



# Distributed Energy Resource (DER) Connection Cost Guidance

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## Disclaimer:

This guidance document has been prepared by London Hydro Inc. to provide Distributed Energy Resource (“DER”) applicants with information on London Hydro’s performance related to the estimation of DER connection costs (the “**Distributed Energy Resource (DER) Connection Cost Guidance**” Document), in particular, but not limited to, information on what a DER applicant can or cannot expect in terms of the accuracy of connection cost estimates that London Hydro will or has provided to the DER applicant during the connection process in respect of the cost of the work to be performed by London Hydro on its distribution system to connect the DER applicant’s facility to London Hydro’s distribution system. Use of this DER Connection Cost Guidance Document is intended solely for informational purposes and London Hydro makes no representation, warranty or guarantee of any kind, express or implied to any person (including a DER applicant) in respect of any other use. London Hydro may revise or update the DER Connection Cost Guidance Document from time to time and recommends that any person referring to the DER Connection Cost Guidance Document confirm it is using the most recent version.

## Context

If sufficient connection capacity is available, London Hydro will provide any person who submits an application to connect a DER facility to its distribution system with an offer to connect including all relevant connection fees and, if applicable, a cost estimate for any additional connection work that would need to be performed by London Hydro to connect the facility. While London Hydro strives to provide DER project applicants with an accurate estimate of their project’s connection costs, as per Section 6.2.18F of the Distribution System Code, DER applicants are responsible for the actual cost of the connection, regardless of prior estimates. These finalized costs are determined after the facility is connected and energized to the distribution system.

To improve transparency and to help guide and level-set expectations regarding the accuracy of our connection cost estimates, London Hydro is providing the following information to DER applicants:

1. Estimated and actual connection costs for DER projects that have recently connected to London Hydro’s distribution system.
  2. General information on common cost items for small DERs with nameplate capacity of 250kW or less.
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Table 1 below provides connection cost information for DER projects that have connected to London Hydro’s distribution system. Due to historical volume in our service territory, a 4 year timeframe was selected to provide a more comprehensive view as permitted by the DERCP Appendix G for utilities with lower DER uptake. Projects have been grouped based on size into three categories that reflect the general complexity of the connection. This table is intended to provide an indication of London Hydro’s past performance of estimating connection costs for DER projects within each size category and should only be used by DER project applicants as an informational reference. The information below should in no way be viewed to guarantee a specific estimate accuracy tolerance range for a proposed DER project of a similar size and with similar connection characteristics.

**Table 1: Historical Connection Cost Variance**

DER KW Size Range	Project Type (Exporting / Non-Exporting)	Cost Est	Actual Cost	Variance	Variance %	Expansion Required	Transfer Trip Required
21kW - 500kW	Exporting	\$37,000.00	\$38,880.00	\$1,880.00	5.08%	Y	N
	Exporting	\$45,000.00	\$44,095.96	-\$904.04	-2.01%	Y	N
	Exporting	\$35,000.00	\$37,171.22	\$2,171.22	6.20%	N	N
	Exporting	\$35,000.00	\$36,452.65	\$1,452.65	4.15%	N	N
	Exporting	\$20,000.00	\$19,990.00	-\$10.00	-0.05%	N	N
501kW - 999kW	Exporting <sup>1</sup>	\$274,160.00	\$413,771.24	\$139,611.24	50.92%	Y	N
	Non-Exporting	\$29,990.00	\$31,309.93	\$1,319.93	4.40%	N	N
	Non-Exporting <sup>2</sup>	\$66,035.00	\$80,230.21	\$14,195.21	21.50%	Y	N
1mW or Greater	Non-Exporting	\$99,500.00	\$94,953.00	-\$4,547.00	-4.57%	N	Y
	Non-Exporting	\$54,995.00	\$60,125.12	\$5,130.12	9.33%	N	Y
	Non-Exporting <sup>3</sup>	\$110,115.00	\$165,027.25	\$54,912.25	49.87%	N	Y
	Non-Exporting	\$55,000.00	\$48,995.67	-\$6,004.33	-10.92%	N	N

Notes

1. Customer requested a scope of work change after construction started. Increasing size and complexity of project.
2. Customer required additional utility telemetry points not identified in their protection philosophy.
3. Customer required scope change due to radio communications issues with site.
4. Data provided in the table above represents connection costs for projects that connected within the last four years.

Table 2 provides insight into common cost items for both micro-embedded generation facilities as well as other small DERs facilities with nameplate capacity of 250kW or less. The intention of this information is to provide the DER applicant with additional insight into common cost items they will likely encounter based on three (3) distinct DER size groups (Micro, Simplified and Small up to 250kW). This information should only be used by DER project applicants as an informational reference. The information contain in the table below should in no way be viewed to guarantee specific costs a proposed DER project of a similar size may attract.

**Table 2: Common Cost Items for Micro and Small DERs ≤ 250kW**

Cost Item	Average (\$)			Note on potentially high variability factors affecting the cost item
	DER Group #1 Micro ≤ 12kW	DER Group #2 Simplified 13kW - 20kW	DER Group #3 Small 21kW - 250kW	
Engineering	-	-	\$1,000.00	
SCADA Equipment	-	-	\$15,000.00	Material Costs, Tariff's
SCADA Commissioning	-	-	\$3,500.00	
Metering	\$800.00	\$800.00	\$800.00	
Labour (meter Install)	\$200.00	\$200.00	\$200.00	
Simplified CIA	-	\$500.00	\$500.00 <sup>1</sup>	
CIA	-	-	\$5,500.00	

Notes

1. Possible Simplified CIA option up to 100kW (conditions apply), otherwise a full CIA would be required.

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