



MEMBER UPDATE

Monday, October 21, 2024

Ministry Announces Plan to Reduce Electrification Cost for New Homes

On October 21, 2024, OHBA CEO, Scott Andison, attended an announcement made by the Hon. Stephen Lecce, Minister of Energy and Electrification, where the government shared it will be introducing a plan aimed at making it easier and more affordable to connect new homes to the province's electrical grid. This move forms a key part of the government's vision for the future of the energy sector and helping get more homes built in the province. Please see the full news release [here](#).

Supportive infrastructure is essential to building new homes in Ontario. To that end, OHBA, local HBAs, and its members have been advocating for a more effective way to electrify new communities which does not burden home buyers with unreasonable costs and unnecessary delays. We applaud this announcement, that reflected our recommendations to the Ontario Energy Board, shared and discussed with the Minister of Energy and Electrification's office as well as the Ministry of Municipal Affairs and Housing, Ministry of Finance, and the Premier's Office.

"Facilitating supportive infrastructure like last mile connections is precisely the type of leadership we need from the Minister of Energy and Electrification to build more homes in Ontario. I'm very happy to see the Ministry continue to reduce regulatory barriers and help make housing more attainable for Ontarians," said Scott Andison, OHBA CEO.

Announcement Details

The Ontario government intends to introduce a plan that will support the construction of new homes and businesses by making it easier and more affordable to make those last mile grid connections. The plan could include legislation to amend the Ontario Energy Board Act, 1998 to enable regulation making authority to protect existing ratepayers while reducing upfront capital costs of new lines that would otherwise increase the costs to new homes.

Minister Lecce has also asked the Ontario Energy Board to implement all recommendations from its Housing Connections Report to dramatically reduce the barriers to home building, for job-creating investment, and for agricultural expansion. That Ontario Energy Board report, which was released yesterday, can be accessed [here](#). The Ontario Energy Board is recommending the following:

- New provisions for the Distribution System Code (DSC) to clarify for distributors and customers how extended connection horizons beyond the standard five years should be employed.
- New DSC provisions for a capacity allocation model that specifically addresses multi-year, multi-party developments and ensures a fair allocation of costs between connecting parties.
- Extending the revenue horizon used in the evaluation of expansion projects to recognize the life of assets used in connecting and serving residential customers.
- Changes to Activity and Program-based Benchmarking (APB) monitoring and reporting, including increasing the number of unit costs that are tracked to identify best performing distributors as a means of encouraging efficiencies across the sector.
- Developing an APB connection cost metric based on major cost factors, including individual asset types to identify and adopt best practices for enhanced cost efficiencies.

Specific steps announced by the Minister include:

- Amending the DSC to extend the revenue horizon for connecting residential developments from 25 years up to 40 years, allowing the costs of new infrastructure to be spread over a longer period.
- Amending the DSC to provide clarity regarding the conditions under which a local distribution company should extend the connection horizon for new developments.
- Establishing a new capacity allocation model that considers multi-customer, multi-year projects.
- Establishing a Housing Electricity Growth Forum to bring together designated municipalities with housing targets, impacted local utilities, industry and construction leaders, and the Ontario Energy Board to discuss ways to accelerate connections while reducing costs.

- Minister Lecce also asked the Ontario Energy Board to consider further amendments to the DSC to extend the connection horizon for new electricity lines to housing development projects to 15 years.

Overall, this is a great step forward toward reducing the cost of infrastructure to support new housing, and ultimately making housing more attainable in Ontario. We ask that you share this update with your local members and networks.

Please contact [Kirstin Jensen](#), Vice President, Policy, Advocacy & Relationships, for any questions or comments.