behind the meter of that charging station may not exceed 1,000 kW.

In this aspect of the EVC Rate, the OEB attempts to avoid introducing undue barriers to DER innovation while avoiding unintended application of the EVC Rate. The prescribed capacity limit for DERs at a participating charging station is meant to avoid outcomes in which DER developers might use qualifying EV chargers as a pretext for an otherwise DER-oriented development to avail of lower RTSRs.

The EVC Rate is intended to reflect the lower contribution of non-fleet DCFC EV charging stations towards distributor coincident peak demands compared to other customers in the General Service > 50 kW rate class. The EVC Rate captures the lower cost causality of EV charging stations towards the costs of providing transmission service to them. Adding DER load to the coincident peak demand of a participating EV charging station could change an EV charging station's coincident peak demands (net peak demands). If enough DER load is added to a charging station's demand during coincident peak periods, that could reduce the cost causality basis for the charging station's eligibility for the EVC Rate.

The OEB considered prescribing limits on the net peak demands of EVC Rate participants as an alternative to prescribing that the capacity of DER installations may not exceed the maximum peak demands of participating EV chargers. For example, limiting net peak demands of participating EV charger and DER combinations to the equivalent of the maximum coincident peak demand of the chargers themselves (or to the prescribed coincident peak contribution factor on which the EVC Rate is based) would eliminate the risk of increasing EV charging station coincident peak demands because of coincident DER loads. While this alternative approach has some theoretical appeal, it is more complicated than simply prescribing DER capacity limits as a fraction of maximum EV charger demand, and could be difficult to monitor and enforce in practice.

In arriving at this aspect of the EVC Rate design, the OEB recognized that DER loads could increase the load factor of participating DER chargers, which could present some self-correction to the behaviour of DER and EV charger combinations. In addition, the OEB expects that DER loads such as storage will tend to operate in production mode rather than in charging mode during coincident peak periods – the risk of adding DER demand to EV charging station demand during coincident peak periods might be more hypothetical than likely. The OEB also notes that the EVC Rate eligibility criteria requires that at least 90% of a charging station's total monthly peak demand must relate to EV charging.

EVC Rate participants that include DERs behind their EVC Rate meter are not restricted from participating in net metering, subject to being otherwise

eligible for net metering according to applicable net metering rules. That is, customers who are eligible for net metering are not precluded from participating in net metering because of their participation in the EVC Rate.

3. MANDATORY TO OFFER BY ELECTRICITY DISTRIBUTORS, OPTIONAL FOR ELIGIBLE CUSTOMERS

Background: The OEB’s Staff Discussion Paper proposed that all rate-regulated electricity distributors would be required to offer the EVC Rate, and that eligible customers who wish to have the rate applied to them would have to voluntarily opt in.

What we heard: Stakeholder comments supported making the EVC Rate mandatory for electricity distributors to offer, while making it voluntary for qualifying customers to join. Stakeholders noted that this approach will ensure that the EVC Rate is available across the province. Stakeholders also said the approach recognizes that electricity distributors might not otherwise have visibility on the end-use of the customer to assess eligibility.

One stakeholder recommended that the OEB clarify that the opt-in EVC Rate is on a “go-forward” basis only, to avoid potential complications with retroactive billing.

Discussion: All rate-regulated electricity distributors will be required to offer the EVC Rate. Participation by qualifying customers will be on a voluntary, opt-in basis. The EVC Rate will be applied to participating customers on a go-forward basis only, after they have opted in and once the rate has become effective. The EVC Rate will not be applied to customers retroactively.

4. IMPLEMENTATION TIMING

Background: The OEB’s Staff Discussion Paper proposed that all rate-regulated electricity distributors would be required to offer the EVC Rate to eligible customers as of January 1, 2026.

What we heard: Four stakeholders recommended that the OEB allow electricity distributors who are prepared to offer the EVC Rate prior to January 1, 2026, to do so. Three stakeholders recommended that the implementation timeline proposed by the OEB be changed from “as of January 1, 2026” to “by January 1, 2026” to allow for earlier implementation by electricity distributors.

