Feedback Form

Toronto Third Line – June 25, 2026

Feedback Provided by:

Name: Brigid Rowan

Title: Senior Economist, Econalysis Consulting Services

Organization: On behalf of the Power Workers' Union (PWU)

Email: [redacted]

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To promote transparency, feedback submitted will be posted on the Toronto Third Line engagement page unless otherwise requested by the sender.

☐ **Yes – there is confidential information, do not post**

X **No – comfortable to publish to the IESO web page**

Following the Toronto Third Line June 25, 2026, engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the items discussed. The presentation and recording can be accessed from the Toronto Third Line engagement webpage.

Note: The IESO will accept additional materials where it may be required to support your rationale provided below. When sending additional materials please indicate if they are confidential.

Please submit feedback to engagement@ieso.ca **by July 16, 2026.**

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Please respond only to the questions that are relevant to your organization, expertise, or interest. There is no expectation to answer every question.

Question 1 - Indigenous Project Experience Requirements

If Indigenous project experience were required at the organizational level, what impact would this have on the procurement? (see June 25 presentation slides 35 & 36 for more details)

Answer: The PWU believes that Indigenous project experience should be required both at the organizational level and at the team level. We agree with the proposed qualification requirement (slide 35), as well as the perspective that "effective Indigenous engagement is relationship based and people driven," however effective engagement should also be supported by an organization with experience and commitment to:

- Equity participation and other demonstrated long-term economic partnership models
- Commitments to Indigenous procurement, training and employment.

This is consistent with the PWU's position expressed in our April 23 feedback to the IESO (p. 3).[1]

> The PWU supports the inclusion of Indigenous engagement and consultation experience as a core requirement. This experience should:
>
> - Be demonstrated by the proponent itself, not solely through external consultants
> - Reflect direct, project-level engagement in Canada, including rights-based consultation within Treaty and traditional territories
>
> Rated criteria should recognize:
>
> - Equity participation and other demonstrated long-term economic partnership models
> - Commitments to Indigenous procurement, training, and employment.

Therefore, at least one proponent in the proponent group should have organizational experience with Indigenous engagement in Canada and at least one proponent in the proponent group should have experience at the team level with Indigenous engagement in Canada – ideally both the team and organizational experience would be from the same proponent.

A non-Canadian transmitter would face a significant practical challenge in developing the necessary Canadian-specific Indigenous partnership structures and relationships while delivering this system-critical, time-sensitive and large-scale project. We believe that a lack of organizational experience with Indigenous engagement would increase:

- transaction costs
- schedule risk, and

[1] Feedback of the Power Workers' Union on the Toronto Third Line Webinar of April 9, 2026, submitted April 23, 2026. https://www.ieso.ca/-/media/Files/IESO/Document-Library/engage/tsf/TTL-20260423-Feedback-Form-PWU.pdf

- the risk of failure to achieve meaningful Indigenous consultation and participation.

New-to-Canada Proponents could be part of a Proponent Group with a Canadian Proponent with the necessary Indigenous project experience at the organizational level and at the team level.

The Qualification Criteria for Indigenous Experience should be consistent with the Qualification Criteria for Underwater Transmission Project Experience, which requires organizational experience from a Proponent or Proponent Group Member. In both cases (Indigenous and Underwater Transmission), experience at the team level is necessary but not sufficient.

Complex, system-critical projects such as the TTL are best delivered by proponents that combine demonstrated Canadian organizational capability (including experience with Indigenous engagement, permitting and project delivery) with specialized international technical expertise where appropriate. The qualification requirements should encourage these complementary partnerships while ensuring that the Canadian organizational capability remains a core component of the Proponent Group.

Question 2 - OEM Partnerships and Technical Capability Evidence

Should the IESO require additional evidence, either as mandatory or rated criteria, such as OEM partnership agreements or letters of support, evidence of past collaboration, and technical capability integration plans? (see June 25 presentation slide 34 for more details)

Answer: Given the system-critical and time-critical nature of the TTL, as well as consequential costs and risks of budget overages, the IESO should be risk-averse with respect to additional evidence to demonstrate the ability to work with experienced HVDC OEMs. The PWU recommends that the IESO require the additional evidence outlined on Slide 34 as mandatory qualification criteria.

