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Red Tape Reduction Opportunities for the Province of Ontario

Ontarians who want to install solar panels, charge an electric vehicle (EV), or make other energy-saving upgrades often run into rules that slow the work down or discourage it altogether. Removing that red tape is one of the most practical ways the Province of Ontario can lower costs, strengthen reliability, and give people more choice in how they power their homes.

This brief makes 11 recommendations. Each one names the regulation, the precise change that would fix it, and the body responsible for making it. Together they streamline approvals for consumers and businesses, and give Ontario's cleantech sector a clearer, more predictable market to grow and compete in.

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11 Recommendations

■ ONTARIO ENERGY BOARD

Inconsistent microgeneration connection fees

Standardize a single connection-fee schedule across LDCs

No transparency in microgeneration assessments

Set consistent eligibility, timeline, and appeal standards for LDCs

Microgeneration threshold too low

Review and raise the 12 kW threshold via OEB hearing

1% net-metering limit

Raise the cap from 1% to at least 3% of peak load

Grid-upgrade costs fall on connecting customers

Rate-base upgrades across ratepayers via DSC s. 3.2

■ MINISTRY OF TRANSPORTATION

EV charging permitting delays

MTO toolkit: streamlined permitting and clear zoning definitions

Insufficient urban EV charging

Open surplus public land for charging; drop parking fees and operator rents

■ MINISTRY OF ENERGY

15 m setback blocks ground-mounted solar

Replace the 15 m setback with 5 m, or municipal zoning (+ MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING)

Community net metering restricted to one project

Expand community net metering for open deployment across Ontario

■ PROVINCE OF ONTARIO

Mandatory minimum parking requirements

Remove minimum parking requirements province-wide (PLANNING ACT)

Great Lakes offshore wind moratorium

Repeal the moratorium, subject to municipal support and EAs

Inconsistent Fees for Microgeneration Connections

ACTION: OEB GENERIC HEARING → SINGLE STANDARDIZED FEE SCHEDULE

ASK: STANDARDIZE CONNECTION FEES AND PAYMENT OPTIONS ACROSS LDCS

Barrier

Anyone who wants to connect a small renewable energy project starts with their local distribution company (LDC). TAF asked the LDCs operating across its catchment area what they charge to connect, and found large differences:

LOCAL DISTRIBUTION COMPANY	CONNECTION FEES
ALECTRA	\$437 - \$1,695
BURLINGTON HYDRO	\$500 - \$2,185
ELEXICON	APPROXIMATELY \$1,100
OSHAWA POWER	\$550+
TORONTO HYDRO	APPLICATION REVIEW \$565; METER INSPECTION AND INSTALLATION \$795 (VARIES BY PROJECT)

Why It Matters

Customers often cannot get an accurate cost estimate without submitting a full project proposal. The application review determines whether the grid has capacity for the project. Customers pay for that assessment, then pay a separate fee to connect once approved.

Each LDC structures these fees differently, which leaves consumers guessing and makes financial planning impossible until late in the process.

Recommendation

- Have the Minister of Energy and Mines request the Ontario Energy Board (OEB) hold a generic hearing process to work through these issues, resulting in solutions and fixes that are appropriate to their regulated LDCs.
- This process should standardize fees and processes by implementing a single, standardized fee schedule providing clarity and predictability for consumers.
- Standards should also be introduced for convenient, simple, and consumer-friendly payment options for required fees to reduce administrative burdens and improve the customer experience.

Lack of Transparency in Microgeneration Assessments and Decisions

ACTION: OEB GENERIC HEARING → TRANSPARENCY AND COMMUNICATIONS STANDARDS

ASK: SET CLEAR ELIGIBILITY, TIMELINE, AND APPEAL STANDARDS FOR LDCS

Barrier

Cost is only half the problem; the assessment process itself is hard to navigate for your average homeowner. LDCs provide limited and inconsistent information on technical eligibility, assessment criteria, and how long each stage should take, from application through to a decision.

Why It Matters

In some cases, LDCs don't tell customers why a project was rejected. When they do, the explanation comes on forms that most homeowners find hard to follow. That uncertainty raises project risk, delays decisions, and discourages participation.

