

**Hydro One Networks Inc.**

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**BY EMAIL AND RESS**

June 8, 2022

Ms. Nancy Marconi  
Registrar  
Ontario Energy Board  
Suite 2700, 2300 Yonge Street  
P.O. Box 2319  
Toronto, ON M4P 1E4

Dear Ms. Marconi,

**EB-2022-0140 – Hydro One Networks Inc. Leave to Construct Application – Chatham by Lakeshore  
– Update to Exhibit B-3-1**

Hydro One is providing an update to Exhibit B, Tab 3, Schedule 1 and the corresponding first attachment of the same Schedule of its prefiled evidence to include a Letter from the Minister of Energy and an Order in Council declaring the Chatham to Lakeshore Project to be needed as a priority project.

In addition to these specific updates, Hydro One has also filed a text-searchable electronic version of the complete application that encompasses these changes using the OEB's Regulatory Electronic Submission System.

Lastly, in accordance with the Letter of Direction, issued June 3, 2022, Hydro One confirms that it has also updated the Hydro One website to reflect this update to the Application.

Sincerely,



Joanne Richardson

cc: Gord Nettleton (McCarthy Tétrault)  
Monica Caceres (Hydro One Networks Inc.)

## EVIDENCE IN SUPPORT OF NEED

Effective December 17, 2020, the Minister of Energy, Northern Development and Mines (now the Minister of Energy) with the approval of the Lieutenant Governor in Council made an Order in Council ("**OIC**"), declaring that construction of the Chatham x Lakeshore Project is needed in accordance with s.28.6.1 of the OEB Act ("**the Act**"). The Independent Electricity System Operator described the need for the Project in its report entitled "Need for Bulk Transmission Reinforcement in the Windsor-Essex Region" dated June 13, 2019 ("IESO Report"). In-service timing of the Project is stated to be prior to winter of 2025-2026.

A copy of the OIC and correspondence from the Ontario Minister of Energy advising the Ontario Energy Board of the OIC is included as Attachment 1 of this Schedule. Also included in Attachment 1 is a subsequent OIC declaring the Project is needed as a priority project dated March 31, 2022. In accordance with s.96.1(2) of the Act, having been declared to be a priority project, the Project shall be accepted by the Board as needed when the Board considers an application for leave to construct.

This IESO Report is provided as Attachment 2 to this Schedule. The IESO Report provides further detail on the need to increase the long-term transmission capacity to the Leamington area including the need to:

- Improve the ability to connect new loads in the Leamington area
- Enable greater bulk system transfers to meet local and bulk system needs
- Maintain existing transmission capability on the Ontario-Michigan intertie.

In addition to the IESO's analysis of need and supporting information, Hydro One has also included a letter dated June 11, 2019 where the IESO advised Hydro One to seek the necessary approvals for a new 230kV line to increase the transmission capability to the Windsor-Essex area. The letter is provided as Attachment 3 of his Schedule.

Hydro One concurs with the IESO's determination that there is a need to increase the long-term transmission capacity to the Windsor-Essex area by winter of 2025/2026. As indicated in the IESO's materials, the IESO identified a shortfall between transmission

1 capability and forecast load of about 50 MW in 2025 and reaching about 190 MW the  
2 following winter. The shortfall will persist into the long-term and exacerbates as load  
3 growth accelerates. Given the expected shortfall, the IESO concluded through planning  
4 studies covering a range of scenarios, that there is a need to reinforce the transmission  
5 system out to the Windsor-Essex area.

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

Office of the Minister

77 Grenville Street, 10<sup>th</sup> Floor  
Toronto ON M7A 2C1  
Tel.: 416-327-6758

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

Bureau du ministre

77, rue Grenville, 10<sup>e</sup> étage  
Toronto ON M7A 2C1  
Tél. : 416 327-6758



MC-994-2020-1148

December 17, 2020

Mr. Richard Dicerni  
Chair  
Ontario Energy Board  
2300 Yonge Street, 27th Floor  
PO Box 2319  
Toronto ON M4P 1E4

Dear Mr. Dicerni:

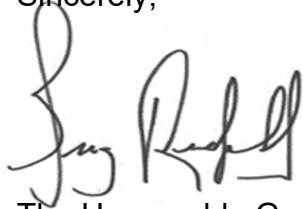
I am writing to you today to inform you that under the authority of section 28.6.1 of the *Ontario Energy Board Act, 1998*, I am, with the approval of the Lieutenant Governor in Council represented by Order in Council, issuing a directive to the OEB to amend Hydro One Networks Inc. (Hydro One)'s electricity transmission licence to include a requirement that it proceed to develop and seek all necessary approvals for a new 230 kilovolt (kV) double-circuit transmission line from the existing Chatham Switching Station to the new Lakeshore Transformer Station to be located at Leamington Junction ("Chatham to Lakeshore Line"), including associated station facilities to connect the Chatham to Lakeshore Line ("Project) at the terminal stations.