Question 3 - Canadian Content Rated Criteria

Regarding rated criteria for Canadian content, what materials should these provisions incent to be transformed and manufactured in Canada? What levels of Canadian content would be achievable and competitive? (see June 25 presentation slides 38 & 39 for more details)

Answer:

The PWU Strongly Supports the Supply Chain Disclosure Plan (SCDP) and Canadian Content Requirements (CCR)

The PWU has provided feedback to the IESO on recent webinars (June 25 and April 23, 2026) related to Long Lead-Time RFP (LLT RFP),[2] which is also the subject of a Ministerial Directive with provisions for a Supply Chain Disclosure Plan (SCDP). The Ministerial Directive for the LLT RFP contains specific Committed Canadian Content Incentives.

[2] Feedback of the Power Workers' Union on Long Lead-Time RFP Webinar of March 26, 2026, submitted April 20, 2026. https://www.ieso.ca/-/media/Files/IESO/Document-Library/long-lead-time/LLT-2026/llt-rfp-20260415-feedback-form-PWU.pdf
Feedback of the Power Workers' Union on Long Lead-Time RFP Webinar of June 25, 2026, submitted July 10, 2026. Not yet posted on the IESO website.

As is the case for the LLT RFPs (May 6, 2026), the PWU is highly supportive of the Supply Chain Disclosure Plan (SCDP) for both goods (including Construction Materials) and services (including Construction Labour) as a base requirement for all TTL Proponents. As with the LLT RFP, we also support the inclusion of Canadian Content Requirements (as Supply Chain Incentives) for TTL Proponents. These provisions represent an important step toward aligning Ontario's electricity procurement with broader economic and industrial policy objectives.

The PWU agrees with the definitions set out in the Draft TTL RFP (June 25, 2026) for Actual Canadian Content Percentage and Minimum Canadian Content Percentage.

The PWU also strongly supports Canadian Content Requirements (CCR) as rated criteria for proponents who commit to higher levels of Canadian content with respect to construction materials and construction labour.

In the case of CCR for Canadian labour, the PWU is very supportive of putting in place the right incentives to encourage the highest possible levels of Canadian labour in order to maximize the economic development benefits of the TTL, including employment, taxes and GDP. We believe that with strong incentives and design, the CCR can ensure that at least 80% of the TTL labour is Canadian, with the majority of this labour from Ontario.[3]

In the case of CCR for construction materials, we recognize that some of the OEM components required for this project are highly specialized and will be unlikely to be manufactured in Canada. However, the right incentives should maximize the goods (including construction materials, particularly steel and aluminum) transformed and manufactured in Canada.

Getting CCR Incentives and Design Right

In our feedback to the IESO on recent webinars (June 25 and April 23, 2026) related to Long Lead-Time RFP (LLT RFP),[4] the PWU recognizes the importance of getting the design of the Committed Canadian Content incentives right. However, the Committed Canadian Content Percentage Schedule

[3] The PWU strongly emphasizes that Canadian labour – with the majority expected to come from Ontario -- (and specifically union labour) is highly preferable to maintain and grow provincial capabilities for the upcoming decades-long build-out (and operation) of an expanded electricity infrastructure, including the TTL. Ontario union labour is essential to ensure the quality and reliability of this key infrastructure. By preferencing Ontario workers for Ontario's electricity build-out, including the TTL, the government of Ontario will also foster the success of the Buy Ontario Act by limiting leakage of the economic development benefits outside Ontario and Canada (and ensuring that more of these benefits stay within Ontario and Canada). Hiring union labour will also help ensure that skilled labour is developed in Ontario and remains in Ontario over the long-term.
The PWU advocates the hiring of skilled Canadian union labour for both operational and capital expenditures on electricity infrastructure projects, including the TTL. In the case where Ontario/Canadian providers are not available/feasible for certain capital expenditures (e.g. specialized underwater cable installation), the PWU emphasizes that as much Ontario union labour should be hired as possible on capital expenditure projects (a) to increase local Ontario content, and (b) to build expertise and staffing that will be required for the subsequent operations.
The economic success of Ontario at this pivotal moment in Ontario and Canadian history depends on nurturing both our human capital and our domestic supply chains. Insofar as possible, the PWU supports both the maximization of Ontario labour and that of supply procurement from Ontario and Canada (as emphasized in the Buy Ontario Act) on the TTL.

