

**ONTARIO ENERGY BOARD**

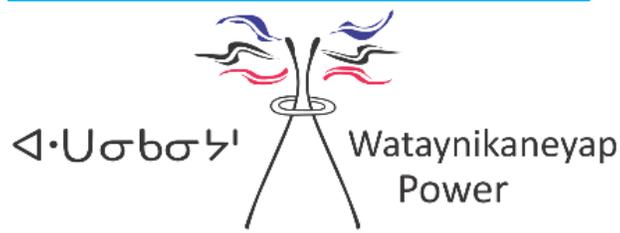
**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*, C.S.O. 1998, c.15 (Sched. B); pursuant to section 92 of the *Ontario Energy Board Act*.

**AND IN THE MATTER OF** an Application by Wataynikaneyap Power GP Inc. on behalf of Wataynikaneyap Power LP, for an Order or Orders to establish a deferral account, for the purposes of recording certain costs relating to development of the Wataynikaneyap Transmission Project.

**WATAYNIKANEYAP POWER LP**

**Semi-Annual Report on CWIP Account  
and Backup Supply Arrangements**

**April 15, 2020**



## 1. Executive Summary

### Introduction

On April 1, 2019, the OEB issued a Decision and Order in EB-2018-0190 (the “Decision”), granting Wataynikaneyap Power LP (“WPLP”) leave to construct certain transmission lines and related facilities, as well as approving certain code exemptions and a cost recovery and rate framework.<sup>1</sup> The Decision directs WPLP to use CWIP Account 2055 to record construction costs and approved WPLP’s request to transfer the balances from its development costs deferral account to the CWIP account. In addition, the Decision establishes, as a condition of approval, that WPLP must provide the OEB with semi-annual updates on the CWIP account, as well as on the progress of backup supply arrangements for the connecting communities, with the first such report being due on October 15, 2019 and subsequent reports being required every April 15 and October 15. Reporting on the CWIP account is required until all costs related to initial construction of the transmission system are cleared from the CWIP account<sup>2</sup> and reporting on backup power is required until arrangements have been fully implemented for all connecting communities. Moreover, those reports are to be based on December 31 and June 30 cut-offs for financials, and March 31 and September 30 cut-offs for project activities.

The reports are intended to address the requirements reflected in the Decision by reporting on each of the following:

- CWIP Account – Account balances, forecasts and explanations of variances; details of government funding received
- Backup Supply Arrangements – Summary of progress, key issues and risks, and details of arrangements and timing for each community

### CWIP Account

In addition to the transfer of \$69 million in development costs to March 31, 2019, WPLP has spent approximately \$39 million in pre-construction and construction costs to the end of December 31, 2019, resulting in a CWIP account balance of approximately \$107.96 million plus capitalized interest of \$3 million. Section 2.1 provides details of CWIP spending to date, based on audited actuals for 2019. Since filing its first CWIP report on October 15, 2019, WPLP achieved financial close, and has initiated detailed engineering and certain construction activities through its EPC contractor. Based on the results of these detailed engineering efforts and associated adjustments to the project schedule, WPLP is currently in the process of refining its total forecasted project costs. WPLP intends to file complete details of its updated project costs and variance analysis as part of its first transmission rate application<sup>3</sup>, which it

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<sup>1</sup> The OEB revised its Decision and Order on April 29, 2019 to distinguish the CWIP interest rates applicable to debt incurred on an arm’s length basis vs debt incurred on a non-arm’s length basis in paragraph 7 of the Order section.

<sup>2</sup> The Decision states “until the CWIP account is terminated” (Schedule B, Condition 4). WPLP’s interpretation is that in directing WPLP to use CWIP Account 2055 instead of establishing a CWIP deferral account, the CWIP account will not be “terminated”, and the intent of this requirement is to apply the reporting requirement until CWIP balances related to initial construction have been transferred from CWIP Account 2055 to in-service assets.

<sup>3</sup> In accordance with the Condition of Approval #3 in the OEB’s Decision and Order in EB-2018-0190.

expects to file in Q3 2020. Accordingly, the forecast in this report remains unchanged from the forecast presented in the October 15, 2019 CWIP report.