The Project was assessed by the Independent Electricity System Operator (IESO) through a planning report, entitled "Need for Bulk Transmission Reinforcement in the Windsor-Essex Region" (dated June 13, 2019). The report recommended a new transmission line west of Chatham as the appropriate solution required to meet expected demand growth and system needs of the region. The report identified an in-service date prior to the winter of 2025-2026 and the IESO had subsequently issued a letter to Hydro One (dated June 11, 2019), requesting Hydro One initiate work on the Project and the associated station facilities in order to achieve the required in service date.

.../cont'd

The licence amendments required by this directive will further support the timely development of this transmission line. I appreciate the OEB's actions in this regard.

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

Enclosure

c: Susanna Zagar, Chief Executive Officer, OEB



Ontario

**Executive Council of Ontario  
Order in Council**

On the recommendation of the undersigned, the Lieutenant Governor of Ontario, by and with the advice and concurrence of the Executive Council of Ontario, orders that:

**Conseil exécutif de l'Ontario  
Décret**

Sur la recommandation de la personne soussignée, le lieutenant-gouverneur de l'Ontario, sur l'avis et avec le consentement du Conseil exécutif de l'Ontario, décrète ce qui suit :

**WHEREAS** Ontario considers it necessary to expand Ontario's transmission system in order to provide a reliable and adequate supply of electricity to the Kingsville-Leamington area in the near to mid-term to meet forecast load growth, to permit the resources and bulk facilities in the region to operate efficiently and to maintain the existing interchange capability of the Ontario-Michigan interconnection;

**AND WHEREAS** the Independent Electricity System Operator, the organization responsible for ensuring the reliability of Ontario's electricity grid, issued a Bulk Planning Report, entitled the "Need for Bulk Transmission Reinforcement in the Windsor-Essex Region" (dated June 13, 2019) which recommended a new transmission line west of Chatham as the appropriate solution required to meet expected demand growth and system needs, identifying an in-service date prior to the winter of 2025-2026;

**AND WHEREAS** the Government has determined that the development of the transmission line project should be undertaken by a transmitter that is best positioned to ensure that the project can be developed efficiently and on a timeline that supports economic growth;

**AND WHEREAS** the Government has determined that the preferred manner of proceeding is to require Hydro One Networks Inc. to undertake the development of the transmission line project including any and all steps that are deemed to be necessary and desirable in order to seek required approvals;

**AND WHEREAS** the Minister of Energy, Northern Development and Mines has, with the approval of the Lieutenant Governor in Council, the authority to issue Directives pursuant to section 28.6.1 of the *Ontario Energy Board Act, 1998*, which relate to the construction, expansion or re-enforcement of transmission systems;

**NOW THEREFORE** the Directive attached hereto is approved and shall be and is effective as of the date hereof.

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**ATTENDU QUE** l'Ontario estime qu'il est nécessaire d'étendre le réseau de transport d'électricité de l'Ontario dans le but d'assurer une alimentation en électricité fiable et convenable dans la région de Kingsville-Leamington, à court et moyen terme, pour répondre à la croissance prévue de la demande, favoriser le fonctionnement efficace des ressources et des installations en vrac dans la région et maintenir la capacité existante de transit d'énergie de l'interconnexion entre l'Ontario et le Michigan;

**ATTENDU QUE** la Société indépendante d'exploitation du réseau d'électricité (SIERE), l'organisme chargé d'assurer la fiabilité du réseau d'électricité de l'Ontario, a publié un rapport de planification de la distribution en vrac, intitulé « Need for Bulk Transmission Reinforcement in the Windsor-Essex Region » (daté du 13 juin 2019), qui recommandait une nouvelle ligne de transport à l'ouest de Chatham comme solution appropriée pour répondre à la croissance de la demande prévue et aux besoins du réseau, et précisait une date de mise en service antérieure à l'hiver 2025-2026;

**ATTENDU QUE** le gouvernement a décidé que le développement du projet de ligne de transport devrait être exécuté par un transporteur qui est le mieux placé pour assurer le développement efficace du projet dans un délai favorable à la croissance économique;

**ATTENDU QUE** le gouvernement a déterminé que la meilleure façon de procéder serait d'exiger que Hydro One Networks Inc. se charge du développement du projet de ligne de transport, y compris de toutes les étapes qui seraient jugées nécessaires et souhaitables en vue d'obtenir les approbations nécessaires;