Recommendation

Have the Minister of Energy and Mines request an OEB generic hearing to establish consistent, customer-focused transparency and communications standards for LDCs surrounding microgeneration connections, including:

- **Clarify eligibility guidance:** Mandate LDCs to provide clear technical requirements and eligibility.
- **Review mandatory timelines and reporting practices:** Examine how existing OEB-mandated timelines are defined, measured, and reported by LDCs to ensure they accurately reflect the full customer experience and that service standards are being met in practice. In Australia, residential solar customers experience faster, standardized timelines for each stage of the assessment and approval process.
- **Plain-language process guide:** The OEB should publish the microgeneration process and associated timeline requirements in a plain-language, consumer-friendly format.

- **Standardized communications and outcomes review:** Review how LDCs are implementing existing OEB requirements related to customer communications, particularly whether consumers are receiving clear, consistent, and sufficiently detailed explanations when microgeneration projects are approved or rejected. In the case of rejections, this should include easy-to-understand information on potential pathways to approval where feasible.
- **Appeal mechanism:** Create a transparent process for customers to appeal rejected microgeneration applications.

The Microgeneration Threshold

ACTION: OEB GENERIC HEARING → REVIEW THE MICROGENERATION THRESHOLD

ASK: REVIEW AND RAISE THE 12 KW THRESHOLD TO REFLECT CURRENT TECHNOLOGY

Barrier

The OEB recently updated the Distribution System Code (DSC) to raise the microgeneration threshold from 10 kW to 12 kW. It's a welcome step: it reflects improvements in solar technology and modestly expands access to simplified connection approvals for small-scale distributed energy resources (DERs). But even at 12 kW, the threshold shuts out slightly larger projects, which remain subject to more costly and time-consuming connection procedures.

The previous 10 kW limit came from Ontario's discontinued microFIT program, set when residential solar and storage were much younger technologies.

Why It Matters

Ontario's current threshold lags behind market conditions and practices in other Canadian jurisdictions:

JURISDICTION	MICROGENERATION THRESHOLD
ONTARIO (CURRENT)	12 KW
BRITISH COLUMBIA	100 KW
MANITOBA	100 KW
ALBERTA	150 KW (SMALL PROJECTS)

Recommendation

- Building on the recent increase to 12 kW, the OEB should conduct a generic hearing to review the microgeneration threshold more comprehensively. The review should consider thresholds adopted in other jurisdictions and determine an appropriate and feasible threshold for Ontario.
- Update and streamline utility connection processes to help businesses and homeowners maximize their distributed energy potential.

The 1% Net-Metering Limit

ACTION: AMEND DSC SECTION 6.7.2; OEB GENERIC HEARING

ASK: RAISE THE NET-METERING CAP FROM 1% TO AT LEAST 3% OF PEAK LOAD

Barrier

Under section 6.7.2 of the DSC, an LDC must connect new net-metered generation only while the combined capacity of net-metered generators stays below 1% of the distributor's annual maximum peak load, averaged over three years. Past 1%, connecting more is the distributor's choice. Some Ontario LDCs have already reached or passed the threshold, and the OEB estimates more will reach it as early as 2028.

Why It Matters

This limit, set in 2006, does not align with industry best practice or the growing adoption of renewable energy:

BENCHMARK	NET-METERING LIMIT (SHARE OF PEAK LOAD)
ONTARIO (SINCE 2006)	1%
US STATES (EARLY 2000S)	~1% OR LESS
US STATES (BY 2014)	5% OR MORE IN MANY STATES
TAF RECOMMENDATION	AT LEAST 3%

As LDCs hit the 1% limit, they will likely take inconsistent approaches to approving new net-metered projects. Customers would face unequal opportunities based solely on where they live.

The economic consequences are real: missed cost savings and energy independence for households and businesses, and limits on green-energy job creation.

Recommendation

- Amend section 6.7.2 of the DSC to increase the net-metering generation threshold from the current one percent of an LDC's peak load to a minimum of three percent. The exact adjustment should be informed by a thorough review of best practices and consultation with industry stakeholders.
- At the completion of the OEB's Distributed Energy Resources Connections Review, a generic hearing should address this adjustment.

Grid Upgrade Costs for Customer Connections

ACTION: AMEND DSC SECTION 3.2 TO ALLOW RATE-BASING OF NETWORK UPGRADES

ASK: SPREAD GRID-UPGRADE COSTS ACROSS ALL RATEPAYERS

Barrier

LDCs charge customers or developers for grid connections and for any upgrades those connections require. Faced with that bill, customers and developers may wait for another project to trigger the upgrade instead. The delays hold back investment and the adoption of low-carbon technologies.