[4] See Footnote 2.

(as set out in the May 6 LLT(c)RFP (p. 48) and the LLT(e)RFP (p. 45))[5] **is unlikely to materially strengthen domestic supply chains at scale. The framework would benefit from stronger incentives, improved design, and, eventually, a broader definition of Canadian content, particularly if it is intended to serve as a model for future large-scale procurements (e.g., and transmission infrastructure such as the TTL).**

Unlike the LLT RFP, the draft TTL RFP has not yet assigned evaluation percentages to the CCR framework. We therefore encourage the IESO to avoid adopting the same threshold-based approach used in the LLT RFP. Instead, we have recommended a graduated incentive structure that progressively rewards higher levels of Canadian content, thereby providing stronger incentives for incremental domestic sourcing and workforce development.

Proposed Committed Canadian Content Percentage Schedules

Our suggestions for improving the Committed Canadian Content Percentage Schedule for the LLT RFPs were developed in our April 20, 2026 feedback and we continue to believe that these suggestions would result in materially strengthening our domestic supply chains.

If Ontario wants procurement to build domestic industrial capability, the incentives must be strong enough and shaped well enough to change sourcing behaviour at the margin, and deepen domestic supply chains. The current schedule rewards projects that already happen to be at 60% Canadian content. The proposed incentive seems to work as a binary price adjustment, not a graduated reward. That means the mechanism creates a cliff at 60%, not a ladder that rewards moving from, say, 40% to 55% to 70% to 85%.

A binary threshold is a weak industrial-policy tool because it does not reward incremental domestic deepening above the threshold and may not justify the added cost/risk of switching to Canadian suppliers for projects near the margin. Supply-chain policy works best when it changes marginal decisions at the design and sourcing stage. A cliff-style incentive can produce two problems. First, it may mostly reward projects that were already going to hit 60%, rather than inducing additional domestic sourcing. Second, it gives an insufficient incentive reward for Canadian Content above 60%. A proponent who can reach 75%-79% gets only an additional 0.5% evaluation benefit as one just clearing 60%. From an industrial policy perspective, this small additional incentive is insufficient.

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[5] According to the May 6, 2026 LLT RFPs:
IP is the incentive point value corresponding to the Committed Canadian Content Percentage (if any) as set out below, provided that if the Proponent has not elected to commit to a Committed Canadian Content Percentage, IP shall be zero (0):

Committed Canadian Content Percentage	IP
<60%	0
60%	0.01
70%	0.015
80%	0.02
90%	0.025
100%	0.03

This binary incentive schedule provides very little incremental incentive above 60%, limiting motivation to further deepen Canadian Content, and may be insufficient to offset cost and risk of shifting to domestic suppliers.

PWU recommended replacing the LLT RFP threshold-based Supply Chain incentive with a graduated structure. For example, evaluation adjustments could increase from 1% at 40% Canadian content to approximately 5–6% at 80–90% content. This approach ensures that incremental improvements in Canadian sourcing are consistently rewarded and that higher levels of domestic integration (where costs and complexity are greatest) receive proportionately stronger incentives.

A binary 60% threshold risks becoming a compliance exercise. A graduated incentive is necessary if Ontario intends Canadian content to influence real procurement decisions.

The PWU suggests a graduated schedule for the TTL RFP (to address the problems with the Supply Chain Incentive Schedule in the May 6, 2026 LLT RFPs). Specifically, we propose the following schedule for the Committed Canadian Content Percentage Schedule:

Committed Cdn Content %	Evaluated Proposal Price Reduction	
<40%	0%	No benefit
40–50%	1%	Small signal
50–60%	2%	Moderate
60–70%	3%	Strong
70–80%	4%	Very strong
80–90%	5%	High
90%+	6%	Maximum

Note that the specific percentages are illustrative; the key principle is that evaluation credits should increase progressively with Canadian content rather than relying on a single threshold, and should be strong enough and shaped well enough to change sourcing behaviour at the margin, and deepen domestic supply chains.

