

**Ministry of Energy,
Northern Development
and Mines**

Office of the Minister

4th Floor, Hearst Block
900 Bay Street
Toronto ON M7A 2E1
Tel.: 416-327-6758

**Ministère de l'Énergie,
du Développement du Nord
et des Mines**

Bureau du ministre

4^e étage, Édifice Hearst
900, rue Bay
Toronto ON M7A 2E1
Tél. : 416 327-6758



January 30, 2019

Ms Rosemarie Leclair
Chair & Chief Executive Officer
Ontario Energy Board
2700–2300 Yonge Street
PO Box 2319
Toronto ON M4P 1E4

Dear Ms Leclair:

On October 2, 2018, I wrote to you to highlight the importance of the East West Tie Line Project to the Government of Ontario and to request that the Ontario Energy Board (OEB) act expeditiously to issue a decision on the outstanding, competing Leave to Construct applications before the Board. At this time, the OEB has not concluded the Leave to Construct proceeding and there is significant uncertainty that the project will be completed in a timely manner and in a way that supports the economic participation opportunities that have been established with Indigenous communities.

As you are aware, this project was declared a priority project through the issuance of an Order in Council (OIC 326/2016) that came into effect on March 2, 2016. Within that Order in Council, the description of the Project included an in-service date of 2020.

The Independent Electricity System Operator's December 2017 "*Updated Assessment of the Need for the East-West Tie Expansion*" and their July 2018 "*Addendum to the 2017 Updated Assessment for the Need for the East-West Tie Expansion*" continued to recommend the Project as the lowest cost option for meeting system needs while noting that delays beyond a 2020 in-service date would introduce increased system costs and risks to system reliability.

In order to provide an increased level of certainty to the processes being undertaken by the OEB and to achieve Ontario's policy objectives, I am writing to inform you that under the authority of section 28.6.1 of the *Ontario Energy Board Act, 1998*, I am, with the approval of the Lieutenant Governor in Council represented by Order in Council, issuing a directive to the OEB to amend NextBridge's electricity transmission licence to include a requirement that it develops and constructs the Project.

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The directive also requires the OEB to amend conditions of NextBridge's transmission licence to require regular reporting of construction schedule, costs and risks. I expect that the OEB will maintain its role in assessing the prudence of costs incurred by NextBridge throughout the construction of the line to ensure the project is built in a cost effective manner. To this end, I have attached a letter written to me from NextBridge on January 21, 2019 which indicates their most recent cost estimates and level of certainty. My expectation is that this cost estimate will be a useful benchmark in evaluating the prudence of their expenditures when they seek rate recovery.

I trust that NextBridge's licence amendments and the Leave to Construct process will now be resolved expeditiously.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Rickford". The signature is fluid and cursive, with the first name "Greg" and last name "Rickford" clearly distinguishable.

The Honourable Greg Rickford
Minister of Energy, Northern Development and Mines

Attachments