The IESO's Pathways to Decarbonization report highlights a high-growth scenario in which Ontario more than doubles its electricity generating capacity within the next 30 years.

Recommendation

- Spreading grid upgrade costs across all ratepayers allows utilities to socialize these costs, reducing the financial burden on customers and developers. This encourages electrification and the adoption of low-carbon technologies by improving fairness and preventing early adopters from bearing disproportionate costs.
- It also facilitates consistent and planned upgrades, enhancing the grid's reliability and capacity to handle increased demand.
- While recent amendments to the DSC have introduced a capacity allocation model for housing developments, this approach should be expanded to all types of customer connections.
- The OEB should amend section 3.2 of the DSC to allow LDCs to rate-base upgrades to local distribution networks.

Precedent: Recent changes in the UK offer a model. Historically, UK distribution network operators charged customers directly for grid upgrades. Since April 2023, the UK's Office of Gas and Electricity Markets has recovered most upgrade costs through network charges to all users, with a high-cost cap of £1,720 per kVA; any costs above that threshold are covered by the consumer. Only extreme outliers are affected - recent data shows over 90% of upgrade costs fall below £1,000 per kVA.

EV Charging Permitting Delays and Challenges

ACTION: MINISTRY OF TRANSPORTATION TOOLKIT FOR LOCAL GOVERNMENTS;
OR A PROVINCE-WIDE EV READINESS POLICY

ASK: STREAMLINE PERMITTING AND DEFINE HOW CHARGING IS CLASSIFIED IN
ZONING

Barrier

Institutions, commercial property owners, charging providers, business owners, and gas stations all report the same problem: permitting delays and long approval timelines that drive up the cost of new charging infrastructure. Some project approvals have taken more than 30 months. TAF is leading Toronto's Public EV Charging Plan and has heard these concerns repeatedly, through stakeholder consultations and province-wide industry conversations. Key challenges include:

- Lengthy and inconsistent permitting processes, and variability in zoning reviews across City staff and reviewers.
 - *Example: how EV charging infrastructure is classified is often open to interpretation, which creates unnecessary hurdles during zoning and permitting reviews.*
 - *Example: On The Run Charging planned five direct current fast charging projects in the City of Hamilton, but repeated delays involving both the municipality and the local utility stalled progress. As strategic priorities shifted, capital funding for EV charging was reduced, making it unlikely the projects will proceed.*
- Extended utility connection timelines for new charging infrastructure - preliminary design approvals have taken up to 18 months for some gas station owners.
- A lack of dedicated municipal and utility staff focused on supporting EV charging approvals.
- Insufficient regulatory clarity, which leaves project proponents uncertain.

Recommendation

The Ministry of Transportation (MTO) should develop a toolkit for local governments, similar to the one produced by B.C. Hydro in collaboration with Dunskey Energy. The toolkit should:

- Outline options for streamlined permitting and approvals.
- Provide clear definitions of EV charging infrastructure and related equipment.
- Clarify how these uses should be classified within zoning by-laws.
- Offer guidance on implementation at the municipal level.

Alternative Recommendation: This issue could be addressed through a province-wide EV readiness policy, similar to Quebec's recently introduced amendments to its provincial construction code, to provide consistent regulatory direction and reduce barriers across Ontario.

Insufficient EV Charging Infrastructure

ACTION: MAKE SURPLUS PUBLIC LAND AND PARKING AVAILABLE TO CHARGING OPERATORS

ASK: OPEN PUBLIC LAND FOR CHARGING; DROP DRIVER PARKING FEES AND OPERATOR RENTS

Barrier

More than 31% of Ontarians live in condominiums and apartments (as of 2021), where access to charging infrastructure is a significant – but solvable – barrier to EV adoption. City homeowners without private parking usually rely on street parking, so charging at home is rarely an option.

The public charging that does exist sits mostly in paid parking lots, which means EV drivers pay twice: once for parking, again for charging. Utilization of existing chargers has stayed low. Combined with the high rents charging operators pay in cities, that has discouraged further investment in urban EV charging.