Concern Regarding the Aggregation of Canadian-Manufactured Goods and Canadian Construction Labour

While the PWU supports the proposed SCDP and Canadian Content Requirements, we are concerned that the current framework aggregates Canadian-manufactured goods and Canadian construction labour into a single Canadian content metric based on Total Project Supply Chain Costs. As drafted, a proponent could achieve a high Canadian content percentage largely through Canadian-manufactured materials, without providing equivalent transparency regarding Canadian construction labour.

The PWU recommends that the SCDP and associated Canadian Content Requirements require separate reporting of Canadian construction labour and Canadian-manufactured goods. This would improve transparency, enable the IESO to better assess proponents' workforce commitments, and better align the procurement with the Province's objectives of supporting Canadian jobs, skilled trades and domestic supply chains.

CCR Liquidated Damages

Finally, we agree with the provision set out in Section 2.2 (j)(i) of the TTL RFP Draft of June 25: if a Transmitter, who has committed to a CCR percentage fails to meet the requirement, it should be subject to CCR Liquidated Damages. Examples of these damages for the LLT RFP are set out on Slides 10 and 11 of the March 26, LLT RFP webinar. The PWU comment that these damages are directionally serious and likely adequate as a compliance mechanism, but their adequacy ultimately depends on the size of the evaluation benefit and the cost differential between Canadian and non-Canadian sourcing. We recognize that the damages for the TTL should be calculated differently, but should also be sufficiently high to strongly dissuade failure to meet CCR commitments.

Question 4 - Indigenous Participation Experience Evaluation

In relation to the rated criteria to recognize previous experience with Indigenous community participation, how should experience be evaluated? (see June 25 presentation slide 61 for more details)

Answer: The PWU supports rated criteria for proponents who commit to certain levels of Indigenous economic participation within their proposals. As indicated above, rated criteria should recognize:

- Equity participation and other demonstrated long-term economic partnership models
- Commitments to Indigenous procurement, training, and employment.

Similar to CCR requirements, the PWU also suggests that if a Transmitter, who has committed to certain levels of Indigenous economic participation, fails to meet the commitment, it should be subject to Liquidated Damages.

Question 5 – Cost Categories and Cost Containment Mechanisms

Do you agree with the proposed cost categories and recommended cost containment mechanisms to scope certainty and risk control? (see June 25 presentation slides 46 to 55 for more details). For the additional cost categories on slide 56 (e.g., land acquisition, engagement, permitting, project overhead), what pricing and containment approaches would you recommend?

Answer: The PWU has not undertaken a detailed review of every proposed cost category. However, we offer the following observations.

As per our feedback on the TTL webinar of April 9, 2026,[6] the PWU agrees that Construction costs should be disaggregated and further subdivided to support different risk profiles (consistent with the suggestions outlined on Slides 52 and 53).

[6] See footnote 1.

We also commented that Project Management and Overhead (which the April 9 webinar presentation classified as costs eligible for risk-sharing) should be classified as costs generally ineligible for risk-sharing. The PWU believes that the Proponent should assume the risk for its own project and overhead.

On the other hand, permitting, environmental approvals and Indigenous consultation outcomes should be included in costs eligible for risk-sharing. Interface and integration costs involving multiple parties have not been discussed but present a risk.

Where possible, risk-sharing frameworks should:

- Encourage early commitment to Canadian and Ontario suppliers
- Recognize the potential cost (and benefit) implications of domestic procurement, while ensuring these are transparently evaluated.

Question 6 – Cost Escalation and Indexation

What specific indices would you recommend be applied to the HVDC cable and converter station? Should pre-defined indices be applied to other cost items? If so, which cost items and which indices? (see June 25 presentation slide 54 for more details)

General Comments / RFP Draft #1 Feedback

Please use this section to provide any additional comments on the Toronto Third Line procurement, including feedback on Draft RFP #1 that may not be captured in the questions above.

Answer:

Our preliminary review of the TTL RFP suggests the current framework does not appear to explicitly address the following:

- Workforce planning, including labour availability, recruitment strategy, and the Proponent's capacity to deliver the project
- Workforce development commitments, such as apprenticeship or skilled-trades training
- Labour-specific remedies where employment or training commitments are not achieved.

The PWU encourages the IESO to consider the incorporation of the above provisions into the final RFP. In addition to strengthening Canada's skilled electricity workforce and domestic supply chains, these measures could improve confidence that proponents have the workforce capacity to successfully deliver this complex, system-critical project on schedule.