One stakeholder requested that the OEB accommodate electricity distributors’ individual practices and allow for a range of implementation dates, as was allowable during the implementation of Ultra-Low Overnight (ULO) pricing. The stakeholder proposed that the EVC Rate implementation date should range from January 1, 2026, to May 1, 2026. The stakeholder said this range would allow for each distributor to align its regular rate change procedure with its rollout of the EVC Rate more efficiently.

The same stakeholder also encouraged the OEB to consider other billing changes occurring in the industry (such as the Market Renewal Program, non-Regulated Price Plan Class B options, billing system changes) as well regularly scheduled rate changes in its planning for the EVC Rate. Further, the stakeholder encouraged the OEB to partner with electricity distributors to co-ordinate a reasonable and efficient approach to EVC Rate implementation timing.

Discussion: The OEB will require electricity distributors to make the EVC Rate available to eligible customers in 2026, once their OEB-approved 2026 distribution rates become effective. This implementation timing will allow for each electricity distributor to align its rollout of the EVC Rate with its regular rate change procedure. The OEB will not require electricity distributors to offer the EVC Rate to eligible customers in 2025.

The OEB appreciates that electricity distributors may face a variety of competing demands for important billing changes in 2025. Implementation of the EVC Rate in 2026 will facilitate the orderly and efficient implementation of billing and other changes by electricity distributors.

5. PROCESS FOR OPTING IN

Background: The OEB’s Staff Discussion Paper proposed that eligible customers who wish to have the EVC Rate applied to them would have to voluntarily opt in and attest to their eligibility.

Electricity distributors would be expected to take reasonable steps and due diligence in accepting the attestation of eligibility provided by customers who opt into the EVC Rate.

What we heard: Stakeholders supported the opt-in nature of the EVC Rate and generally supported requiring customers to attest to their eligibility. There was limited support for having the attestation signed by a professional engineer.

One stakeholder expressed concern that self-declaring eligibility could lead to potential abuse by parties who attest to eligibility but do not meet the prescribed requirements. The stakeholder added that their concern is heightened because there is no provision for a penalty or reference to the distributor being able to back-bill based on the full RTSR rate (if an abuse is uncovered, and the customer is subsequently removed from the rate). The stakeholder concluded that such circumstances should be treated the same as billing errors made in the favour of the customer and subject to back-billing on the same basis.

One stakeholder suggested that the OEB should offer an online opt-in form to facilitate easy submission and processing for both customers and distributors and ensure a consistent approach across the province for EV charging station owners.

Several stakeholders noted that electricity distributors have existing enrolment processes that can be leveraged to streamline the implementation of the proposed opt-in mechanism for the EVC Rate.

Discussion: An eligible customer may opt in to the EVC Rate at any time by submitting a form to the distributor. The OEB will make available a template opt-in form for distributors to use if they wish. On the form, the customer will

attest that it expects to meet the eligibility requirements for the EVC Rate for the following 12 months. The form will need to be signed by an authorized representative of the customer; a professional engineer's signature will not be required.

Where a distributor receives an opt-in form that is not incomplete or otherwise deficient, it must begin charging the customer the EVC Rate at the beginning of the next billing period or as soon as reasonably practicable thereafter.

To determine a customer's eligibility, the distributor is entitled to rely on the information provided by the customer on the opt-in form and in response to any questions from the distributor.

To address concerns about abuse, the distributor will be required to rebill a customer if the distributor determines that the customer deliberately or recklessly provided false information concerning its eligibility. The OEB's template opt-in form will include a warning to that effect.

6. PERMITTED FREQUENCY OF OPTING IN AND OUT

Background: The OEB's Staff Discussion Paper did not specify how frequently a customer may opt in and out of the EVC Rate. The OEB invited feedback on the issue during the webinar that the OEB held to discuss its draft EVC Rate proposal with stakeholders.