Recommendation

- Assess whether underused and surplus government lands and parking facilities could be made available to charging operators to develop and install EV charging.
- To promote usage and help operators recover their investments, eliminate parking fees for drivers using these charging sites and do not charge rents to the operators.
- Together, these actions are estimated to reduce EV charging costs for urban drivers by between 33% and 65%, relative to the status quo, while improving access to charging infrastructure and ultimately EV adoption.

Alternative Recommendation: A permitting process could be established for installing EV charging infrastructure on public lands.

The 15-Metre Setback Limiting Ground-Mounted Solar

ACTION: AMEND O. REG. 350/12 (EASR APPROVAL PATHWAY)

ASK: REPLACE THE 15 M SETBACK WITH 5 M, OR MUNICIPAL ZONING

Barrier

To use the streamlined Environmental Activity and Sector Registry (EASR) approval pathway, a ground-mounted solar project must sit at least 15 metres from the property boundary under O. Reg. 350/12. A project that comes up short must instead obtain a full Renewable Energy Approval (REA) or Environmental Compliance Approval (ECA) - typically uneconomic and overly burdensome for a small system. On many properties, the setback alone makes solar impractical.

Why It Matters

The regulation dates from 2012. Solar panels have since become more efficient, smaller, and easier to integrate into different landscapes. Updating the regulation would reflect the technology as it now exists and enable more flexible, accessible solar.

Recommendation

- Amend O. Reg. 350/12 to eliminate the 15-metre setback requirement for ground-mounted solar installations, replacing it with a 5-metre setback or a distance as determined by municipal zoning by-laws.
- Where municipalities do not specify a setback, the default should be 5 metres across the province.

Alternative Recommendation: The province could introduce tiered setback requirements based on system size, recognizing that the current regulation applies the same 15-metre standard to installations ranging from just over 10 kW up to nearly 500 kW. While larger systems may reasonably require a greater setback, applying the same requirement to smaller systems is unnecessarily restrictive and undermines the intent of the streamlined EASR approval pathway.

Community Net Metering Restrictions

ACTION: AMEND O. REG. 679/21

ASK: EXPAND COMMUNITY NET METERING FOR OPEN DEPLOYMENT
ACROSS ONTARIO

Barrier

Community net metering (CNM) lets multiple community members share one renewable energy system, with excess electricity fed back to the grid in exchange for credits against future consumption. Under O. Reg. 679/21, CNM is limited to a single demonstration project in London, Ontario, approved case by case. The framework leaves no room to apply what the London project learns anywhere else.

Why It Matters

The Independent Electricity System Operator (IESO), in its 2022 study on Distributed Energy Potential, found that the province’s behind-the-meter solar capacity significantly lagged other jurisdictions:

JURISDICTION	BEHIND-THE-METER SOLAR CAPACITY (IESO, 2022)
ONTARIO	~250 MW
NEW YORK STATE	MORE THAN 3,500 MW

There is a second restriction. An owner of multiple nearby buildings with multiple meters - for example, a university, municipality, or housing co-op - cannot transfer or pool excess generation credits between those meters. That rules out installing generation at the most efficient site and scaling it across the portfolio.

Expanding CNM would widen access to local generation, reduce upfront capital barriers, let projects be built at the most efficient location and scale, and attract private capital and businesses to Ontario.

Recommendation

- Amend O. Reg. 679/21 to expand community net metering for generalized use and open deployment across Ontario, learning from projects like the London development to implement similar initiatives province-wide.
- In doing so, allow single owners to transfer excess credits between meters within the same LDC service territory, removing restrictions that prevent efficient siting and optimization of solar generation across multiple buildings or properties.
- Increase transparency and reduce administrative red tape to streamline assessing and connecting distributed energy resources. Ontario can start by reassessing the amount of surplus electricity that can be fed into the system by residents with distributed solar.

Mandatory Minimum Parking Requirements

ACTION: REMOVE PARKING MINIMUMS PROVINCE-WIDE (PLANNING ACT)

ASK: LET DEVELOPERS SET PARKING BY MARKET DEMAND

Barrier

Minimum parking requirements across Ontario are a significant barrier to sustainable development and to alternative modes of transportation. Bill 185 amendments to the Planning Act removed these requirements near Major Transit Station Areas (MTSAs), but outside MTSAs and dense urban centres, the rules governing parking remain overly restrictive.

