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BY EMAIL AND WEB POSTING

March 31, 2025

**To: All Rate-Regulated Electricity Distributors
Participants in consultation EB-2023-0071
All Intervenors in Cost of Service Proceedings for 2025 rates
All Other Interested Parties**

**Re: Electric Vehicle Integration Initiative (EB-2023-0071)
Electricity Delivery Rates for Electric Vehicle Charging
Release of Final Report on Rate Design**

The Ontario Energy Board (OEB) has released its final report on the design of the Electric Vehicle Charging Rate (EVC Rate). The EVC Rate aims to support the efficient integration of Electric Vehicles (EVs) in Ontario and responds to direction from the Minister of Energy (now the Minister of Energy and Mines) to the OEB to consider rate design options for EV charging.

The EVC Rate will reduce the Retail Transmission Service Rates (RTSRs) paid by participating EV charging stations and will better align the RTSRs that they pay with the transmission system costs incurred to serve them.

The final design incorporates feedback from stakeholders on the OEB's revised EVC Rate proposal, which was published for comment in January 2025.

Background on the EVC Rate

The 2023 report: The OEB retained a consultant, Power Advisory, to analyze the impact that delivery costs have on EV charging and to explore alternative delivery rate designs to support EV adoption while adhering to sound ratemaking principles.

Power Advisory's report, [Electricity Delivery Rates for EV Charging](#), was released on April 13, 2023. The OEB held a stakeholder meeting on May 24, 2023, to get feedback on the report and sought written feedback afterward.

The initial draft EVC Rate proposal (May 2024): Based on stakeholder feedback, and additional analysis conducted by Power Advisory, OEB staff developed an initial draft proposal for an EVC Rate that improves cost causality and better supports the efficient

integration of EVs in Ontario. The initial proposal was summarized in a [Staff Discussion Paper](#) published on May 30, 2024.

The OEB held a stakeholder meeting on June 13, 2024, to review the discussion paper and invited written comments.

The revised EVC Rate proposal (January 2025): The OEB published a revised EVC Rate proposal on January 7, 2025, incorporating stakeholder feedback.

The materials related to the OEB's revised proposal included a draft [overview report](#) which summarized the EVC Rate, as well as a supplemental [companion document](#). The companion document provided additional context around key elements of the EVC Rate and explained how the OEB considered stakeholder comments on its draft EVC Rate proposal. The materials also included [additional analysis](#) prepared in October 2024 by Power Advisory on charging station demand patterns at various types of charging station locations.

The OEB [invited](#) written comments from stakeholders on the OEB's revised EVC Rate proposal in January 2025. The OEB received written comments on its revised EVC Rate proposal in January and February 2025.

Final EVC Rate design (March 2025)

The final EVC Rate design is summarized in the final overview report released today. This final overview report updates the draft overview report issued in January 2025. The OEB has published a clean version of the final overview report, as well as a blackline version which highlights changes relative to the draft overview report.

The finalized EVC Rate design incorporates stakeholder comments in the following areas:

- **Load factor calculation:** The final EVC Rate design refines the load factor calculation for determining eligibility from an annual load factor to a 12-month average load factor. Most stakeholders did not comment on an annual load factor calculation, which the OEB proposed in January 2025 in response to previous comments. However, one stakeholder recommended refinement of the calculation to better align with cost causality.

The OEB agrees that a load factor calculated as an average of 12 monthly load factors will improve alignment with the analysis on which the EVC Rate is based, compared to an annual load factor, while addressing previously expressed

stakeholder concerns over the seasonality and potential volatility of individual monthly load factors.

- Lower-level, non-Direct Current Fast Chargers (DCFCs): The final EVC Rate design introduces a limit on lower-level, non-DCFCs for the purposes of EVC Rate eligibility: the total capacity rating of lower-level chargers at a charging station may not exceed the total rating of the station's DCFCs.

In its January 2025 revised proposal, the OEB did not propose to limit lower-level chargers relative to fast chargers at a participating charging station. Most stakeholders did not provide comments on this issue. However, one stakeholder recommended that some limit on lower-level charging should be established. The stakeholder noted that the analysis supporting the EVC Rate is based on the load profile of public DCFC stations. The stakeholder recommended that sites that include DCFC chargers as well as Level 2 chargers should be eligible for the EVC Rate as long as the DCFC chargers represent most of the total power requirements.