Furthermore, while detailed design and right-of-way clearing activities are currently proceeding with minimal impact from the COVID-19 pandemic, WPLP and its EPC contractor are in the early stages of assessing the risk of schedule, cost and operational impacts, if any, arising from the pandemic. Any target dates discussed in this report should therefore be considered to be subject to that analysis, and further details of any schedule, cost or operational impacts will be communicated to the OEB in future reports, applications or correspondence as appropriate.

Consistent with WPLP's development costs deferral account reporting, this report contains details of government funding received by WPLP (see Sections 2.2 and 2.3) and details of carrying charges recorded in accordance with the decisions in EB-2016-0262 and EB-2018-0190 (see Section 2.4)<sup>4</sup>.

### **Backup Supply Arrangements**

The Decision requires WPLP's reporting with respect to backup supply arrangements to provide an understanding of whether backup supply is likely to be available when, where and in the amount required, specifically in relation to the forecasted grid-connection date for each community.

As described in Section 3.1, the Backup Power Plan is currently under development, with a target to finalize the plan in Q2 of 2020. Section 3.2 addresses the key issues and risks in relation to finalizing the Backup Power Plan, including with respect to timing in relation to grid-connection dates. Section 3.3 outlines the information that will be provide upon finalizing the plan.

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<sup>4</sup> In accordance with the decision in EB-2016-0262, carrying charges earned on development costs were recorded at the prescribed rates published by the OEB. Subsequent carrying charges recorded in accordance with the decision in EB-2018-0190 are recorded at WPLP's actual cost of debt.

## 2. CWIP Account

### 2.1 Construction Cost, Forecasts and Variances

The table below provides a comparison between the project cost estimate as provided in the CWIP report dated October 15, 2019 and the current project cost forecast. To date there have been no changes to WPLP's project cost forecast. Project spend remains low as construction activities started in February 2020.

**Wataynikaneyap Power LP (WPLP)**  
**Project Cost Forecast**  
**For the Reporting Period - July 1, 2019 to December 31, 2019**

	Forecasted Project Costs	Current Forecast Project Costs	Variance between Project Forecast presented October 15, 2019 CWIP Report and Current	Project Spend to date	Percent of Current Forecast Spent
EPC Contract - Transmission Line Facilities - Line to Pickle Lake	\$ 213,126,464	\$ 213,126,464	\$ -	\$ 4,543,395	2%
EPC Contract - Transmission Line Facilities - Remote Connection Lines	\$ 889,935,766	\$ 889,935,766	\$ -	\$ 7,606,383	1%
EPC Contract - Station Facilities - Line to Pickle Lake	\$ 36,234,762	\$ 36,234,762	\$ -	\$ 825,448	2%
EPC Contract - Station Facilities - Remote Connection Lines	\$ 293,482,233	\$ 293,482,233	\$ -	\$ 3,227,792	1%
Other Infrastructure	\$ 36,750,000	\$ 36,750,000	\$ -	\$ -	0%
HONI Interconnection	\$ 5,913,000	\$ 5,913,000	\$ -	\$ -	0%
Engineering, Design, Project/Construction Management & Procurement	\$ 134,274,841	\$ 134,274,841	\$ -	\$ 43,554,441	32%
Environmental Assessments, Routing, Permitting, Regulatory & Legal	\$ 28,302,009	\$ 28,302,009	\$ -	\$ 20,409,966	72%
Land Rights	\$ 13,810,316	\$ 13,810,316	\$ -	\$ 3,306,846	24%
Aboriginal Engagement, Stakeholder Consultation, Participation and Training	\$ 36,012,877	\$ 36,012,877		\$ 24,485,883	68%
Contingency	\$ 145,543,622	\$ 145,543,622	\$ -	\$ -	0%
<b>Costs before AFUDC</b>	\$ 1,833,385,890	\$ 1,833,385,890	\$ -	\$ 107,960,154	6%
Capitalized Interest	\$ 55,853,471	\$ 55,853,471	\$ -	\$ 3,047,592	5%
<b>Total Project Costs</b>	\$ 1,889,239,361	\$ 1,889,239,361	\$ -	\$ 111,007,746	6%

\* EB-2018-0190; Exh. C-8-1; pp. 2-3

\*\* EB-2018-0190; Response to Board Staff Supplemental IR C-Staff-65

## 2.2 Government Funding Received

The following table provides a summary of funding received to date by WPLP's majority partner FNLP (including its predecessor Central Corridor Energy Group (CCEG)) and its indirect subsidiary OSLP for preconstruction activity related to the project. The dates on which project preconstruction costs and related funding are recorded by WPLP are summarized in Section 2.4.

