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Bruno Jesus
Vice President, Planning

December 17, 2020

Leonard Kula
Vice President, Planning, Acquisition & Operations and Chief Operating Officer
1600 – 120 Adelaide St. W.
Toronto, ON M5H 1T1

Sent via email

Dear Mr. Kula:

RE: Electricity Planning in the West of London Area

Thank you for the opportunity to participate in the regional electricity planning cycle for the Windsor-Essex region, specifically regarding the electricity resource needs in the West of London area. This area serves as an economic engine and is pivotal to Ontario's economic recovery. 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 a recent webinar, the IESO noted that the amount of load growth in the West of London area is "unprecedented" and tantamount to connecting a whole developed city, such as Ottawa or Hamilton, over the next few years. A safe and reliable power supply is essential to supporting economic growth, and as businesses and industry in southwestern Ontario continue to expand so does the need for more electricity. To accommodate load growth and ensure reliability standards in the area, Hydro One is currently working to construct a new

double-circuit 230 kilovolt transmission line from our Chatham Switching Station located in the Municipality of Chatham-Kent to the future Lakeshore Transmission Station, which will be located in the Town of Lakeshore. In the interim, we have been working relentlessly to connect as many customers as possible, with a record connection of over 400 MW to date.

"The greenhouse industry supports local jobs and economic growth in Ontario. Reliable access to electricity is essential to enabling our members to continue to operate or to expand operations in Ontario. We support Hydro One's work to develop transmission infrastructure in the Windsor-Essex area and we encourage the IESO to move forward with urgency on all planned reinforcements."

– Ontario Greenhouse Vegetable Growers

Hydro One has consistently and repeatedly heard from agricultural, industrial and business customers about the need for accelerated and coordinated infrastructure investments to help them start or expand operations, add local jobs and enable the competitiveness of their products in the market. Customers are concerned that if their electricity infrastructure needs are not resolved in a timely manner, they will lose their market share and competitive advantage to industries in

neighbouring jurisdictions, including the United States. Some customers indicate that potential delays in electricity infrastructure will force them to close operations and relocate. Customers continue to call for a comprehensive approach that swiftly addresses urgent electricity infrastructure needs in the area, and investments in other resources (e.g. natural gas, water).

Whilst investments in generation and non-wires alternatives are important parts of the solution to address the electricity needs in the West of London area, given the projected load growth as well as reliability standards, additional investments in transmission are required. Hydro One strongly supports the planned reinforcements of the system east of Chatham to supply the forecasted load, increase transfer capability of the bulk transmission system, enable generation, support provincial needs as well as ensure resiliency of the system.

Hydro One is concerned a staged approach could further delay urgent investments in the area. There is also significant ongoing work in this area related to sustainment, maintenance and reliability. Breaking up infrastructure investments into sequential stages introduces challenges, inefficiencies and duplication of processes. We encourage the IESO to undertake planning development work in parallel and to work with stakeholders to pursue tactics that will accelerate investments.

Given the current system limitations to support load, Hydro One has worked with the IESO on temporary exemptions to the Ontario Resource and Transmission Assessment Criteria (ORTAC). The requested exemptions will enable some projects to be placed in service and connect customers while we are completing planned transmission reinforcement. This is not a long-term solution. These temporary exemptions cannot be relied on to delay much needed infrastructure investments in the area. Prolonged reliance on ORTAC exemptions and/or delays in transmission reinforcements will compromise reliability, resiliency and security of electricity supply in the West of London area.

"The OCC's 2019 report, The Great Mosaic: Reviving Ontario's Regional Economies, identified that Ontario's overall prosperity will increasingly depend on the strength of its regions. Access to reliable electricity is needed to power the growth of local industries, including the greenhouse vegetable and cannabis sectors in Southwestern Ontario. Hydro One is managing the complex reinforcement in the Chatham and Leamington area, all the way to Windsor. The company is building new infrastructure, responding to customer needs and regional economic development, while continuing to reliably operate the electricity system. Ensuring a coordinated development of reinforcements in the area is critical to delivering a safe and reliable supply in a timely manner to support local industry and communities."

- The Ontario Chamber of Commerce

Hydro One is ready to move forward with urgent infrastructure investments in the West of London area to support economic growth. We are concerned unnecessary delays and/or a piecemeal approach to infrastructure reinforcements could delay customer connections and exacerbate reliability issues. Coordinated 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 blue ink, appearing to be 'BJ', with a stylized flourish extending to the right.

Bruno Jesus
Vice President, Planning