

# Feedback Form

## Toronto Third Line – August 20, 2026

### Feedback Provided by:

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Date: 2026-09-09

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**
- ☒ **No – comfortable to publish to the IESO web page**

The Independent Electricity System Operator (IESO) is seeking feedback from Indigenous communities and stakeholders on the Contract Draft #1 document and Preliminary System-Level Requirements. The materials 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](mailto:engagement@ieso.ca) by September 10, 2026.**

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

## Indigenous Engagement and Participation Commitments

Question 1: What contract parameters should the IESO include to ensure accountability for Indigenous engagement and participation commitments (e.g., ongoing monitoring and reporting, line-in-service verification)?

Response 1: In light of how early in the development process the project is proposed to be contracted, the IESO should be cautious about being too prescriptive with its contractual obligations with respect to Indigenous engagement and participation commitments. Indigenous communities may seek adjustments to engagement and participation aspects of the project as more project details are determined. It would be a shame if the proponent were disincentivized from accommodating Indigenous community requests as a result of IESO contractual obligations.

## Contract and Regulatory Framework

Question 2: Do you have feedback on the proposed contract framework and its interaction with the existing regulatory framework, including IESO payments and the transition to OEB rate regulation?

Response 2: The OEB has a well-established leave to construct process that evaluates the reasonableness of estimated transmission project development and construction costs. Leave to construct hearings are typically held after project development and environmental approval work has been completed, and while detailed design is underway. In some cases, long-lead equipment may have already been identified and purchased. As a result, project cost estimates in leave to construct applications are typically at the AACE Class 2/3 stage (~30% to 60% design).

In contrast, the proposed IESO TTL contracting approach would be locking in estimated project costs at the AACE Class 4/5 stage (0–10% design). Bidders will necessarily have to include considerable contingency amounts in their cost estimates. And the *OEB Act, 1998*, clause 97.3 requires the OEB to “accept as valid and not inquire into the basis of, (a) amounts payable under a procurement contract entered into under clause 25.32(2)(d) of the *Electricity Act, 1998*, including the prices and costs provided for by the procurement contract, and any costs associated with the procurement contract; or (b) any procurement process relating to a procurement contract referred to in clause (a).” Therefore, any excessive contingency amounts included in the IESO (procurement) contract will almost certainly be passed through to the proponent, because the OEB will be precluded from assessing IESO contract prices and costs during the leave to construct process.

A less risky approach for ratepayers, and a more reasonable approach for bidders, would be for the IESO TTL contract to only include project development stage costs, such as costs for environmental assessments and environmental studies, site investigations, geotechnical work, surveying, community and Indigenous engagement, and developing 30–60% design drawings. This approach would free the OEB to conduct a more normal leave to construct process, and establish more reasonable project costs – at a project stage much closer to construction, when costs are more certain.

This TTL development stage contracting approach would be similar to what the IESO has undertaken for Bruce Power's [Bruce C project development work](#) and what Ontario has undertaken for TC Energy's [Ontario pumped storage project](#).

## Website Obligations

Question 3: To increase transparency through the development and construction of the project, the IESO is proposing to include a number of Website Obligations in the Contract. Do you have any feedback on the proposed inclusions?

Response 3: The requirements seem overly prescriptive. All the reporting obligations to confirm to the IESO that the proponent has met their obligations will inherently increase project costs. In addition, other regulatory processes, such as the environmental assessment process, will have their own public reporting requirements. The IESO should not need to duplicate these other established requirements.

## Milestone Deliverables

Question 4: Is there feedback regarding the deliverable expectations for the milestones? Are the requirements appropriate? Are there any submissions omitted from the current list?

Response 4: More details are needed from the IESO as to the timing and requirements of the Early Development Completion milestone and the Pre-Construction Completion milestone before we can fully respond to this question. But in general, the requirements that are outlined seem overly prescriptive. All the submission obligations to confirm to the IESO that the proponent has met their obligations will inherently increase project costs.

Further comments are provided in the General Comments / Feedback section starting on page 4.

## Contractual Milestone Dates

Question 5: The IESO is considering how to leverage transmitter's expertise in schedule development, while balancing the IESO's need to ensure appropriate milestone dates are included in the contract. Do you have suggestions on an approach that enables transmitters to offer appropriate input into the determination of contractual milestone dates?

Response 5: If the IESO focused more on development stage activities, as suggested in our response to Question 2, schedule development would be the responsibility of the proponent, as it is currently under the OEB's leave to construct process for priority transmission projects. We have not heard a complete explanation as to why the IESO seems to be opposed to leveraging all the aspects of the current OEB leave to construct approach, including cost and schedule oversight.

An alternative approach would be to only have the project schedule firmed up after environmental approvals are obtained, site investigations and surveying are complete, and long-lead items are contracted for.

## Preliminary System-Level Requirements

**The IESO is seeking feedback on the requirements shared on the presentation slides 42-48 including:**

Question 1: Are the preliminary system-level requirements outlined on slide 44 to 46 adequate to drive the technical design of the TTL?

Response 6: Further clarity from the IESO would be appreciated on what is meant by “equal capacity delivery paths”, and in particular, the required physical separation between the paths.

Question 2: Are the preliminary requirement values appropriate, overly stringent, or too relaxed for current and expected technology capabilities?

Response 7: No comment.

Question 3: What additional clarification is required regarding the system-level requirements and associated values?

Response 8: No comment.

Question 4: Are there any additional system level requirements that the IESO should consider?

