

December 15, 2023

Independent Electricity System Operator
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Submitted via e-mail (engagement@ieso.ca & carla.nell@ieso.ca)

Re: Transmitter Selection Framework

Hydro One Networks Inc. ("Hydro One") appreciates the opportunity to offer our response on the Transmitter Selection Framework (TSF) engagement plan drafted and released by the Independent Electricity System Operator (IESO) on November 22.

Hydro One

Hydro One is proud of its provincial responsibility to serve communities, Indigenous Communities, and customers across Ontario. We presently operate 92% of the transmission infrastructure in Ontario through a highly integrated network, with a first quartile ranking amongst Canadian utilities in the areas of reliability and cost performance. Hydro One also serves 1.5 million customers as Ontario's largest distribution utility. We continue to demonstrate our ability to meet the needs of stakeholders and partner with local and Indigenous communities through development, construction, and operations phases of transmission projects.

Hydro One plays an important role in bulk system and regional planning processes by supporting the industry and IESO. We look at supply and reliability issues at a regional level to address local needs and work closely with customers, Indigenous communities and stakeholders.

Given the important work of the IESO ***Focused Working Group*** in developing the TSF, I would like to nominate two senior participants from Hydro One to participate: Frank D'Andrea, Vice President and Executive Lead, Enterprise & Energy Transition Strategy, and Robert Reinmuller, Vice President, Transmission System Planning & Large Customer Accounts.

Scope of the Framework

Through the development of the TSF, it is important that the IESO provide clarity around the applicability, isolate the current projects that are in progress and indicate that current projects are not subject to this Framework. The IESO should consider not applying the TSF where

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customer or system urgency is a factor – not having vital infrastructure ready where and when it's needed can put negative pressure on Ontario's economic growth, energy security and the energy transition. This could also delay connecting emissions-free generation, reduce investor confidence in Ontario and hinder growth in Indigenous communities and municipalities, at the most critical time in decades. The introduction of artificial electrical borders can also create inefficiencies in terms of the cost of both construction and operations, as well as customer outcomes and responsiveness.

We believe the TSF should not be applied to the expansion of existing infrastructure owned by current transmitters. This would create regulatory and legal complications as well as introduce complex coordination, not only for Hydro One, but also for customers, Market Participants and IESO.

Engagement Plan

Hydro One supports the early engagement of Indigenous communities and municipalities in developing the Transmitter Selection Framework. Relationships with impacted Indigenous communities are integral to the development of transmission and must be fostered long before a project is considered.

Hydro One is currently actively engaged in consultations and discussions with dozens of municipalities and Indigenous communities as we develop critical transmission projects across Ontario. We are implementing industry-leading Indigenous partnerships and community support agreements that are providing benefits and bringing certainty to critical projects. Hydro One and the IESO should work closely together to ensure there is no confusion between ongoing engagement related to current transmission development and the development of the Transmitter Selection Framework. Confusion can stymie or undermine progress on partnerships and support for projects and potentially delay much needed reinforcements.

We look forward to supporting the work of the IESO in developing the Transmitter Selection Framework. Please do not hesitate to contact myself, Frank and/or Robert if you have any questions.

Warm regards,

A handwritten signature in black ink that reads "Megan Telford".

Megan Telford,
EVP, Strategy, Energy Transition and Human Resources