**First Nations LP and OSLP - Government Funding**  
**(Current CWIP Reporting Period: July 1, 2019 to December 31, 2019)**

**Funding Received Prior to the Current CWIP Reporting Period**

#	Source	Entity Receiving Funding	Type	Program	Activity	Prescribed Restrictions	Total New Funding Received from Source*	Funding Expended on Regulatory Assets within Watay LP**
1	Indigenous and Northern Affairs Canada (INAC)	Opiikapawiin Services LP (OSLP)	Federal	Strategic Partnerships Initiative	Aboriginal Participation	Subject to the terms of the funding agreement	\$ 2,259,069	\$ 1,914,617
2	Indigenous and Northern Affairs Canada (INAC)	Opiikapawiin Services LP (OSLP)	Federal	Build Canada Fund (BCF)	Aboriginal Engagement	Subject to the terms of the funding agreement	\$ 1,000,000	\$ 1,000,000
3	Indigenous and Northern Affairs Canada (INAC)	Opiikapawiin Services LP (OSLP)	Federal	Community Opportunities Readiness Program (CORP)	Environmental Assessment	Subject to the terms of the funding agreement	\$ 923,744	\$ 923,806
4	Indigenous and Northern Affairs Canada (INAC)	Central Corridor Energy Group (CCEG)	Federal	Strategic Partnerships Initiative	Aboriginal Participation	Subject to the terms of the funding agreement	\$ 1,310,689	\$ 1,310,689
5	Indigenous and Northern Affairs Canada (INAC)	Central Corridor Energy Group (CCEG)	Federal	Strategic Partnerships Initiative	Aboriginal Participation	Subject to the terms of the funding agreement	\$ 875,000	\$ 875,000
6	Indigenous and Northern Affairs Canada (INAC)	Central Corridor Energy Group (CCEG)	Federal	Regional Program Funds	Aboriginal Engagement / Participation	Subject to the terms of the funding agreement	\$ 1,400,000	\$ 1,400,000
7	Indigenous and Northern Affairs Canada (INAC)	Central Corridor Energy Group (CCEG)	Federal	Strategic Partnerships Initiative	Aboriginal Engagement / Participation	Subject to the terms of the funding agreement	\$ 1,155,908	\$ 1,155,908
8	Indigenous and Northern Affairs Canada (INAC)	Central Corridor Energy Group (CCEG)	Federal	Lands and Economic Development Services Program	Aboriginal Engagement / Participation	Subject to the terms of the funding agreement	\$ 100,000	\$ 100,000
9	FedNor	Central Corridor Energy Group (CCEG)	Federal	N/A	Aboriginal Engagement / Participation	Subject to the terms of the funding agreement	\$ 430,011	\$ 430,011
10	Independent Electricity System Operator (IESO)	Opiikapawiin Services LP (OSLP)	Provincial	Education & Capacity Building Program	Aboriginal Participation	Subject to the terms of the funding agreement	\$ 162,875	\$ 87,617

**First Nations LP and OSLP - Government Funding**  
**(Current CWIP Reporting Period: July 1, 2019 to December 31, 2019)**

