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Guidance Document: Distribute Energy Resource (DER) Project Connection Cost Information

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Disclaimer:

This document has been developed by Milton Hydro Distribution Inc to provide information to Distributed Energy Resource (DER) applicants regarding Milton Hydro's approach to estimating DER connection costs. It outlines what applicants should and should not expect with respect to the accuracy of cost estimates provided during the connection process for work required on Milton Hydro's distribution system and, where applicable, its transmission system to connect to a DER facility.

The DER Guidance Document is intended for informational purposes only. Milton Hydro provides it without any representation, warranty, or guarantee, whether express or implied, to any person (including DER applicants) for any other purpose.

Milton Hydro reserves the right to amend or update this document at any time. Users are encouraged to verify that they are consulting the most current version available.

Context

If sufficient connection capacity is available, Milton Hydro will provide any applicant seeking to connect a Distributed Energy Resource (DER) facility greater than 12 kW to its distribution system with:

- An application for Connection Impact Assessment (CIA) study including estimated fees on MHDI's website; and
- A high-level cost estimate of the connection work required to connect to the facility.

The estimate issued by Milton Hydro is classified as a Class C estimate, which carries a general accuracy range of ±50% where an upstream distributor or transmitter is involved requiring a transfer-trip.

While Milton Hydro makes every effort to provide reasonable and accurate connection cost estimates, DER applicants are ultimately responsible for paying the actual connection costs, which are determined after the facility has been constructed, connected, and energized on the distribution system.

To help guide expectations regarding the accuracy of CIA estimates, Milton Hydro is providing DER applicants with the following information:

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1. A comparison of estimated and actual connection costs for DER projects that have recently been connected to the distribution system; and
2. The typical cost ranges for connection work items that exhibit high variability and may significantly affect estimate accuracy.

The tables that follow present connection cost data for DER projects connected to Milton Hydro's distribution system over the past 1–2 years. Projects are grouped into three size-based categories reflecting the general complexity of the connection.

This information is provided for informational purposes only and is intended to illustrate Milton Hydro's historical performance in estimating connection costs within each size category. It should not be interpreted as a guarantee of estimate accuracy or as establishing a specific tolerance range for any proposed DER project, even if it is similar in size or connection characteristics.

Table 1: Average Connection Cost for Small DER Project with a Nameplate Rating up to 250kW

No.	Cost Item	Average ($) or Cost range per kW of the nameplate capacity ($/kW to $/kW)		Note on potentially high variability factors affecting the cost item
		Micro-Embedded (Up To 12kW)	Small (Greater than 12kW, Up To 250kW)	
1	Labour	$760.00	$5,000.00	
2	Vehicles	$150.46	$500.00	
3	Meter Cost	$171.83	$1,000.00	MHDI website, subject to change
4	CIA Fees	N/A	$8,312.90	MHDI website, subject to change
5	Transmitter Cost	N/A	N/A	
6	**HST**	13%	13%	
	Total Connection Cost	$1,222.99	$7,345.00	
Rates are as per January 2026				

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Table 2: Cost Guidance for Small DER Project with a Nameplate Rating up to 250kW

DER Group K/W Size Range	No.	Project Size (kW)	Project Type (Exporting/ Non-Exporting)	Connection Cost Estimate ($)	Actual Connection Cost ($)	Variance [Actual - Estimate] ($)	Variance %	Expansion required (Y/N)	Transfer trip required (Y/N)	Build & Energization Duration (Months)	General Notes
Micro-Embedded (Up To 12kW)	1	10kW	Exporting (2025)	$1,048.88	$1,048.88	$1,048.88	0%	N	N	2 Months	Fixed Cost
	2	10kW	Exporting (2025)	$1,048.88	$1,048.88	$1,048.88	0%	N	N	1 Month	Fixed Cost
	3	8.175kW	Exporting (2024)	$854.71	$854.71	$854.71	0%	N	N	2 Months	Fixed Cost
	4	7.6kW	Exporting (2024)	$854.71	$854.71	$854.71	0%	N	N	2 Months	Fixed Cost
	5	6kW	Exporting (2025)	$1,222.99	$1,222.99	$1,222.99	0%	N	N	2 Months	Fixed Cost
Small (Greater than 12kW, Up To 250kW)	6	34.2kW	Exporting	$14,994	$16,400	$1,406	109%	N	N	4-6 Months	True-Up, additional project management for site commissioning
	7	250kW	Exporting	$7,300	$10,566.01	$3,266.01	145%	N	N	10 Months	True-Up

Table 3: Cost Guidance for Medium DER Projects with a Nameplate Rating Greater than 250kW, up to 10MW

DER Group K/W Size Range	No.	Project Size (kW)	Project Type (Exporting/ Non-Exporting)	Connection Cost Estimate ($)	Actual Connection Cost ($)	Variance [Actual - Estimate] ($)	Variance %	Expansion required (Y/N)	Transfer trip required (Y/N)	Build & Energization Duration (Months)	General Notes
Medium (Greater than 250kW, Up To 10MVA)	1	850kW	Exporting	$59,061.13	$37,870.82	$21,190.31	64%	N	N	10-12 Months	True-Up, Lower than anticipated Upstream transmitter costs.
	2	3000kW	Exporting	$462,950.55	$591,409.86	$128,459.31	128%	N	Y	18-24 Months	True-Up, Upstream transmitter costs higher than estimated.