DCFC stations that participate in the EVC Rate may continue to include lower-level, non-DCFC chargers. However, the total capacity of any lower-level, non-DCFC chargers at a station may not exceed the total DCFC charging capacity at the station. This will ensure that EVC Rate eligibility will be limited to where charging is provided largely through DCFC charging. The OEB's focus on charging capacity (instead of actual peak demand or energy consumption) is intended to make the comparison of DCFC and non-DCFC chargers at a station as administratively simple as possible.

- Distributed Energy Resources (DERs): The final EVC Rate design clarifies that DER load is not to be considered an auxiliary load for the purposes of EVC Rate eligibility.

The OEB's January 2025 revised proposal stated that DERs should be permitted behind a participating EVC Rate meter, but that the total installed DER capacity should not exceed the total peak demand of EV chargers.

Despite initial mixed views in 2024 on the eligibility of EV charging sites with behind-the-meter DERs, most stakeholders did not provide comments on this issue in 2025. However, some stakeholders recommended clarification considering the other proposed EVC Rate requirement that at least 90% of a charging station's total monthly peak demand must relate to EV charging. One stakeholder suggested that DER load (e.g., storage) should be considered as part of the 10% eligible auxiliary load.

The final EVC Rate design clarifies that DERs are not to be considered auxiliary loads for the purposes of EVC Rate eligibility. Instead, for the purposes of EVC Rate eligibility, the only limit on the amount of DERs that may be located behind a participating EVC Rate meter is the previously proposed capacity limit on DERs. That is, the total DER nameplate capacity behind a participating EVC Rate meter may not exceed the total annual peak demand of the charging station that is participating or proposing to participate in the EVC Rate. This strikes a balance between avoiding overly restrictive limitations on DERs while minimizing the administrative complexity of assessing EVC Rate eligibility.

- Streamlined opt-in process: As outlined in the OEB's January 2025 revised proposal, customers would need to re-submit an opt-in form to their distributor every year in order to stay enrolled in the EVC Rate.

Some stakeholders expressed concern that an annual resubmission requirement would be an administrative burden for both distributors and customers.

To address that concern, the OEB has removed the annual resubmission requirement. Instead, customers will opt in only once, and will remain enrolled in the EVC Rate for as long as they continue to meet the eligibility requirements. As a condition for enrolling, customers will be required to notify their distributor within 30 days if they ever cease to meet the eligibility requirements. This will be reflected on the template opt-in form.

- Future EVC Rate review: The final EVC Rate design confirms the OEB's intent for a future EVC Rate review.

The OEB proposed in January 2025 that it "might initiate" an EVC Rate review within three to five years of EVC Rate implementation. Virtually every stakeholder that provided comments on the OEB's January 2025 revised proposal recommended that the OEB should commit to reviewing the EVC Rate within three to five years.

The final EVC Rate design confirms that the OEB intends to initiate an EVC Rate review within five years. This is consistent with the OEB's approach to reviewing its policies every five years. The review may consider electricity distributor and customer experiences, lessons learned and other relevant considerations.

In addition to the above, there are some areas in which the OEB has either only partially adopted or not adopted stakeholder comments on the revised EVC Rate proposal:

- Reporting and Record Keeping Requirements: In its January 2025 revised proposal, the OEB proposed to establish a new Record Keeping Requirement to support a

future EVC Rate review (specifically, the hourly demand of EVC Rate participants), and to work with stakeholders as applicable to develop templates for collecting this new information. The OEB has adopted this new Record Keeping Requirement in the final EVC Rate design. The OEB looks forward to working with stakeholders to develop templates to support implementation of this new Record Keeping Requirement.

The OEB also proposed that electricity distributors should collect other information to support a future EVC Rate review, but did not propose to establish a new Record Keeping Requirement for this information (e.g., count of EVC Rate participants, description of EVC Rate participant attributes such as charger types and DER quantities and types). Some stakeholders recommended that this information should be included on the opt-in form that participants submit to electricity distributors (otherwise, the electricity distributors might not have visibility into some of the information). The OEB agrees and will work with stakeholders to develop the opt-in forms.