**Funding Received Prior to the Current CWIP Reporting Period**

#	Source	Entity Receiving Funding	Type	Program	Activity	Prescribed Restrictions	Total New Funding Received from Source*	Funding Expended on Regulatory Assets within Watay LP**
11	Northern Ontario Heritage Fund Corporation (NOHFC)	Central Corridor Energy Group (CCEG)	Provincial	N/A	Aboriginal Participation	Subject to the terms of the funding agreement	\$ 50,000	\$ 50,000
12	Ministry of Energy	Central Corridor Energy Group (CCEG)	Provincial	N/A	Aboriginal Participation	Subject to the terms of the funding agreement	\$ 139,941	\$ 139,941
13	Ministry of Energy	Central Corridor Energy Group (CCEG)	Provincial	N/A	Aboriginal Participation	Subject to the terms of the funding agreement	\$ 26,704	\$ 26,704
14	Indigenous and Northern Affairs Canada (INAC)	Opiikapawiin Services LP (OSLP)	Federal	Strategic Partnerships Initiative	Aboriginal Participation	Subject to the terms of the funding agreement	\$ 201,548	\$ 108,683
15	Indigenous and Northern Affairs Canada (INAC)	Opiikapawiin Services LP (OSLP)	Federal	Build Canada Fund (BCF) ***	Aboriginal Engagement	Subject to the terms of the funding agreement	\$ 1,790,000	\$ 1,284,400
16	Independent Electricity System Operator (IESO)	Opiikapawiin Services LP (OSLP)	Provincial	Education & Capacity Building Program	Aboriginal Participation	Subject to the terms of the funding agreement	"Program previously recorded, balance moved to line 10"	N/A
17	Employment and Social Development Canada (ESDC)	Opiikapawiin Services LP (OSLP)	Federal	Aboriginal Skills & Partnership Fund (SPF)	Aboriginal Participation	Subject to the terms of the funding agreement	\$ 1,276,283	\$ 1,008,812
18	Indigenous and Northern Affairs Canada (INAC)	Opiikapawiin Services LP (OSLP)	Federal	Build Canada Fund (BCF) - Relates to item 15 above	Aboriginal Engagement	Subject to the terms of the funding agreement	"Program previously recorded, balance moved to line 15"	N/A
19	Indigenous and Northern Affairs Canada (INAC)	Opiikapawiin Services LP (OSLP)	Federal	Strategic Partnerships Initiative	Aboriginal Participation	Subject to the terms of the funding agreement	\$ 403,095	\$ 91,317
20	Indigenous and Northern Affairs Canada (INAC)	Opiikapawiin Services LP (OSLP)	Federal	Community Opportunities Readiness Program (CORP) - Relates to item 3 above	Environmental Assessment	Subject to the terms of the funding agreement	"Program previously recorded, balance moved to line 3"	N/A
21	Independent Electricity System Operator (IESO)	Opiikapawiin Services LP (OSLP)	Provincial	Education & Capacity Building Program - Relates to item 10 above	Aboriginal Participation	Subject to the terms of the funding agreement	"Program previously recorded, balance moved to line 10"	N/A
22	Employment and Social Development Canada (ESDC)	Opiikapawiin Services LP (OSLP)	Federal	Aboriginal Skills & Partnership Fund (SPF) - Relates to item 17 above	Aboriginal Participation	Subject to the terms of the funding agreement	"Program previously recorded, balance moved to line 17"	N/A

**First Nations LP and OSLP - Government Funding**  
**(Current CWIP Reporting Period: July 1, 2019 to December 31, 2019)**

