

Feedback Form

Transmitter Selection Framework – April 22, 2025

Feedback Provided by:

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Date: May 13, 2025

To promote transparency, feedback submitted will be posted on the "[insert engagement webpage](#)" unless otherwise requested by the sender.

Following the April 22, 2025 engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on Transmitter Selection Framework Registry (TSF-R) Design. The webinar presentation and recording can be accessed from the [engagement web page](#).

Please submit feedback to engagement@ieso.ca by **May 13, 2025.** If you wish to provide confidential feedback, please submit as a separate document, marked "Confidential". Otherwise, to promote transparency, feedback that is not marked "Confidential" will be posted on the engagement webpage.

In your view, do the draft Registry program rules appropriately balance the need for transmitter qualifications with the goal of encouraging broad participation?

The draft Registry program rules ("Draft Rules") would benefit from refinement to better balance transmitter qualifications with inclusive participation, particularly by recognizing the value of decentralized corporate structures in which entities can access the experience and expertise of parents, subsidiaries, and affiliate entities.

For example, FortisOntario Inc. ("FortisOntario") is a wholly owned subsidiary of Fortis Inc. ("Fortis"), a North American leader in the electricity and natural gas sector, with approximately \$70 billion in assets and ten regulated utilities in Canada, the U.S., and the Caribbean. This includes an affiliate of FortisOntario, ITC, the largest independent transmission company in the U.S., which owns and operates high-voltage transmission assets with a combined peak load exceeding 22,102 MWs across approximately 26,100 kms of transmission lines. Allowing this proven expertise to be leveraged would strengthen the pool of qualified proponents and should be recognized as part of an Applicant's consolidated qualifications.

To that end, Sections 2.2(a), 2.2(b) and 2.2(d) should be broadened to include "an Affiliate of the Applicant". This broader approach better reflects the full range of expertise and resources within decentralized corporate structures unlocking greater operational, financial, and strategic value for Ontario ratepayers.

Secondly, as a technical drafting matter, clause (a) of the definition of Control should be revised to reflect that the right to elect or appoint 50% or more of the individuals who are responsible for the supervision or management of an entity can arise by contract (e.g., a "unanimous shareholder agreement" as that term is used in the Business Corporations Act (Ontario)), even if a person does not hold 50% of the securities or other ownership interests. This revision would reflect the fact that in complicated corporate structures involving sophisticated parties, the ability to elect or appoint directors may be a negotiated commercial term and therefore may not be directly proportionate to ownership of securities for a variety of reasons, including tax considerations, covenants under financing instruments, ownership concentration limits, etc.

Lastly, FortisOntario encourages the IESO to consider requiring one Qualifying Project to demonstrate experience with meaningful Indigenous consultation or partnership. Proven ability to collaborate, address concerns, and advance shared outcomes should be viewed as a key measure of readiness and a prerequisite for delivering transmission projects responsibly and efficiently.

Do you have any concerns with the application or renewal process as proposed (e.g., two-year term, renewal triggers, documentation)?

FortisOntario has no concerns with the application or renewal process as proposed.

Are the proposed provisions regarding Indigenous community participation and exclusivity arrangements sufficiently clear and practical to implement?

To meaningfully support Indigenous participation and advance reconciliation, the note in Section 2.1 of the Draft Rules should be refined. Specifically, where another Person submits a proposal, the Draft Rules should clarify that the Registrant must hold at least 45% of the Economic Interest, with the balance held by one or more Indigenous Community(ies).

This targeted clarification ensures alignment with the program's intent while enabling Indigenous equity partnerships to play a central role without creating ambiguity that could inadvertently limit participation or introduce uncertainty for proponents seeking to structure inclusive transmission solutions.

Are there any outstanding barriers which could interfere with transmitters participating within the TSF registry?

As noted above, without recognizing the value of decentralized companies, the Draft Rules risk creating barriers for parent companies that, despite lacking a transmission license, possess the scale, expertise, and established presence in Ontario needed to deliver reliable and cost-effective transmission solutions.

Do you have any additional feedback regarding the TSF of the TSF Registry that the IESO should consider?

