



MC-994-2026-169

February 6, 2026

Geoff Owen
Chair of the OEB Board of Directors
Ontario Energy Board
2300 Yonge St, 27 Floor
PO Box 2319
Toronto ON M4P 1E4

Dear Mr. Owen:

As you know, electricity demand in northern Ontario is projected to grow rapidly over the next decade due to economic development from mining for critical minerals, alongside increasing needs from the expansion of housing and electrification initiatives. Ontario's recent Integrated Energy Plan, *Energy for Generations: Ontario's Integrated Plan to Power the Strongest Economy in the G7* (released on June 12, 2025) sets out the Government's commitment to alleviate bottlenecks in Ontario's electricity transmission system so power could be delivered where and when it is needed.

The Independent Electricity System Operator (IESO) has provided a report back to the Ministry of Energy and Mines dated December 17, 2024, entitled "Powering Ontario's Growth Report Back: Transmission Development Plan" which identified and recommended several early actions the Government should take to advance transmission projects ahead of the completion of ongoing transmission studies underway. The IESO has also recently published the Northern Ontario Bulk Plan, entitled "North-South Transmission Reinforcement Plan", dated September 25, 2025. Collectively, these reports recommended the timely development of the following new transmission project as the appropriate solution to meet regional needs:

1. The Barrie to Sudbury Transmission Lines (Phase 1): a new single-circuit 500-kilovolt transmission line running approximately 290 kilometers from Essa Transformer Station near Barrie to Hanmer Transformer Station in Sudbury, and associated station facilities, needed in-service by 2032.
2. The Barrie to Sudbury Transmission Lines (Phase 2): a second new single-circuit 500-kilovolt transmission line running approximately 290 kilometers from Essa Transformer Station near Barrie to Hanmer Transformer Station in Sudbury, and associated station facilities. The IESO has not identified an in-service date for Phase 2, but did recommend that a proponent begin development work.

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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 has made an order declaring that the construction, expansion or reinforcement of Phase 1 of this transmission line is needed as a priority project. While the Government's priority will always be to provide affordable and reliable energy to the people of Ontario, which requires supporting cost prudence for the buildout of new transmission projects, the Ontario government has taken several actions including implementing the *Buy Ontario Act, 2025*, to strengthen Ontario's economic security. To that end, I have asked Hydro One to continue using competitive procurements and encourage them to seek Ontario or Canadian suppliers, where there are reasonable opportunities to do so and where ratepayers are not unduly impacted.

Furthermore, under the authority of section 28.6.1 of the Act, I have, with the approval of the Lieutenant Governor in Council, issued 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 for Phase 1 and 2 of the Barrie to Sudbury Transmission Lines. The licence amendments required by the directive will further support the timely development of this transmission project. These Orders-in-Council and the accompanying Directive are now effective, and copies thereof are attached to this letter.

Please do not hesitate to contact my office should you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Stephen Lecce', with a long horizontal flourish extending to the right.

Stephen Lecce
Minister

c: Susanna Laaksonen-Craig, Deputy Minister, Ministry of Energy and Mines
Karen Moore, Assistant Deputy Minister, Ministry of Energy and Mines
Carolyn Calwell, Chief Executive Officer, Ontario Energy Board
Lesley Gallinger, President and Chief Executive Officer, Independent Electricity System Operator
David Lebeter, President and Chief Executive Officer, Hydro One Networks Inc.
Lisa Pearson, Executive Vice President, Corporate Affairs, Hydro One Networks Inc.