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**Robert Reinmuller**  
Director, Transmission System Planning

May 16, 2022

Community Engagement & Customer Outreach  
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*Sent via email: engagement@ieso.ca*

To whom it may concern:

**RE: Regional Electricity Planning – Northwestern Ontario**

Thank you for the opportunity to participate in the regional electricity planning cycle for the Northwestern region of Ontario. This area has growing electricity needs as a result of economic growth, electric vehicle adoption, critical minerals and mining electrification. Hydro One is committed to continuing to work closely with the Independent Electricity System Operator (IESO), local distribution companies and customers in the area to identify and address the local electricity needs.

In 2018, the IESO recommended that Hydro One commence development work on Phase 1 (Thunder Bay to Atikokan) and Phase 2 (Atikokan to Dryden).

On April 25, 2022, the IESO held a webinar on the Northwest Integrated Regional Resource Plan and issued a letter to Hydro One on May 3, 2022. Given the timing of the needs, the range of possible growth scenarios, and the lead time for implementing solutions, the IESO recommended a staged approach for construction of the Project. The IESO recommended that Hydro One construct the Project to meet near-term system capacity needs with Phase 1 being placed in-service as close to the end of 2025 as possible. The IESO determined that it would not provide an update on the timing of the need for Phase 2 until the beginning of Q2 2023.

“The Mining sector in Ontario is growing rapidly in response to rising global market demand for critical minerals. This growth requires a reliable electricity supply that is ready to support projected needs in the region. Our member companies in Northwestern Ontario cannot plan their investments without assurance that essential infrastructure will be in place as soon as possible. We therefore urge the IESO reconsider its initial recommendation for a phased in approach to the construction of the Waasigan transmission line.”  
~ **Chris Hodgson, President**  
**President, Ontario Mining Association**

“Northwestern Ontario Municipal Association (NOMA) would like to express its strong concern with the Independent Electricity System Operator (IESO)’s recent recommendation that Hydro One take a phased approach to the construction of the Waasigan Transmission Line project. NOMA has formally supported the need for the Waasigan project in its entirety, from Shuniah to Atikokan to Dryden. We continue to support the need for the full scope of the project to enable regional growth and investment certainty, limit impacts and disturbance to public infrastructure/spaces, and for continuity of training, employment and procurement across the northwest.”  
~ **Wendy Landry, President**  
**Northwestern Ontario Municipal Association**

Hydro One is greatly concerned with this staggered approach to building Phase 1 and Phase 2 of the Waasigan Transmission Line. This will create substantial risks for the project and electricity capacity in Northwestern Ontario. These risks include:

**Local Indigenous Participation & Engagement:** Hydro One is committed to advancing the project in partnerships with local Indigenous communities. Engagement with Indigenous communities includes lengthy and ongoing discussions to ensure the inclusion of their perspectives into project planning, commitments to addressing concerns and negotiations related to the provision for economic participation on the whole of the Project (both Phase 1 and Phase 2). Due to Indigenous communities' overlapping territories and the potential impacts that the entire Project may have on Section 35 Aboriginal Rights and Interests, communities' consultation, engagement and economic participation are on a project level rather than by phases. By not having clarity on a targeted in-service date for Phase 2, Indigenous communities face additional engagement requirements, struggle to plan for and retain the required resourcing to participate and may view their individual economic interest, benefits and/or accommodation at risk. In turn, this may put the in-service date for Phase 1 at risk and create additional risk ultimately for Phase 2.

**Loss of Economies of Scale on Design and Procurement:** By having clear in-service dates for both Phase 1 and Phase 2, design and procurement can be advanced with a view to achieving economies of scale and efficiencies in design and procurement. This means Hydro One will be limited in its ability to leverage volume discounts, contract efficiencies, design alignment, equipment installations and material cost certainty. This will unnecessarily increase the cost of the Project. The more closely aligned the in-service of both phases are to each other, the greater the potential will be for more efficiencies in design and procurement to be found and realized for customers and ratepayers.

**Loss of Efficiencies in Construction:** With an undetermined in-service date for Phase 2 little to no efficiencies in construction can be found and realized. The IESO will be negating opportunities to find efficiencies in construction, resulting in increased mobilization costs, retention of a skilled labour force, increased employment and training costs, and limited local Indigenous and community business development.

**Electrical Technical Need:** The IESO has acknowledged that the electricity needs in Northwestern Ontario are becoming more real over time and has promised another review soon. The IESO has committed to taking a deeper look at the mining sector's electrification plans and refreshing studies by Q2 2023. However, given the investments in the region, government support

"On behalf of the Directors of the Northwest Prospectors Association, I completely support the Hydro One in its efforts to complete the Waasigan transmission line as a single project; it absolutely should not be subject to a phased approach. A phased approach will raise uncertainty as to is eventual completion, uncertainty that can only harm on-going efforts to deliver economic growth for a vast area of Ontario that is too frequently disregarded by the decision-makers in the south.