**Funding Received Prior to the Current CWIP Reporting Period**

#	Source	Entity Receiving Funding	Type	Program	Activity	Prescribed Restrictions	Total New Funding Received from Source*	Funding Expended on Regulatory Assets within Watay LP**
23	Indigenous and Northern Affairs Canada (INAC)	Opiikapawiin Services LP (OSLP)	Federal	Strategic Partnerships Initiative	Aboriginal Participation	Subject to the terms of the funding agreement	\$ 565,232	\$ 83,654
24	Indigenous and Northern Affairs Canada (INAC)	Opiikapawiin Services LP (OSLP)	Federal	Build Canada Fund (BCF) - Relates to item 15 above	Aboriginal Engagement	Subject to the terms of the funding agreement	"Program previously recorded, balance moved to line 15"	N/A
25	Employment and Social Development Canada (ESDC)	Opiikapawiin Services LP (OSLP)	Federal	Aboriginal Skills & Partnership Fund (SPF) - Relates to item 17 above	Aboriginal Participation	Subject to the terms of the funding agreement	"Program previously recorded, balance moved to line 17"	N/A
26	Indigenous and Northern Affairs Canada (INAC)	Opiikapawiin Services LP (OSLP)	Federal	Strategic Partnerships Initiative	Aboriginal Participation	Subject to the terms of the funding agreement	\$ 690,836	\$ 100,523
27	Indigenous and Northern Affairs Canada (INAC)	Opiikapawiin Services LP (OSLP)	Federal	Build Canada Fund (BCF) - Relates to item 15 above	Aboriginal Engagement	Subject to the terms of the funding agreement	"Program previously recorded, balance moved to line 15"	N/A
28	Employment and Social Development Canada (ESDC)	Opiikapawiin Services LP (OSLP)	Federal	Aboriginal Skills & Partnership Fund (SPF) - Relates to item 17 above	Aboriginal Participation	Subject to the terms of the funding agreement	"Program previously recorded, balance moved to line 17"	N/A
29	Employment and Social Development Canada (ESDC)	Opiikapawiin Services LP (OSLP)	Federal	Aboriginal Skills & Partnership Fund (SPF) - Relates to item 17 above	Aboriginal Participation	Subject to the terms of the funding agreement	"Program previously recorded, balance moved to line 17"	N/A
<b>Total</b>							<b>\$ 14,760,934</b>	<b>\$ 12,091,681</b>

**First Nations LP and OSLP - Government Funding**  
**(Current CWIP Reporting Period: July 1, 2019 to December 31, 2019)**

**Funding Received During the Current CWIP Reporting Period**

#	Source	Entity Receiving Funding	Type	Program	Activity	Prescribed Restrictions	Total New Funding Received from Source***	Funding Expended on Regulatory Assets within Watay LP**
30	Employment and Social Development Canada (ESDC)	Opiikapawiin Services LP (OSLP)	Federal	Aboriginal Skills & Partnership Fund (SPF) - Relates to item 17 above	Aboriginal Participation	Subject to the terms of the funding agreement	\$ 159,549	\$ 472,881
<b>Total</b>							<b>\$ 159,549</b>	<b>\$ 472,881</b>

Summary of Funding Requests	Amount Expended on Regulatory Assets within	
	Amount Approved	Watay LP
Historical Funding Received for development deferral account	\$ 14,760,934	\$ 11,921,053
Funding Received in the Preconstruction Period	\$ -	\$ 170,628
<b>Total funding received prior to start of construction</b>	<b>\$ 14,760,934</b>	<b>\$ 12,091,681</b>
Funding Received in the Construction Period	\$ 159,549	\$ 472,881
<b>Total</b>	<b>\$ 14,920,483</b>	<b>\$ 12,564,562</b>

\*Third party funding received to fund start up and pre November 2010 costs have not been included as the corresponding costs have been denied pursuant to OEB Decision and Order EB-2016-0262

\*\* Funding expended on regulatory assets not recorded until invoiced to Wataynikaneyap Power LP.

\*\*\*Additional funding from this source was approved for \$350,000 for a total program funding of \$1,435,832, however the amount was received subsequent to current reporting date, January 20, 2020.

## 2.3 Funding Dates

**Wataynikaneyap Power LP (WPLP)**  
**First Nations LP and OSLP - Government Funding Date Invoiced**  
**(Current CWIP Reporting Period: July 1, 2019 to December 31, 2019)**

**Funding Received and Invoiced Prior to the Current Reporting Period**

Date Invoiced	Amount
Monday, August 31, 2015	\$ 4,536,986
Thursday, December 31, 2015	\$ 467,824
Thursday, March 31, 2016	\$ 483,443
Saturday, December 31, 2016	\$ 1,223,205
Friday, March 31, 2017	\$ 2,124,486
Saturday, September 30, 2017	\$ 482,523
December 31, 2017	\$ 868,872
March 31, 2018	\$ 223,726
Sunday, September 30, 2018	\$ 1,068,406
December 31, 2018	\$ 219,540
March 31, 2019	\$ 222,043
June 30, 2019	\$ 170,628
<b>Total</b>	<b>\$ 12,091,681</b>

**Funding Received and Invoiced During the Current Reporting Period**

Date Invoiced	Amount
September 31, 2019	\$ 260,813
December 31, 2019	\$ 212,068
<b>Total</b>	<b>\$ 472,881</b>

<b>Summary of Funding Received and Invoiced</b>	
Total Historical Funds Received and Invoiced	\$ 12,091,681
Current Period Funds Received and Invoiced	\$ 472,881
<b>Total Funds Received and Invoiced</b>	<b>\$ 12,564,562</b>
Total Funds per Government Funding Report	<b>\$ 12,564,562</b>

**Note:** Government funding is received by either FNLP or OSLP. The costs and related funding are not recorded in WPLP until invoiced by FNLP.