Why It Matters

Parking minimums limit how property owners and developers can adapt their spaces to changing transportation patterns, particularly in transit-accessible areas. Many mandated spaces sit underused, contributing little to their communities.

The mandates also inflate construction costs, which are passed on to residents as higher housing costs.

In a costing study, the Climate Action Partnership (previously Clean Air Partnership) found that underground parking can add over \$50,000 in construction costs per parking spot. It also found that parking minimums push developers to build more parking than buyers want. The unsold spaces add to the cost of each new development, and developers pass that cost on to purchasers.

Ontario municipalities are already moving:

MUNICIPALITY	ACTION ON PARKING MINIMUMS
TORONTO	REMOVED CITY-WIDE
OTTAWA	REMOVED FOR THE MAJORITY OF NEW DEVELOPMENT
LONDON, OAKVILLE, KINGSTON, THUNDER BAY	ELIMINATED FOR SPECIFIC BUILDING TYPES OR AREAS, SUCH AS DOWNTOWNS

Cities across North America have reached the same conclusion. In its recent zoning by-law review, the City of Ottawa found that minimum parking requirements are often based on outdated assumptions – peak demand that is rarely reached, and historical precedents set by the Institute of Transportation Engineers (ITE) decades ago, before sufficient transit alternatives existed. In 2019, the ITE itself urged municipalities to eliminate parking minimums in favour of a more flexible, demand-based approach.

The Task Force for Housing & Climate’s report *Blueprint for More and Better Housing* recently urged provincial governments to “legalize walkable, accessible, inclusive, transit-rich, climate-friendly neighbourhoods by abolishing parking minimums on residential, commercial, and industrial properties.”

Recommendation

We recommend removing parking minimums across the province, allowing developers and lot owners to determine parking needs based on market demand. This change will improve housing affordability, lower emissions by reducing car dependency, and encourage greater use of sustainable transportation options.

The Great Lakes Offshore Wind Moratorium

ACTION: REPEAL THE GREAT LAKES OFFSHORE WIND MORATORIUM

ASK: ALLOW OFFSHORE WIND, SUBJECT TO MUNICIPAL SUPPORT AND ENVIRONMENTAL ASSESSMENTS

Barrier

In 2011, the Ontario government halted proposed offshore wind projects in the Great Lakes, citing the need for further research into environmental impacts. Studies by the Ministry of Natural Resources have since indicated that offshore wind projects can be developed with minimal ecosystem disruption.

Why It Matters

The IESO's Pathways to Decarbonization (2022) report projects that Ontario's electricity demand will rise 115% by 2050, requiring 181 TWh of new zero-carbon generation. It expects 65% of that to come from new renewable sources, including 2,500 MW of new supply from wind farms in the Great Lakes at an average capacity factor of 50%.

Paired with energy storage, offshore wind could significantly reduce Ontario's reliance on natural gas for peaking and flexibility.

The IESO's first procurements under the Resource Adequacy Framework secured 1,784 MW of clean energy storage - the largest in Canada to date - coming online between 2026 and 2028.

Recommendation

- The government's recent requirement for energy project developers to obtain municipal support resolutions addresses concerns surrounding local approval that the moratorium was meant to ensure.
- Therefore, the moratorium on Great Lakes wind development should be repealed, allowing offshore wind projects to advance, subject to municipal support and site-specific environmental assessments.
- Project-specific municipal approvals and environmental assessments will provide sufficient oversight to address local and environmental concerns while enabling Ontario to capitalize on the renewable potential of offshore wind.
- These developments offer benefits to municipalities that can be set out in benefit agreements with utilities.



TAF is a regional climate agency that invests in low-carbon solutions for the Greater Toronto and Hamilton Area and helps scale them up for broad implementation.

We are experienced leaders and collaborate with stakeholders in the private, public, and non-profit sectors who have ideas and opportunities for reducing carbon emissions.

Supported by endowment funds, we advance the most promising concepts by investing, providing grants, influencing policies, and running programs.

We're particularly interested in ideas that offer benefits beyond carbon reduction such as improving people's health, creating local green jobs, boosting urban resiliency, and contributing to a fair society.

TAF is a proud member of the Low Carbon Cities Canada network.

The Atmospheric Fund

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