What we heard: One stakeholder recommended limiting the frequency with which participants can opt in and out of the EVC Rate. The stakeholder suggested that would encourage customers to maintain stable and predictable rates, align with Bonbright principles¹ and aid in planning for both distributors and transmitters.

One stakeholder recommended that EVC Rate participants not be permitted to opt in/out more than once per year. The stakeholder suggested that a low

¹ See Appendix E of the [OEB's 2023 consultant report on EV Delivery Rates](#) for an overview of Bonbright principles.

opt in/out frequency would reduce administrative burden and costs. Another stakeholder proposed that the OEB limit the frequency that a participant may opt in and out of the EVC Rate sub-group to once annually, in accordance with the similar practice of the Industrial Conservation Initiative program. A different stakeholder recommended that the OEB consider limiting the frequency of opting in and out of the EVC Rate to no more than twice a year.

One stakeholder recommended that the limit on how frequently a participant may opt in and out of the EVC Rate be left to each electricity distributor and its ability to make changes to its billing system. The stakeholder suggested that EVC Rate participants should be given one “free” opt in and be charged an administrative charge for any subsequent changes.

Another stakeholder suggested that participants who have opted out of the EVC Rate or been disqualified based on their historic load factor should be able to reapply after 12 months (or more) have passed.

Discussion: At this time, the OEB does not see the need to limit how often customers may opt in or out of the EVC Rate. Customers will be able to opt in or out of the rate at any time. As the number of eligible customers in each distributor’s service territory is limited, and the likelihood of frequent switching seems low, the administrative burden of processing opt-in or opt-out requests is not expected to be significant.

A customer’s eligibility is valid for 12 months from the beginning of the first billing period in which the customer is charged the EVC Rate. To remain on the EVC Rate beyond that 12-month period, the customer must submit a new opt-in form.

7. MONITORING ONGOING ELIGIBILITY

Background: The OEB’s Staff Discussion Paper proposed that electricity distributors be required to periodically review the ongoing eligibility of participating EVC Rate customers.

What we heard: Several stakeholders recommended that electricity distributors review the eligibility of EVC Rate participants for the EVC Rate annually.

Some stakeholders noted that electricity distributors already conduct annual customer class reviews, in accordance with section 2.5.1 of the Distribution System Code, which states the following:

“A distributor shall, at least once in each calendar year, review each non-residential customer’s rate classification to determine whether, based on the rate classification requirements set out in the distributor’s rate order, the customer should be assigned to a different rate class.”

Some stakeholders recommended that electricity distributors review ongoing customer eligibility for the EVC Rate as part of the annual customer class review processes that the electricity distributors already undertake.

Some stakeholders requested clear and prescriptive criteria or guidance on eligibility and the delineation of the role of electricity distributors in the ongoing eligibility assessment.

One stakeholder said it will be important to clearly document and make publicly available each electricity distributor’s practices for assessing ongoing eligibility assessments and the circumstances under which any required reclassifications will occur. To this end, the stakeholder recommended that electricity distributors publish their review criteria on their websites, and that one option would be to include them as an appendix to their Conditions of Service document. Absent clarity in this regard, the stakeholder said the OEB could find itself adjudicating customer complaints regarding reclassification.

The stakeholder also suggested that as part of the ongoing eligibility assessment, participating EVC Rate customers should be required to attest to their ongoing eligibility and provide other information to electricity distributors, who would be expected to exercise due diligence and followup with the EVC Rate customer if the information cannot be reconciled.

Discussion: As noted above, a customer will need to submit the opt-in form every year, each time attesting that it meets the eligibility criteria. If a customer is enrolled in the EVC Rate one year but does not opt in for the following year, it will be removed from the EVC Rate.