As you know, mining is amongst the largest consumers of electricity in Ontario. There are several base-metal and precious-metal mine projects on the threshold of development in this area; projects that require the certainty of sufficient, stable electric power to support them as feasible generators of jobs and economic prosperity for ALL the communities in this area. A phased approach to the construction of the Waasigan project is not in the interests of the people of Northwestern Ontario."

*~ Mike Grant, President, Northwestern Ontario Prospectors Association*

"Northerners have waited too long already for an adequate, reliable electricity supply to power our needs including economic development. We oppose the phased approach to the Waasigan Transmission Line project and want the new line Shuniah-Atikokan-Dryden built as soon as possible."

*~ Mayor Lucy Kloosterhuis, Oliver Paipoonge*

"Atikokan believes too that it is more efficient if the Independent Electricity Operator [IESO] does not support a phased approach to the construction of the Waasigan Transmission Line project. We would like to support an all at once project as it would assist in planned economic growth for Atikokan and northwestern Ontario which is so important."

*~ Mayor Dennis Brown, Atikokan*

for critical mining, the electrification of mining as well as the rapidly changing EV environment, we strongly believe delaying investments in enabling transmission infrastructure will result in hindering economic growth. Transmission assets are repaid over a period of 50-80 years. It is more prudent and beneficial to build slightly early, and have the asset ready to enable growth, than to build too late. We have seen the challenges this has created in other regions, such as Southwestern Ontario. To avoid creating challenges for customers and economic growth in the region, we strongly recommend that Hydro One be allowed to proceed to the next step for phase 2 and prepare the Leave to Construction application.

**Regional Socio-Economic Need:** The Project as a whole, will stimulate the economy of Northwestern Ontario. Phase 2 of the Project will address the following key sectors that are known to be growing:

- Commercial: Support the many connection requests received by Hydro One west of Mackenzie TS.
- Industrial: The mining and forestry sectors are growing. Demand in these sectors can increase suddenly and are not adequately captured in regional load growth planning studies by the IESO.
- Electric Vehicles: The growth of this sector will result in increased electricity demand and increased demand in minerals to build the electrical vehicles.

Failing to move forward with a defined in-service date for Phase 2 prolongs disruption to public infrastructure and public spaces, creates consultation fatigue and community frustration. It will encumber coordination with future infrastructure projects. In addition, it will exacerbate access to the skilled workforce as well as material and equipment resources.

The Waasigan Transmission Line is also integral to supporting the IESO's work to decarbonize the electricity system in Ontario.

**Maintenance & Outage Management:** Currently there are substantial limitations on planned outages to support regular maintenance on existing transmitting lines as well as our major station renewal projects to replace end of life assets. The new Waasigan line will allow greater flexibility to maintain and renew the existing system and help us avoid reliability issues caused by decreased maintenance.

Given the risks of compromising Indigenous partnerships, exacerbating costs, creating inefficiencies in procurement and construction as well as hindering economic growth, we strongly urge the IESO before the end of 2022 to establish an in-service date for Phase 2 that allows for Hydro One to align development with Phase 1. As highlighted in this letter, Hydro One's concerns and proposed approach are strongly supported by local and provincial stakeholders.

"There is urgent need for the Waasigan Transmission Line project to move forward without delay to support economic growth in northwestern Ontario. We urge the Independent Electricity System Operator to reconsider the phased approach they are recommending for this project."

~ **Rocco Rossi, President and CEO, Ontario Chamber of Commerce**

Ontario Energy Association (OEA)  
"The OEA supports Hydro One's position and requests the IESO reassess its initial recommendation for the Waasigan Transmission Line project. Energy needs in the Northwest are growing rapidly, and the reliable electricity supply that this transmission line will supply is needed as soon as possible to facilitate economic development and growth throughout the region."

~ **Vince Brescia, President and CEO, Ontario Energy Association**

"The Electricity Distributors Association, representing Ontario's local hydro utilities, supports Hydro One's submission. We do not agree with a phased-in approach for the Waasigan Transmission Line project. Local hydro utilities play an important role in facilitating regional economic development, and any delays to the construction of this line will negatively impact northwestern communities and customers. We urge the IESO to reconsider its recommendation in light of the uncertainty and risks to regional growth that decision may cause."

~ **Teresa Sarkesian, President and CEO, Electricity Distributors Association**

Hydro One is ready to continue moving forward with urgent infrastructure investments in the Northwest to support economic growth. Coordinated and accelerated development of the reinforcements in the area is critical to delivering safe and reliable supply in a timely manner to support local industry and communities.

Best Regards,

A handwritten signature in black ink, appearing to read 'R. Reinmuller', with a long horizontal stroke extending to the right.

Robert Reinmuller  
Director, Transmission System Planning