2.4 Carrying Charges

**Wataynikaneyap Power LP (WPLP)**  
**Account Interest**  
**(Current CWIP Reporting Period: July 1, 2019 to December 31, 2019)**

	<i>As at</i> <b><u>31-Mar-19</u></b>	<i>Additions</i> <b><u>04 2019 - 06 2019</u></b>	<i>Additions</i> <b><u>06 2019 - 12 2019</u></b>	<i>As at</i> <b><u>31-Dec-19</u></b>
Carrying Charge Interest Income*	\$2,015,112	\$0	\$1,614,588	\$3,629,700
Carrying Charge Interest Expense*	(\$582,107)	\$0	\$0	(\$582,107)
Carrying Charges on Construction Costs	<b>\$1,433,004</b>	<b>\$0</b>	<b>\$1,614,588</b>	<b>\$3,047,592</b>

\*Carrying charges recorded up to March 31, 2019 were earned at the prescribed rates published by the OEB in accordance with the decision in EB-2016-0262. Carrying charges recorded subsequent to March 31, 2019 were earned at WPLP's actual cost of debt in accordance with the decision in EB-2019-0190.

## 3. Backup Power

### 3.1 Progress Update

In response to interrogatories in EB-2018-0190, WPLP informed the Board that as part of finalizing the definitive documents for the Government Funding Framework, Canada, Ontario, WPLP and First Nation LP agreed to enter into a Parallel Process Agreement which outlines the process for addressing backup power needs.<sup>5</sup> This Parallel Process Agreement was executed on July 3, 2019.

As contemplated in the Parallel Process Agreement, Indigenous Services Canada and First Nation LP have formed a Backup Power Working Group (BPWG) to develop a Backup Power Plan and to secure related funding and operational commitments for the Connecting Communities that can be implemented prior to grid connection. As of the end of 2019, the BPWG completed the first of two rounds of engagement with the Connecting Communities, and has involved other stakeholders in the discussions including Hydro One Remote Communities (H1RCI) and the Ministry of Energy, Northern Development and Mines.

In 2018, H1RCI developed a report outlining its requirements and other considerations for backup power in the Connecting Communities that they currently service. Building on this work, H1RCI completed an annex to this report (Containerized DGS Annex) outlining requirements for them to provide backup power in the Connecting Communities currently serviced by Independent Power Authorities (IPA) as these communities require additional consideration. The updated H1RCI report was completed in December 2019. After receiving the updated H1RCI report, the BPWG developed a draft Backup Power Plan, which is being presented to the Connecting Communities during a further round of community engagement taking place January – April 2020. In addition, the draft Backup Power Plan is being presented to other stakeholders as required, including H1RCI and the Ministry of Energy, Northern Development and Mines. The BPWG expects to have a final Backup Power Plan in Q2 of 2020. As discussed in the Executive Summary, WPLP is in the early stages of assessing the risks of schedule, cost and operational impacts, if any, arising from the COVID-19 pandemic. Any delays or ongoing risks resulting from this assessment, including for the Backup Power Plan, will be addressed in future reports as required.

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<sup>5</sup> EB-2018-0190; Response to Board Staff Supplemental IR 67

### 3.2 Key Issues and Risks

The issues and risks discussed in the table below are limited to those associated with the development of the Backup Power Plan as discussed in Section 3.1, as well as the timing for completing this plan in relation to the in-service dates for the Connecting Communities. Once the plan is finalized, the table will be updated in future reports to focus on any key issues and risks associated with the execution of that plan.