Aside from the annual rate classification review required under the Distribution System Code, where a distributor might determine that a customer no longer falls in the 50 kW – 4,999 kW rate class, distributors will not need to monitor their customers' ongoing eligibility. Distributors may rely on the customer's attestation in the opt-in form that the customer meets the eligibility criteria.

If at any time a distributor determines that the customer no longer meets the eligibility requirements (whether through the annual rate classification review required under the Distribution System Code or otherwise), the distributor must remove the customer from the EVC Rate and revert to charging the regular RTSR.

As noted above, if at any time the distributor determines that the customer deliberately or recklessly provided false information concerning its eligibility in its opt-in form or in response to any other information requested by the distributor, the distributor must rebill the customer for the difference between the EVC Rate that was charged and the RTSR that should have been charged.

8. NO NEW RATE CLASSES

Background: The OEB's Staff Discussion Paper proposed to not establish new rate classes for participating EV charging stations upon implementation of the EVC Rate. Instead, participating EV charging stations would remain within the applicable General Service 50 kW to 4,999 kW class established by their respective electricity distributor.

What we heard: The OEB received mixed views on its proposal to rely on existing rate classes for EVC Rate participants. Some stakeholders supported the administrative simplicity of the OEB's proposed approach. One stakeholder also suggested that the data required to establish new rate

classes may be limited or unavailable; that load characteristics could change materially as the number of customers increases; and that new rate classes would impact the distribution costs allocated to all other classes. Another stakeholder suggested that relying on existing rate classes would facilitate the timely rollout of the EV Rate.

Some stakeholders proposed that while new rate classes for participating EV charging stations are not required to implement the proposed EVC Rate, a similar level of administrative effort would be required by electricity distributors to implement the EVC Rate, regardless of whether a new rate class is established.

Some stakeholders recommended establishing a separate rate class for EVC Rate participants. One stakeholder said EV charging stations will have different load characteristics than other General Service customers, and their revenue-to-cost ratios are likely to be much lower and cause increased costs for the rest of the rate class.

Another stakeholder suggested that a new rate class for EVC Rate participants would increase transparency, eliminate intra-class cross-subsidization and improve customer understanding. The stakeholder also suggested that a new rate class would provide the opportunity to address distribution costs, which are outside the scope of the OEB's proposal, and incorporate a Time-of-Use demand charge.

Discussion: The OEB will not require electricity distributors to establish new rate classes for EVC Rate participants upon implementation of the EVC Rate. Making use of existing rate classes will reduce the practical challenge of establishing new rate classes, enhance continuity for existing customers and facilitate the timely implementation of the EVC Rate across the province.

The OEB recognizes the advantages of having separate rate classes for EVC Rate participants if warranted. Electricity distributors will have the opportunity to propose new rate classes for EVC Rate participants after they've implemented the EVC Rate.

9. THE EVC RATE

Background: The OEB’s Staff Discussion Paper identified three different rate design options for implementing the EVC Rate.

The first EVC Rate option is referred to as option A. It is a single parameter that would apply to participating customers. The parameter would not change depending on the specific load factor, so long as the load factor is between 0% and the applicable cutoff threshold. Option B is like option A, except the value of the parameter would depend on a customer’s monthly load factor. There are four potential parameters, only one of which would apply to a customer’s load factor in a month. Option C resembles option B because its rate increases with higher load factors. However, unlike options A and B, option C is derived on an \$/kWh basis, instead of on a \$/kW basis.

What we heard: Most stakeholders who provided comments on this issue supported option A, but some supported options B and/or C.

Some stakeholders who supported option A said it is simpler to understand than options B or C. Some stakeholders suggested that option A would also be easier and less costly to implement. One stakeholder acknowledged that while option A might be the simplest to explain and implement, it is less aligned with cost causality than options B or C.

One stakeholder who expressed support for option B said its stepped rate would more effectively incentivize deployments in rural and remote Ontario. Another said that option B (or C) would have a smoother transition between the EVC Rate and the base RTSR once the EV charging station’s load factor exceeded the eligibility cutoff threshold. One stakeholder deemed option B to be the most complicated and unfavourable option from an electricity distributor billing system and customer management perspective.