The OEB did not propose that electricity distributors should collect information concerning the total monthly demand of participating customers in the EVC Rate (e.g., MW and MWh). One stakeholder recommended that this information would be useful. The OEB agrees and will expect electricity distributors to collect this information, and to be prepared to provide it to the OEB if asked.

- Restriction on venue: In its January 2025 revised proposal, the OEB said the EVC Rate should be available to DCFC charging stations at all venues regardless of whether the venues have full public access or restricted access, provided they meet eligibility requirements. The OEB's proposal was informed by the [additional analysis](#) conducted by Power Advisory in October 2024. Most stakeholders did not comment on this issue. One stakeholder expressed concern that there is not enough evidence in the additional analysis to support the extension of the EVC Rate to venues beyond public DCFC charging stations because consumption data was not available for DCFCs with restricted access (e.g., private parking at a condominium or private employee parking).

The OEB remains of the view that the EVC Rate should be available to eligible charging stations at all venues. The additional analysis noted that DCFCs are intended to be used for relatively short sessions (i.e., under an hour), the timing of consumption appears to be a function of overall vehicle traffic rather than characteristics of the host facility, and DCFC load factor appears to be a reasonable predictor of coincident peak contributions.

Moreover, while there is a lack of data for private parking and limited data for multi-residential, there was some data for Leisure Destination, Medical or Educational Campus, Municipal Building, Business Office, Multi-use Parking Garage/Lot and Retail. The OEB believes that this is a sufficient basis in the interests of facilitating participation while keeping eligibility rules as simple as possible.

- Additional studies: In response to the OEB's January 2025 revised proposal, one stakeholder recommended that the OEB instigate further consultations, studies and actions to assess the proposal's economic impact for EV owners, as well as additional, related opportunities to enhance incentives and support for EV adoption. The OEB appreciates these recommendations and agrees that the final EVC Rate is likely to be only a first step in rate design for EV charging. The OEB expects that the EVC Rate will evolve over time with the benefit of experience, in response to any studies and rate proposals by electricity distributors and as part of the OEB's periodic review.

The OEB is less inclined to initiate studies concerning the impact of the EVC Rate on EV owners, given that the OEB's focus is on rate design for distribution customers (i.e., charging stations) rather than the end-users of those customers.

RTSR Workform and Rate Generator Model

The OEB is including the EVC Rate in an updated cost of service RTSR workform which is being issued today alongside the final overview report. The upcoming IRM Rate Generator Model for 2026 rates will also incorporate the EVC Rate. The updated models will be uploaded onto the [webpage](#) that houses applications for 2026 rates.

Frequently Asked Questions (FAQs)

The OEB recognizes the importance of having access to information that will help electricity distributors and eligible EV charging stations understand the new EVC Rate. To that end, the OEB has published a set of FAQs to support consistent implementation and enhance awareness. The FAQs are posted on the OEB's Engage with Us EV Integration [webpage](#). The FAQs will be updated as needed.

Next steps:

The OEB will undertake the following activities over the coming months to facilitate implementation of the EVC Rate in 2026:

- Opt-in form: The OEB will develop an EVC Rate opt-in form that electricity distributors and EVC Rate participants may use as part of the EVC Rate opt-in

process. The OEB will work with electricity distributors and others as it develops the opt-in form.

- Reporting and Record Keeping Requirements: The OEB will initiate a process to establish the new Record Keeping Requirement that is included in the finalized EVC Rate design. The OEB will work with electricity distributors to establish a template to help organize the information to be recorded as applicable.
- Implementation costs Deferral and Variance Account (DVA): The OEB will establish a deferral account to allow electricity distributors to track the revenue requirement impacts of their incremental and material 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.

- Communications materials: The OEB will develop communications materials that electricity distributors and others may use to support EVC Rate implementation.

All materials related the OEB's EVC Rate consultation are available on the OEB's Advanced Regulatory Document Search [website](#). If you have any questions related to this initiative, please email IndustryRelations@oeb.ca.

Yours truly,

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Registrar