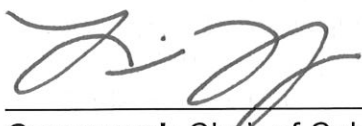
**ET ATTENDU QUE** le ministre de l'Énergie, du Développement du Nord et des Mines peut donner des directives, approuvées par le lieutenant-gouverneur en conseil, en application de l'article 28.6.1 de la *Loi de 1998 sur la Commission de l'énergie de l'Ontario*, à l'égard de la construction, de l'extension ou du renforcement de réseaux de transport;

**EN CONSÉQUENCE**, la directive ci-jointe est approuvée et entrera en vigueur en date des présentes.



**Recommended:** Minister of Energy, Northern Development and Mines

**Recommandé par :** Ministre de l'Énergie, du Développement du Nord et des Mines



**Concurred:** Chair of Cabinet

**Appuyé par :** Le président | la présidente du Conseil des ministres

**Approved and Ordered:**

**Approuvé et décrété le :**

NOV 05 2020



**Lieutenant Governor**

**La lieutenante-gouverneure**

## MINISTER'S DIRECTIVE / DIRECTIVE DU MINISTRE

**TO: THE ONTARIO ENERGY BOARD**

**DESTINATAIRE : LA COMMISSION DE L'ÉNERGIE DE L'ONTARIO**

I, Greg Rickford, Minister of Energy, Northern Development and Mines, hereby direct the Ontario Energy Board ("Board") pursuant to section 28.6.1 of the *Ontario Energy Board Act, 1998* as follows:

1. The Board shall amend the conditions of the electricity transmission licence of Hydro One Networks Inc. ("Hydro One") to include a requirement that Hydro One proceed to develop and seek approvals for a new 230 kilovolt (kV) double-circuit transmission line from the existing Chatham Switching Station to the new Lakeshore Transformer Station to be located at Leamington Junction (Chatham to Lakeshore Line), including associated station facilities to connect the Chatham to Lakeshore Line at the terminal stations. The purpose of the Chatham to Lakeshore Line is to provide a reliable and adequate supply of electricity to the Kingsville-Leamington area in the near to mid-term to meet forecast load growth, to permit the resources and bulk facilities in the region to operate efficiently and to maintain the existing interchange capability of the Ontario-Michigan interconnection. Development of the Chatham to Lakeshore Line shall accord with the project scope and timing recommended by the Independent Electricity System Operator.
2. The Board shall require that Hydro One provide such reporting to the Board as the Board may consider appropriate, with respect to budget, timing and risks in relation to the development of the Chatham to Lakeshore Line.
3. The Board shall make the amendments to Hydro One's electricity transmission licence without holding a hearing.

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Je soussigné, Greg Rickford, ministre de l'Énergie, du Développement du Nord et des Mines (le « ministre »), ordonne ce qui suit à la Commission de l'énergie de l'Ontario (la « Commission »), en vertu du paragraphe 28.6.1 de la *Loi de 1998 sur la Commission de l'énergie de l'Ontario* :

1. La Commission modifiera les conditions du permis de transport d'électricité de Hydro One Networks Inc. (« Hydro One ») de manière à inclure l'exigence que Hydro One obtienne les approbations nécessaires à la construction d'une nouvelle ligne de transport à double circuit de 230 kilovolts (kV), du poste de sectionnement de Chatham existant au nouveau poste de transformation de Lakeshore, qui sera situé à la jonction de Leamington (ligne Chatham-Lakeshore), y compris les installations connexes pour relier la ligne Chatham-Lakeshore aux stations terminales. Le but de la ligne Chatham-Lakeshore Line est d'assurer une alimentation en électricité fiable et convenable dans la région de Kingsville-Leamington, à court et moyen terme, pour répondre à la croissance prévue de la demande, favoriser le fonctionnement efficace des ressources et des installations en vrac dans la région et maintenir la capacité existante de transit d'énergie de l'interconnexion entre l'Ontario et le Michigan. L'aménagement de la ligne Chatham-Lakeshore doit être en ligne avec l'étendue du projet et le délai recommandé par la Société indépendante d'exploitation du réseau d'électricité.



2. La Commission exigera que Hydro One lui remette les rapports qu'elle estime appropriés, en ce qui concerne le budget, les délais et les risques liés à l'aménagement de la ligne Chatham-Lakeshore.
3. La Commission apportera les modifications nécessaires au permis de transport d'électricité de Hydro One sans tenir d'audience.