Stakeholders who supported option C said it includes discounted RTSRs that scale linearly with utilization. For an EV charging customer, this means the discount is highest when utilization is low. Option C was said to provide more cost relief during lower periods of utilization (and thus periods of lower charging revenues) when the business case is more challenged. One

stakeholder suggested that the rate design based on a \$/kWh charge may be the most straightforward for EV charging customers to understand and incorporate into business case analysis. Another proposed that option C is more amenable to customization than options A and B, which could help electricity distributors develop distribution-specific rate designs in the future.

One stakeholder suggested that option C would introduce a high possibility of customer confusion, that its implementation would require additional calculations compared to the other options (e.g., to determine the number of days in the billing period, not hours). The stakeholder also said that option C has the potential to result in manual adjustments each month, which electricity distributors prefer to avoid for billing accuracy purposes. The stakeholder also suggested that option C would make settlement of the Deferral and Variance Account (DVA) more complex if the billing was to become based on \$/kWh and not \$/kW.

Discussion: The OEB will establish option A as the EVC Rate. Option A's simplicity will make it easier to communicate the EVC Rate to interested parties and facilitate its implementation and administration.

Each of the three options strikes a different balance between complexity on the one hand and precision on the other. For example, option A is the least complex, but it is also the most general: it is a single value or tier, it doesn't change depending on load factor up to the maximum eligibility threshold.

Option B is more complex because it involves establishing tiers, but it is billed on a conventional and widespread \$/kW basis, like option A.

Option C is arguably the most complicated and least intuitive: it is expressed on a \$/kWh basis (which is a less widespread basis for billing RTSRs) and it involves the use of a parameter that might have limited intuitive appeal (the parameter describes a line intercepting zero with a slope of 1.7262). At the same time, it best approximates the idealized linear relationship that the OEB's consultant observed in its analysis of EV charging station load factor and coincident peak contribution.

10. PROVINCEWIDE EVC RATE PARAMETER

Background: The OEB’s Staff Discussion Paper proposed to set an initial provincewide EVC Rate rather than invite electricity distributors to propose customized EVC Rates. The discussion paper also suggested that, in time, distributors might wish to conduct their own analysis to help establish a more specific coincident peak contribution parameter for their respective service territories.

What we heard: The OEB received stakeholder support for an initial provincewide EVC Rate. Stakeholders suggested that starting with a provincewide EVC Rate established by the OEB would be a practical and administratively efficient choice and enhance consistency and predictability across the province for charging station customers.

One stakeholder suggested that despite its practical appeal, there are drawbacks to using a provincewide RTSR reduction parameter. For example, the applicable hour on which the reduction parameter should be based is likely to vary across the province based on the timing of each electricity distributor’s non-coincident peak demand. The stakeholder concluded that the result is that, for some distributors, the provincewide reduction factor will overstate the actual value of the reduction parameter while for other distributors it will understate the actual value of the reduction parameter compared to if it were calculated using utility-specific data.

Discussion: The OEB will establish a general, provincewide EVC Rate parameter for initial implementation. Electricity distributors will use the parameter to calculate their RTSRs for participating EV charging stations.

The OEB will provide the EVC Rate parameter to electricity distributors through the RTSR workforms and Rate Generator Models that the OEB develops and updates from time to time, and which electricity distributors are required to use in their rate applications to the OEB.

As distributors gain more experience with public EV charging stations, they will have the opportunity to propose EVC Rate parameters specifically tailored to their own service territories.

In the meantime, adopting the provincewide EVC Rate to be established by the OEB will be the most administratively simple option for the OEB and electricity distributors. It will also ensure consistency and predictability across the province for charging station customers. In addition, an initial provincewide EVC Rate might facilitate the baseline analysis that would support a potential review of the EVC Rate's performance.