<b>Development of Backup Power Plan – Issues and Risks</b>				
<i>Item</i>	<i>Description</i>	<i>Impact</i>	<i>Actions/Mitigation</i>	<i>Requirement to Remove Risk</i>
1.	<p><b>Connecting Community Support</b></p> <p>In order for backup power solutions to be accepted by each Connecting Community, there must be meaningful dialog and engagement with respect to any inputs, assumptions, standards and costs underpinning the H1RCI report, as well as any potential community impacts resulting from the proposed solution.</p>	<p>Failure to secure community acceptance of backup power solutions could delay or prevent finalization of the Backup Power Plan.</p>	<ul style="list-style-type: none"> <li>- Early and ongoing engagement with the Connecting Communities specifically focused on backup power requirements and solutions</li> <li>- First Nation LP is a party to the Parallel Process Agreement, and a member of the Backup Power Working Group</li> <li>- Terms of Reference for the Backup Power Working Group indicate intent to secure support letters from each Connecting Community</li> </ul>	<ul style="list-style-type: none"> <li>- Finalize Backup Power Plan</li> <li>- Obtain a Band Council Resolution (BCR) supporting the Backup Power Plan from each Connecting Community</li> </ul>
2.	<p><b>Stakeholder Support &amp; Commitments</b></p> <p>In addition to Connecting Community support, the proposed backup power solution for each community must have commitments from relevant stakeholders with respect to any required upfront investments, ongoing operational and maintenance responsibilities, and cost responsibility for future operation and capital reinvestment.</p>	<p>Failure to secure funding and operational commitments for the preferred backup power solution could delay or prevent finalization of the Backup Power Plan.</p>	<ul style="list-style-type: none"> <li>- Canada is a party to the Parallel Process Agreement, and Indigenous Services Canada is a member of the Backup Power Working Group</li> <li>- Early and ongoing discussion with H1RCI</li> <li>- H1RCI engaged to complete 2018 Backup Power Report and updated 2019 Backup Power Report for the working group</li> <li>- Participation in Backup Power Working Group meetings by H1RCI as required</li> </ul>	<ul style="list-style-type: none"> <li>- Finalize Backup Power Plan</li> <li>- Contractual arrangements related to Backup Power</li> <li>- Funding agreements related to the implementation of backup power</li> </ul>
3.	<p><b>Timing</b></p> <p>The Backup Power Plan should be finalized with sufficient lead time to allow for any upfront investments and system modifications to be</p>	<p>Delays in finalizing the Backup Power Plan and/or implementing the preferred backup power solutions could</p>	<ul style="list-style-type: none"> <li>- Target date for finalizing the Backup Power Plan is more than one year ahead of the earliest in-service dates for community connections</li> </ul>	<ul style="list-style-type: none"> <li>- Finalize Backup Power Plan in Q2 2020.</li> </ul>

<b>Development of Backup Power Plan – Issues and Risks</b>				
<i>Item</i>	<i>Description</i>	<i>Impact</i>	<i>Actions/Mitigation</i>	<i>Requirement to Remove Risk</i>
	completed prior to the grid-connection date for each Connecting Community.	result in reliability impacts following connection.	<ul style="list-style-type: none"> <li>- Coordination of schedules between WPLP Project Management group and Backup Power Working Group to prioritize backup power solutions based on grid-connection timelines and lead times for backup power solutions</li> <li>- Backup Power Working Group meets regularly to discuss scheduling and target dates</li> </ul>	

### 3.3 Backup Power Solutions and Forecasted Dates by Community

As discussed in Section 3.1, WPLP expects that a Backup Power Plan will be finalized in Q2 of 2020. It is therefore premature to provide details of the specific solutions and associated dates for each community. In future reports, upon finalizing the Backup Power Plan, the table below will be populated with the relevant data.

<b>Backup Power Plan – Summary by Community</b>						
<i>Community</i>	<i>Backup Power Solution(s)</i>	<i>Capacity</i>	<i>Modifications Required</i>	<i>Target date for backup power</i>	<i>Target date for grid-connection</i>	<i>Mitigation (if dates don't align)</i>
	e.g. Use existing DGS Assets	e.g. Full-backup, possible load reductions, critical facilities only, etc.	e.g. building heating retrofits, engine block heaters, programming changes, etc.			