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Minister of Energy, Northern Development and Mines  
Ministre de l'Énergie, du Développement du Nord et des Mines



April 4, 2022

Mr. Richard Dicerni  
Chair  
Ontario Energy Board  
2300 Yonge Street, 27th Floor  
Toronto ON M4P 1E4

Dear Mr. Dicerni:

Southwestern Ontario is experiencing significant economic growth due to a rapidly expanding greenhouse sector and interest in major new developments in automotive battery manufacturing. This has underscored the need to accelerate critical electricity transmission projects so that power is available to support this growing region.

On September 23, 2021, the Independent Electricity System Operator issued a bulk planning report entitled Need for Bulk System Reinforcements West of London, which recommended new transmission infrastructure to meet forecast electricity demand growth and identified potential future projects that may be needed depending on how growth materializes and where generation resources are located.

I am writing to you today to inform you that under the authority of section 96.1(1) of the *Ontario Energy Board Act, 1998* (the Act), the Lieutenant Governor in Council made an order declaring that the construction, expansion or reinforcement of three transmission lines in Southwestern Ontario are needed as priority projects. The Order in Council took effect on March 31, 2022 and is attached to this letter.

Furthermore, under the authority of section 28.6.1 of the Act, I am, with the approval of the Lieutenant Governor in Council pursuant to Order in Council No. 875-2022, issuing a directive to the OEB to amend Hydro One Networks Inc.'s (Hydro One) electricity transmission licence to include a requirement that it proceed to develop and seek all necessary approvals for four new transmission projects in Southwestern Ontario, including two of the priority projects. The licence amendments required by this directive will further support the timely development of these transmission lines.

Please do not hesitate to contact my office with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Todd Smith', with a long horizontal stroke extending to the right.

Todd Smith  
Minister

Attachments

c: Susanna Zagar, Chief Executive Officer, OEB  
Stephen Rhodes, Deputy Minister of Energy



Ontario

**Executive Council of Ontario  
Order in Council**

On the recommendation of the undersigned, the Lieutenant Governor of Ontario, by and with the advice and concurrence of the Executive Council of Ontario, orders that:

**Conseil exécutif de l'Ontario  
Décret**

Sur la recommandation de la personne soussignée, le lieutenant-gouverneur de l'Ontario, sur l'avis et avec le consentement du Conseil exécutif de l'Ontario, décrète ce qui suit :

**WHEREAS** Ontario considers it critical to expand Ontario's transmission system to provide a reliable and adequate supply of electricity to Southwestern Ontario to support economic growth in the region, including the rapidly growing agricultural sector and the potential for growth in the electric vehicle and broader automotive sectors;

**AND WHEREAS** Ontario considers the expansion of the electricity network in Southwestern Ontario to support economic growth to be a priority;

**AND WHEREAS** the Independent Electricity System Operator, the organization responsible for ensuring the reliability of Ontario's electricity grid, has published:

1. A bulk planning report dated June 13, 2019, entitled the "Need for Bulk Transmission Reinforcement in the Windsor-Essex Region, which recommended a new 230 kilovolt (kV) transmission line west of Chatham as the appropriate solution required to meet expected demand growth and system needs; and
2. A bulk planning report dated September 23, 2021, entitled the "Need for Bulk System Reinforcements West of London," which recommended a new 230 kV transmission line from Lambton to Chatham and a new 500 kV transmission line between Longwood and Lakeshore as the appropriate solutions to meet forecast electricity demand growth

**AND WHEREAS** the Lieutenant Governor in Council may make an order under section 96.1 of the *Ontario Energy Board Act, 1998* (the "Act") declaring that the construction, expansion or reinforcement of an electricity transmission line specified in the order is needed as a priority project;

**AND WHEREAS** an order under section 96.1 of the Act requires the Ontario Energy Board, in considering an application under section 92 of the Act in respect of an electricity transmission line specified in the order, to accept that the construction, expansion or reinforcement is needed when forming its opinion under section 96 of the Act;

**NOW THEREFORE** it is hereby declared pursuant to section 96.1 of the Act that the construction, expansion or reinforcement of the following electricity transmission lines are needed as priority projects:

1. A new 230 kV electricity transmission line from the existing Chatham Switching Station to the new Lakeshore Transformer Station, as described in the Minister's Directive issued to the Ontario Energy Board on December 17, 2020, as approved by the Lieutenant Governor in Council pursuant to Order in Council No. 1499/2020 dated November 5, 2020;
2. A new 230 kV electricity transmission line from Lambton Transformer Station to Chatham Switching Station as described in clause 1 of sub-paragraph 1 i of the Minister's Directive to the Ontario Energy Board, as approved by the Lieutenant Governor in Council pursuant to Order-in-Council No. 875 /2022 dated March 31, 2022; and
3. A new 500 kV electricity transmission line from Longwood Transformer Station to Lakeshore Transformer Station as described in clause 2 of sub-paragraph 1 i of the Minister's Directive to the Ontario Energy Board, as approved by the Lieutenant Governor in Council pursuant to Order-in-Council No. 875 /2022 dated March 31, 2022.