11. THE RTSR WORKFORMS AND RATE GENERATOR MODEL

Background: The OEB sets RTSRs through a Cost-of-Service process or an Incentive Ratemaking (IRM) process. In a Cost-of-Service process, the OEB uses the RTSR workform to calculate RTSRs. In an IRM process, the OEB uses the IRM Rate Generator Model to calculate RTSRs. The RTSR workform and IRM Rate Generator Model are created and updated by the OEB and completed by distributors.

The OEB's Staff Discussion Paper said the OEB would revise the RTSR Workform and IRM Rate Generator Model to incorporate the EVC Rate.

What we heard: One stakeholder noted there are two RTSR charges: Network and Connection. The stakeholder requested clarification on whether the EVC Rate would be applied to one or both. The stakeholder also requested clarification on how the RTSR workform will be used to calculate the EVC Rate. Specifically, the stakeholder asked whether the data inputs on Tabs 3 and 4 of the RTSR workform will be used to calculate the new rates, or whether new data inputs will be required. The stakeholder also asked if electricity distributors will be required to report kW and kWh data separately for customers enrolled in the EVC Rate.

One stakeholder that represents various electricity distributors indicated that its members would like to be involved in the revisions to the RTSR workform and IRM Rate Generator Model. The stakeholder identified various detailed points for clarification.

One stakeholder encouraged the OEB to develop an EVC Rate bill calculator to communicate the bill impacts of opting into the EVC Rate to potential EVC

Rate participants. The stakeholder noted that the existing bill calculator only applies to residential and small business classes (i.e., not to potential EVC Rate participants) and that it does not highlight RTSR rates specifically but aggregates them with other rates in the more general category of “delivery.”

Two stakeholders also suggested that the IRM Rate Generator Model bill impact tab would be a useful way of displaying bill impacts for customers. One stakeholder suggested the IRM Rate Generator Model bill impact tab could also help communicate bill impact calculation methodology to customers.

Discussion: Data inputs will need to be adjusted on Tab 3 of the RTSR workform. In particular, entry of charging station kWh and kW will be required. The model will calculate the input rate based on the EVC Rate Parameter.

The OEB is not planning to develop a bill calculator for potential EVC Rate participants at this time. Unlike the OEB bill calculator for residential and small business customers on the Regulated Price Plan (RPP), an EVC Rate bill calculator would be of little value. EV charging stations with load factors of 20% or less would automatically stand to benefit from the EVC Rate (they will pay 17% of the base RTSR that they would otherwise pay if they did not participate in the EVC Rate), whereas RPP customers benefit from a tool that quantifies and compares the potential outcomes of the various price plans on offer.

12. RTSR DEFERRAL AND VARIANCE ACCOUNT (RTSR DVA)

Background: The difference between the RTSR that EVC Rate participants will pay and the base RTSR that would have otherwise applied to them could drive an RTSR revenue shortfall for distributors.

The OEB’s Staff Discussion Paper proposed that any revenue shortfall driven by the EVC Rate should be recovered using distributor RTSR variance accounts and disposition processes. The discussion paper proposed that

distributors should continue to use their RTSR variance accounts to record RTSR revenue variances.

Variance accounts are used to track the timing difference between when the distributor pays for the transmission service charges and when it receives payment of the corresponding retail transmission service charges from customers.

Variance accounts are also used to account for the difference in the rate that a distributor pays for transmission service compared to the retail rate that the distributor is authorized to charge its customers. These variances are recorded in Uniform System of Accounts 1584 and 1586.

What we heard: One stakeholder said the OEB needs to provide further details on how revenue shortfalls will be recovered only from non-participants (Retail Settlement Variance Account (RSVA) 1584 and RSVA 1586). The stakeholder noted that the total amount is normally allocated across the rate classes, and then recovered from all customers in that class. The stakeholder asked whether there will be two RSVA 1584 and two RSVA 1586 riders for the General Service 50 kW to 4,999 kW class, to not recover the lost revenue from EVC Rate participants.

