

March 13, 2023

Mr. Robert Reinmuller
Senior Director, Transmission Planning
Hydro One Inc.
483 Bay Street, 13th Floor, North Tower
Toronto, Ontario M5G 2P5

Independent Electricity System Operator
1600-120 Adelaide Street West
Toronto, ON M5H 1T1
t 416.967.7474
www.ieso.ca

Dear Robert,

Re: Mitigating short-circuit concerns to enable generation connections

As you are aware, the IESO, Hydro One and impacted local distribution companies worked together to complete, by November 30, 2022, deliverability testing of projects submitted for the IESO's Expedited Process (E-LT1 RFP) and Same-Technology Upgrades Process. Hydro One was responsible for assessing if the increased short circuit levels created by the submitted projects were within equipment ratings.

During the assessment Hydro One identified limitations on their circuit breakers at Keith TS, Lambton TS, Chatham SS, Trafalgar TS, and Hearn TS that would prevent several proposed projects from connecting. The IESO and Hydro One agreed that by advancing future sustainment work at Keith TS and taking operational measures at Lambton TS, it would be possible to address the limitations preventing connection of generation in the Keith TS and Lambton TS areas and, hence, increase the options available to address Ontario's emerging resource adequacy needs. The limitations were therefore assumed to be addressed when carrying out the deliverability testing.

The IESO requests that Hydro One proceed with the replacement of limiting 115 kV breakers (HT11K, HT12K, L1P, L2P, L3P and T1K) and other associated equipment, as necessary, at Keith TS and take the next steps towards implementation of the operational measures at Lambton TS (opening Lambton TS 230 kV breakers K1K2 and P1P2). IESO is requesting that Hydro One make best efforts to have this work completed by May 2025.

The IESO recognizes that the Keith TS investment was not contemplated in Hydro One's 2023-2027 Joint Rate Application which was recently approved by the Ontario Energy Board. The IESO also understands that Hydro One is working on many concurrent and competing projects in the South West Ontario area and has advised the IESO that it will endeavour to deliver these upgrades, including the Keith TS breaker replacement work, on a best effort basis considering customer and industry impact.

The IESO would like to work with Hydro One over the next few months to assess the cost and benefits of addressing the remaining limitations that Hydro One identified, namely the limitations at Chatham SS, Trafalgar TS, and Hearn TS.

Thank you for supporting our efforts to procure the capacity resources needed in Ontario.

Sincerely,

Ahmed Maria,
Director, Transmission Planning,
Independent Electricity System Operator (IESO)

cc: Mr. Farooq Qureshy, Hydro One Inc.
Mr. Spencer Gill, Hydro One Inc.
Ms. Barbara Ellard, IESO
Mr. Chuck Farmer, IESO
Mr. George Fatu, IESO
Mr. Jim Lee, IESO
Mr. Ovidiu Vasilachi, IESO