While the TSF currently appears focused on projects above 200 kV, there is a clear opportunity for Existing Ontario Transmitters and its Affiliates to help meet soaring electricity demand by being well positioned to deliver 115 kV projects. Expanding eligibility in this space would advance the TSF's core objectives: enhance competition and deliver better value for Ontario ratepayers.

In addition, it will be critical to understand how the IESO's IEPP and Commercial Development Framework will integrate with the TSF and Draft Rules. Clear alignment and coordination are essential. FortisOntario looks forward to providing more detailed feedback on the Draft Rules as engagement on these initiatives advance later in 2025.

Do you have any feedback on the TSF Registry registration fee and the rationale behind it?

FortisOntario has no feedback on the TSF Registry registration fee and the rationale behind it.

General Comments/Feedback

Below are some proposed edits to the Draft Rules that align with the suggestions outlined above for your review and consideration:

- **Section 2.1(b):** ... Note: For Transmission Project procurements conducted under the Transmitter Selection Framework, the IESO intends to require that the proponent submitting a proposal to participate in such procurement be the Registrant, a Person Controlled by the Registrant, or another Person whereby the Registrant holds at least 45% of its Economic Interest [and the remaining balance of the Economic Interest is held by one or more Indigenous Community\(ies\)](#).
- **Section 2.2:** An Applicant, and/or the Controlling Parent(s) of such Applicant, [and/or another Affiliate of the Applicant](#) must satisfy the requirements of this Section 2.2 for the Applicant to be eligible to be registered on the Transmitter Registry.
- **Section 2.2(a)(i):** The Applicant, or a single Controlling Parent of the Applicant, [or another Affiliate of the Applicant,](#) must have performed the following functions, each in respect of a minimum of two (2) New Build transmission lines located in greenfield transmission corridors in Canada, the European Union, the United Kingdom or the United States of America,

operating at a voltage level of at least 200 kV, of a minimum length of 30 kilometres, [with at least one New Build transmission line demonstrating experience of meaningful Indigenous consultation or partnership](#), that achieved commercial operation no more than 20 years prior to the submission date of the Applicant's Application Package ("Qualifying Projects"): A. Planning; B. Developing; C. Financing; D. Constructing; and E. owning and Operating for at least 5 years post energization; or

- **Section 2.2(a)(ii):** The Applicant, or a single Controlling Parent of the Applicant, [or another Affiliate of the Applicant](#), must be an Existing Ontario Transmitter.
- **Section 2.2(b)(i):** Where the Applicant, or a single Controlling Parent of the Applicant, [or another Affiliate of the Applicant](#) is not an Existing Ontario Transmitter:
- **Section 2.2(b)(ii):** Where the Applicant, or a single Controlling Parent of the Applicant, [or another Affiliate of the Applicant](#) is an Existing Ontario Transmitter:
- **Section 2.2(b)(ii)(A):** where the Applicant or a Controlling Parent has received a credit rating from S&P, Moody's and any other NRSRO, demonstrate that such credit rating of the Applicant and/or its Controlling Parent, as applicable, is investment grade / not lower than BBB-, Baa3, or an equivalent rating; and
- **Section 2.2(b)(ii)(B):** ~~each of the Applicant and such Controlling Parent (as applicable) must not~~ [neither the Applicant nor such Existing Ontario Transmitter \(if such Existing Ontario Transmitter is a Person other than the Applicant\) shall](#) have a history...
- **Section 2.2(d):** The requirements in Sections 2.2(a) and 2.2(b) must be satisfied by either an Applicant or a single Controlling Parent of such Applicant [or another Affiliate of the Applicant](#) (or any combination thereof)...
- **Schedule A (Section 13) "Control":** ... holding, whether directly or indirectly, as owner or other beneficiary (other than solely as the beneficiary of an unrealized security interest) securities or ownership interests of that Person carrying votes or ownership interests sufficient to elect or appoint fifty percent (50%) or more of the individuals who are responsible for the supervision or management of that Person, [or having the contractual right to do so \(including pursuant to a "unanimous shareholder agreement" as such term is used in the Business Corporations Act \(Ontario\)\)](#) or... "Controlled" and "Controlled by" has a corresponding meaning. [For greater certainty, a limited partnership will be deemed to be Controlled by any Person that Controls the general partner of such limited partnership.](#)