One stakeholder recommended that the OEB consider implementing sub-accounts within the RTSR DVA specifically for the EVC Rate, similar to the existing sub-accounts for Global Adjustment and the Capacity Based Recovery. The stakeholder suggested that this approach would effectively mitigate any potential cross-subsidization between EVC Rate participants and other customer classes.

One stakeholder recommended that the OEB be mindful that shortfalls would not be recovered from customers for two or more years depending on the approval. For example, the stakeholder said if the rate change occurs in 2026, the ending 2026 DVA balance wouldn't be disposed of until 2028.

The stakeholder requested that the OEB should consider how it might suitably balance and quantify the impact of EVC Rate customers into the DVA and ongoing monitoring of the balances in the DVA.

The stakeholder also said the OEB discussion paper did not address quantifying the impact to the RTSR amount charged by the Independent Electricity System Operator based on the settlement invoice and balancing it with the cost-side of settlement. The stakeholder suggested that if this is properly monitored, it would make a review of the load factor and quantification later more informative and valuable.

Discussion: When the EVC Rates are initially set, the rate models will design rates to achieve full recovery in the presence of the EVC Rates. No systemic variance is expected.

Variances may be caused by many factors. This includes variances in the timing of rate orders for Uniform Transmission Rates and RTSRs, as well as by variances in forecasted load and the timing of load as compared to distributor peaks. The identification and isolation of variances caused by EVC Rates would likely be difficult and is not likely to be material in any case.

The variances will be disposed of or recovered from all customers, in the same proportion as their revenue responsibility. As a result, the charging station customers will be charged or will receive variance dispositions in proportion to their rates.

13. NO SUNSET DATE, EVC RATE TO BE REVIEWED IN THE FUTURE

Background: The OEB's Staff Discussion Paper did not propose an expiration or "sunset date" for the EVC Rate. The OEB said it might initiate a review of the EVC Rate after some experience has been gained with it, likely within several years of its implementation. The OEB suggested that the review might consider distributor and customer experiences, lessons learned, other relevant considerations and next steps. The timing and scope of such a review would be informed by stakeholder input.

What we heard: Some stakeholders recommended that the OEB not establish a sunset date for the EVC Rate. One stakeholder recommended that the EVC Rate be either permanent, or at minimum, not eliminated before

10 years has passed. One stakeholder proposed that the OEB should set a sunset date for the EVC Rate.

Eight stakeholders recommended that the OEB schedule a future review of the EVC Rate design and policy after more data on the rate has been collected. One stakeholder suggested that at the time of review, stakeholders and the OEB should be able to better understand the EVC Rate profiles, and assess the efficacy of the rate, its use and implementation. One stakeholder said a review would be essential, given the changing energy landscape and the various assumptions upon which the EVC Rate is based.

Stakeholders offered a range of timeframes for a potential review of the EVC Rate. One stakeholder recommended a review within two or three years of implementation, while another stakeholder suggested a review within three to five years. Three stakeholders proposed a review five years after implementation. Others recommended a review but did not propose a timeframe. No stakeholder opposed a future review of the EVC Rate.

Discussion: The OEB will not set an expiration or “sunset” date for the EVC Rate. However, the OEB agrees that it will be appropriate to review the EVC Rate in the future. The review should take place soon enough to ensure the EVC Rate’s ongoing suitability, but far away enough to provide policy stability at the outset. The timing of the review should also allow electricity distributors and customers to gather an appropriate amount of data and experience with the EVC Rate.

While the OEB will not establish a specific date for a future review of the EVC Rate, it will consider initiating a review of the EVC Rate within a suitable period after its implementation. The timing, scope and process of any future review of the EVC Rate will be determined by the OEB in due course. In the meantime, as discussed below, the OEB will require electricity distributors to collect certain information on EVC Rate participation to support any future EVC Rate review.