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**ATTENDU QUE** l'Ontario estime qu'il est crucial d'étendre le réseau de transport de l'Ontario pour assurer un acheminement fiable et adéquat d'électricité vers le Sud-Ouest de l'Ontario afin de favoriser la croissance économique dans la région, notamment la croissance rapide du secteur agricole et le potentiel de croissance des secteurs des véhicules électriques et, plus généralement, de l'automobile;

**ATTENDU QUE** l'Ontario estime que l'extension du réseau d'électricité dans le Sud-Ouest de l'Ontario pour favoriser la croissance économique est une priorité;

**ATTENDU QUE** la Société indépendante d'exploitation du réseau d'électricité, l'organisme responsable de la fiabilité du réseau électrique, a publié :

1. en date du 13 juin 2019, un rapport de planification global intitulé « Need for Bulk Transmission Reinforcement in the Windsor-Essex Region », qui recommande, comme solution nécessaire pour répondre à la croissance prévue de la demande et aux besoins du réseau, la construction d'une nouvelle ligne de transport de 230 kilovolts à l'ouest de Chatham; et
2. en date du 23 septembre 2021, un rapport de planification global intitulé « Need for Bulk System Reinforcements West of London », qui recommande, comme solutions adéquates pour répondre à la croissance prévue de la demande d'électricité, la construction d'une nouvelle ligne de transport de 230 kilovolts entre Lambton et Chatham et d'une nouvelle ligne de transport de 500 kilovolts entre Longwood et Lakeshore;

**ATTENDU QUE**, en vertu de l'article 96.1 de la *Loi de 1998 sur la Commission de l'énergie de l'Ontario* (la « Loi »), le lieutenant-gouverneur en conseil peut, par décret, déclarer que la construction, l'extension ou le renforcement de toute ligne de transport d'électricité précisée dans le décret est nécessaire à titre de projet prioritaire;

**ET ATTENDU QU'**un décret pris en vertu de l'article 96.1 de la Loi oblige la Commission de l'énergie de l'Ontario, lorsqu'elle examine une requête présentée en application de l'article 92 de la Loi relativement à toute ligne de transport d'électricité précisée dans le décret, à accepter le fait que la construction, l'extension ou le renforcement est nécessaire lorsqu'elle se fait une opinion dans le cadre de l'article 96 de la Loi;

**EN CONSÉQUENCE**, il est par les présentes déclaré, en vertu de l'article 96.1 de la Loi, que la construction, l'extension ou le renforcement des lignes de transport d'électricité ci-dessous sont nécessaires à titre de projets prioritaires :

1. une nouvelle ligne de transport d'électricité de 230 kilovolts, du poste de sectionnement de Chatham existant au nouveau poste de transformation de Lakeshore, conformément à la description faite dans la directive du ministre adressée le 17 décembre 2020 à la Commission de l'énergie de l'Ontario et approuvée par le lieutenant-gouverneur en conseil en vertu du décret 1499/2020 du 5 novembre 2020;
2. une nouvelle ligne de transport d'électricité de 230 kilovolts, du poste de transformation de Lambton au poste de sectionnement de Chatham, conformément à la description faite à la clause 1 de l'alinéa 1 i de la directive du ministre adressée à la Commission de l'énergie de l'Ontario et approuvée par le lieutenant-gouverneur en conseil en vertu du décret 875 /2022 du 31 mars 2022; et
3. une nouvelle ligne de transport d'électricité de 500 kilovolts du poste de transformation de Longwood au poste de transformation de Lakeshore, conformément à la description faite à la clause 2 de l'alinéa 1 i de la directive du ministre adressée à la Commission de l'énergie de l'Ontario et approuvée par le lieutenant-gouverneur en conseil en vertu du décret 875 /2022 du 31 mars 2022.



**Recommended:** Minister of Energy

**Recommandé par :** Le ministre de l'Énergie



**Concurred:** Chair of Cabinet

**Appuyé par :** Le président | la présidente du Conseil des ministres

**Approved and Ordered:**  
**Approuvé et décrété le :**

MAR 31 2022



**Lieutenant Governor**  
**La lieutenante-gouverneure**