Response 9: No comment.

## General Comments / Feedback

Please use this section to provide any additional comments that may not be captured in the questions above.

We provide the following commentary and questions on specific clauses in the August 13, 2026, draft TTL contract.

### **Article 1, cl 1.1**

EPC Contracts definition – a proponent may choose not to employ an EPC arrangement. The E, P, and/or C could be separate contracts.

Final Design definition – this definition is vague. Are you intending to mean 90% drawings, issued-for-construction drawings? Please note that different project components may be “finalized” at different times. For example, design for long-lead components, such as cables, may need to be finalized well before other project components.

Index Factor definition – it would good to better understand IESO’s thinking around this potential definition.

Longstop Date for Early Development Completion and Longstop Date for Pre-Construction Completion definitions – it would good to better understand IESO’s thinking around these definitions. It is not possible to comment on a simple placeholder.

Preliminary Design definition – it would be good to better define the degree of precision/certainty IESO is envisioning for aspects of this definition (e.g., cost and schedule).

Property definition – does this definition adequately cover the Lake Ontario lakebed?

Reportable Events, sub d) definition – the use of the “Converter Station” definition may be too broad here. The converter station may have other components included besides the converters, themselves.

Reportable Events, sub m) definition – why does the IESO need to know about community protests and acts of vandalism? Is one person a community? Is the loss of a tape measure an act of vandalism?

## **Article 2**

2.1c) – this normal IESO restriction might be challenging in the TTL context, because so much of the preliminary design will not be known at the time of contract execution. Greater flexibility might be needed.

2.1d) – a new clause may be warranted to ensure the System Operator expeditiously pursues an Operating Agreement with the proponent, and enters into the Operating Agreement at least 30 days prior to the expected date of Commercial Operation.

2.3c), d), e) – for a first of its kind of project such as the TTL, these clauses seem overly risky to the proponent. More flexibility from the IESO is warranted for the TTL.

2.3g) – why is the IESO insisting on increasing levels of Completion and Performance Security on the TTL as it becomes less risky the closer it gets to construction? It is noted that the OEB does not require similar security payments for other priority transmission projects. Increasing security amounts would require more project debt, which only increases the overall cost of the project to ratepayers.

2.5a)i) – whether an IE will be able to sign such a certificate at this stage will greatly depend on the specificity of the Preliminary Design and Functional Requirements definitions. As such, it is important for IESO to provide greater clarity on these definitions.

2.5.a)ii)(A) – why does the IESO need to see a full Preliminary Design package? Preliminary design packages may be developed at different times for different components based on when equipment needs to be ordered. Each of these could be 100s of MBs/100s of pages. The receipt of the Early Development Certificate confirming that each of A through E sub requirements has been completed should be sufficient.

2.5b) – why does IESO need 20 Business Days to confirm acceptance? If time is of the essence, IESO should target 10 Business Days for its reviews of major stage gating items.

2.6a)ii) – why does the IESO need another progress report from the IE at this stage? IESO is already asking for an IE Certificate and a Pre-Construction Completion Certificate at the same time. In general, IESO’s reporting and documentation requirements seem extremely onerous.

2.6a)iii)A) – why does the IESO need to see a full Final Design package? Final design packages may be developed at different times for different components based on when equipment needs to be ordered. Each of these could be 100s of MBs/100s of pages. The receipt of the Pre-Construction Completion Certificate confirming that each of A through D sub requirements has been completed should be sufficient (especially all the listed documents in C).

2.6a)iii)B) – IESO should consider allowing construction to commence if one to two land rights are still outstanding (but with the understanding that this would be at the proponent’s risk).

2.6a)ix) – why does the IESO need to review a major maintenance schedule? Operations and maintenance would be under the OEB’s transmission rate oversight.

2.6b) – why does IESO need 20 Business Days to confirm acceptance? If time is of the essence, IESO should target 10 Business Days for its reviews of major stage gating items.

2.7a)i)A) – consider adding “except punch list items” to this clause.

2.9b) – a separate carve out may be warranted to cover in-water components, such as the wet cable portion.

2.13a)xii) – why does the IESO need to be so specific about items that have no bearing on how well this project will deliver electricity?

2.14c) – what if an Indigenous community asks that the final IEPP Report remain confidential?

## **Article 5**

What if construction disputes, Force Majeure claims, etc., delay the final Capital Cost Determination for several years, as they have on the Wataynikaneyap Power project? IESO should work with the OEB to better align these contract requirements with the OEB’s regulatory processes that already accommodate such occurrences. Alternatively, IESO should focus the TTL contract on the development stage costs, and allow the OEB to assess construction costs through their established leave to construct process, as suggested in our response to Question 2.

## **Article 8**

8.1j) – this requirement could be problematic as many aspects of the TTL project could change between the Proposal stage and the final project. The IESO should consider amending this clause to reflect the unique circumstances of the TTL.

## **Article 10**

10.1b) – the two years post commercial operation contractual period means that the TTL will have obligations to both the IESO and the OEB at the same time. The IESO should work with the OEB to ensure that duplication of requirements is minimized to the extent possible during this overlap period.

## **Article 12**

12.3 – delays by third parties that affect the in-water cable activities should be added as a Force Majeure. For example, there may be other Lake Ontario construction projects that affect the timing of when TTL in-water work can occur (e.g., remaining Ashbridges Bay outfall work, Pickering nuclear intake tunnel work).

## **Article 16**

16.3 – is an intentionally deleted clause reference needed?