14. DVA TO RECORD IMPLEMENTATION COSTS

Background: The OEB’s Staff Discussion Paper indicated that all rate-regulated electricity distributors would be required to offer the EVC Rate. The discussion paper did not address whether or how electricity distributors could recover implementation costs that they might incur in offering the EVC Rate.

What we heard: One stakeholder recommended that the OEB establish a deferral account associated with distributors’ incremental costs of EVC implementation.

Discussion: The OEB proposes to issue a generic accounting order to establish a deferral account for incremental and material EVC Rate implementation costs. The deferral account will allow electricity distributors to track the revenue requirement impacts of their incremental costs of implementing the EVC Rate in a deferral account.

Electricity distributors will be expected to track costs at a sufficiently detailed level or category to assist in a prudence review of the costs incurred. The OEB will assess any claimed costs recorded in the account at the time the disposition of the account balances is requested, subject to the applicable disposition criteria (e.g., causation, materiality and prudence).

The OEB’s approach will be similar to the approach it took with the ULO RPP option, where it established a [generic deferral account](#) for distributors to track the revenue requirement impacts of their material costs of implementing the ULO option.

15. INFORMATION AND REPORTING

Background: The OEB’s Staff Discussion Paper did not propose EVC Rate-specific reporting requirements for electricity distributors or identify information that might support a future review of the EVC Rate.

What we heard: One stakeholder suggested that the OEB might wish to establish reporting requirements for electricity distributors with customers on

the EVC Rate. The stakeholder said that reporting would provide information on the level of participation in the EVC Rate and support a future review of the EVC Rate. The stakeholder recommended that the OEB provide clear guidance to electricity distributors on the data it expects electricity distributors to record and maintain regarding its EVC Rate customers.

Another stakeholder requested that the OEB clarify whether there will be adjustments to the OEB's Reporting and Record Keeping Requirements (RRR) templates (particularly in section 2.1.5 demand and consumption reporting) to account for the new EVC Rate sub-group in the General Service rate class.

Another stakeholder said it would support a requirement for customers to provide non-identifying data from charging stations as part of their participation in the EVC Rate.

Discussion: The OEB agrees that it will be important for electricity distributors to collect information to support the monitoring of the EVC Rate. The OEB will require limited EVC Rate-specific record-keeping from electricity distributors on an ongoing basis. Specifically, electricity distributors will be required to record the hourly kW demand of each of its participating service facilities as part of a new RRR that the OEB will establish.

The OEB will work with electricity distributors to establish a template for recording this information. The limited nature of the new requirement will minimize burden on electricity distributors while assisting with the OEB's monitoring of the EVC Rate. The information may also support any future EVC Rate customization that electricity distributors might propose. The EVC Rate is informed by analysis that relies on historical hourly demand information, which is used to examine the contribution of EV chargers toward the bulk system coincident peak demand compared to other types of customers. The analysis also examines how an EV charging station's estimated contribution to the transmission system coincident peak changes as a function of its load factor. This is done to help estimate the appropriate share of coincident peak-related demand charges that should be allocated to low load factor public EV charging stations. Hourly demand information is necessary to conduct the analysis.

In addition to the information described above, the OEB may also ask for the following information from electricity distributors from time to time, but will not establish a new RRR requirement related to it:

- a. Participant count:
 - Number of participating customers in the EVC Rate

- b. Participant attributes:
 - Chargers: number of chargers that each participating EVC Rate customer has by type (DCFC, level 2, other)
 - Distributed Energy Resources (DER: Total installed capacity and fuel type of any DER that a participating customer has behind the EVC Rate meter.

Electricity distributors should be prepared to provide this additional information to the OEB when asked for it. The information will help the OEB and interested parties maintain awareness of EVC Rate uptake and select attributes of EVC Rate participants. The OEB will work with electricity distributors to ensure that the information is appropriately reflected in the opt-in information that EVC Rate participants provide to electricity distributors.