

Ministry of Energy

Office of the Minister

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MC-994-2023-778

October 23, 2023

Mr. Glenn O'Farrell,
Chair of the OEB Board of Directors
Ontario Energy Board
2300 Yonge St, 27 Floor
PO Box 2319
Toronto ON M4P 1E4

Dear Mr. O'Farrell:

Electricity demand in northeast and eastern Ontario is projected to grow rapidly over the next decade due to community growth, electrification initiatives and economic development, including advanced manufacturing, Algoma Steel's conversion to electric arc furnaces, and mining for critical minerals. This has underscored the need to mitigate against regulatory delays in the approval processes for critical electricity transmission projects. As we have outlined in our *Powering Ontario's Growth* plan (July 2023), expanding the transmission system is critical to maintaining Ontario's clean energy advantage.

The Independent Electricity System Operator issued a bulk planning report entitled "Need for Northeast Bulk System Reinforcements" in October 2022 and a second bulk planning report entitled "Gatineau End of Life Study" in December 2022. These studies have recommended three new transmission lines come into service no later than 2029, two in northeast Ontario and one in eastern Ontario.

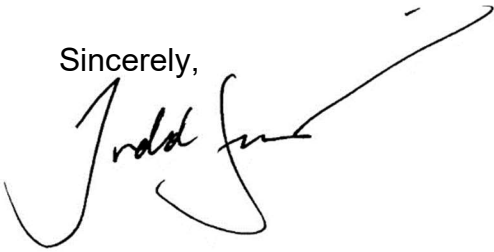
I am writing today to inform you that under the authority of section 96.1(1) of the *Ontario Energy Board Act, 1998* (the Act), the Lieutenant Governor in Council made an order declaring that the construction, expansion or reinforcement of these three transmission lines are needed as priority projects. The Order in Council, which is now effective, is attached to this letter.

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Furthermore, under the authority of section 28.6.1 of the Act, I am, with the approval of the Lieutenant Governor in Council pursuant to Order in Council No. 1532/2023, issuing a directive to the Ontario Energy Board (OEB) to amend Hydro One Networks Inc. (Hydro One)'s electricity transmission licence to include a requirement that it proceed to develop and seek all necessary approvals of these three priority projects. The licence amendments required by this directive will further support the timely development of these transmission lines.

Please do not hesitate to contact my office with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd Smith", with a long, sweeping horizontal stroke extending to the right.

The Honourable Todd Smith
Minister of Energy

- c: Susanna Zagar, Chief Executive Officer, Ontario Energy Board
Jason Fitzsimmons, Deputy Minister, Ministry of Energy
David Lebeter, President and Chief Executive Officer, Hydro One Networks Inc.
Lesley Gallinger, President and Chief Executive Officer, Independent Electricity System Operator