

October 15, 2023

RESS, EMAIL & COURIER

Ontario Energy Board
P.O. Box 2319
27th Floor, 2300 Yonge Street
Toronto, ON M4P 1E4

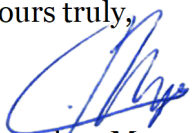
Attention: Nancy Marconi, Registrar

Dear Ms. Marconi:

**Re: Semi-Annual Report on CWIP Account and Backup Supply Arrangements
for the Wataynikaneyap Transmission Project (EB-2018-0190)**

Enclosed on behalf of Wataynikaneyap Power LP (WPLP) is the October 15, 2023 *Semi-Annual Report on CWIP Account and Backup Supply Arrangements* for the Wataynikaneyap Transmission Project. This report, which has been filed on RESS, is provided in accordance with the Board's Decision and Order in EB-2018-0190 (issued April 1, 2019 and revised April 29, 2019). Similar reports were previously filed pursuant to the Board's March 23, 2017 Decision and Order in EB-2016-0262. Please note that this version of the report also includes the additional information that WPLP agreed to provide pursuant to the approved Settlement Agreements in EB-2021-0134 and EB-2022-0149.

Yours truly,



Jonathan Myers

Enclosure

cc: Ms. Margaret Kenequanash, WPLP
Mr. Duane Fecteau, WPLP
Mr. Charles Keizer, Torys LLP

ONTARIO ENERGY BOARD

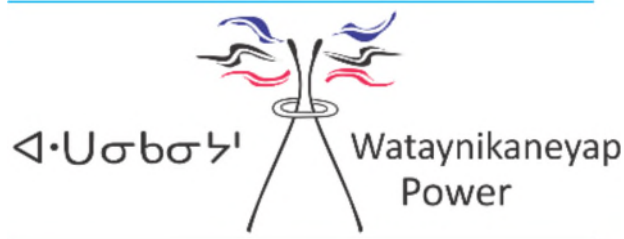
IN THE MATTER OF the *Ontario Energy Board Act, 1998*, C.S.O. 1998, c.15 (Sched. B); pursuant to section 92 of the *Ontario Energy Board Act*.

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

October 15, 2023



1. 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.¹ The Decision directed 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 established, 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 account² 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.

In addition, as part of the OEB-approved Settlement Agreements in EB-2021-0134 and EB-2022-0149, WPLP agreed to include the following additional information in its semi-annual reports:

- a current schedule of the expected connection dates for each remote community that is, at the time of the semi-annual report, not yet connected to WPLP’s transmission system;
- details of any updates to WPLP’s current operations, including (1) how scopes of work under the Control Room Services Agreement and the Inspection, Maintenance and Emergency Response (IMER) Agreement will be performed, (2) the nature and status of permitting and engagement required for operational access, and (3) WPLP’s fleet and facilities plans, as well as (4) material changes to its long-term operating plans with respect to operations, operating and maintenance systems and practices;
- updated information, in respect of each community for which an independent power authority (IPA) will be transferring their distribution system assets to HORCI, on the status of each such IPA community in meeting the transfer conditions included in the IPA community’s transfer agreements with Indigenous Services Canada (ISC) and HORCI, subject to WPLP being able to obtain this information from ISC along with consent from ISC to provide it on the public record in WPLP’s semi-annual reports; and
- high-level status updates, in respect of each of the communities currently served by HORCI and which will be connected to WPLP’s transmission system, on key milestones relating to those

¹ 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.

² 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.

communities' efforts to become ready for connection to WPLP's transmission system, consistent with the information provided in response to HORCI IR #2(d) from EB-2021-0134.³

Accordingly, this Semi-Annual Report addresses the following aspects:

Section 2 - CWIP account

Section 3 - Back-up supply arrangements

Section 4 - Community connection dates

Section 5 - Operating plans

Section 6.1 - Status of IPA-served communities

Section 6.2 – Status of HORCI-served communities

³ See EB-2021-0134 Settlement Proposal, p.14

2. CWIP Account

2.1 Construction Cost, Forecasts and Variances

No update required as 2024 rate application is before the OEB.

3. Backup Power

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

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.⁴ This Parallel Process Agreement was executed on July 3, 2019.

As contemplated in the Parallel Process Agreement, Indigenous Services Canada and First Nation LP formed a Backup Power Working Group (BPWG) to develop a Backup Power Plan as well as secure related funding and operational commitments for the Connecting Communities that can be implemented prior to grid connection.

The BPWG finalized the Backup Power Plan in Q2 2020 and distributed it to key stakeholders early June 2020. The development process for the Backup Power Plan was as follows:

- In 2018, HORCI developed a report outlining technical and environmental requirements as well as other considerations for backup power in the Connecting Communities that they currently service. Building on this work, HORCI 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 HORCI report annex was completed in December 2019.
- By the end of 2019, the BPWG completed the first of two rounds of engagement with the Connecting Communities, and involved other stakeholders in discussions, including Hydro One Remote Communities (HORCI) and the Ministry of Energy, Northern Development and Mines.
- After receiving the updated HORCI report, including the annex, the BPWG developed a draft Backup Power Plan, which was presented to the Connecting Communities during the second round of community engagement, which took place January – September 2020. The second round of community engagement was initially set to conclude in April 2020. However, the timeline was impacted by the COVID-19 pandemic and related community access & social restrictions. In addition, the draft Backup Power Plan was presented to other stakeholders including HORCI and the Ministry of Energy, Northern Development and Mines for review and feedback.
- The BPWG finalized the Backup Power Plan in Q2 2020, subject to additional processes required to approve the implementation details and secure the necessary funding for each community as described below. The Backup Power Plan was circulated to the Connecting Communities and

⁴ EB-2018-0190; Response to Board Staff Supplemental IR 67

other key stakeholders in early June 2020, with the Connecting Communities being provided with both electronic copies and hardcopies of the plan.

- For 13 of the 16 Connecting Communities, the Backup Power Plan recommended repurposing the existing diesel generation (DGS) assets for use as backup power. For the remaining three (3) communities which include North Caribou Lake First Nation, Pikangikum First Nation, and Wawakapewin First Nation, the Backup Power Plan recommended backup power at ISC-funded critical assets only.

Critical asset backup power for all communities will be implemented by each community. HORCI will complete the required upgrades to the DGS assets in eight (8) of the ten (10) communities they currently serve in order to repurpose the assets for use as backup power. Dedicated backup power at critical assets only was recommended for North Caribou Lake and Pikangikum⁵. The DGS assets in the six (6) IPA communities not currently served by HORCI have been inspected/assessed by an independent engineer, the Electrical Safety Authority (ESA), TSSA, as well as HORCI for suitability as backup power. Modifications to the DGS assets in communities not currently served by HORCI to enable transition from primary power to backup power operation will be completed prior to HORCI taking over operations and maintenance. HORCI is not taking over ownership of the DGS assets.

A preliminary draft workplan/timeline was developed by ISC in August 2020 that provided a framework for the implementation of the recommended backup power option for each Connecting Community as outlined in the Backup Power Plan. The workplan/timeline was shared with the Connecting Communities, their Tribal Councils, and Opiikapawiin Services (on behalf of First Nation LP). Previously, projects were categorized according to the fiscal year they were to be released and were as follows:

- Year 1 (Funding application released in FY 20/21 – 4 communities),
- Year 2 (Funding application released in FY 21/22 – 5 communities), and
- Year 3 (Funding application released in FY 22/23 – 7 communities).

In August 2020, ISC began working with the Connecting Communities whose backup power implementation projects were to be initiated in Year 1 and their Tribal Councils to develop and submit their respective backup power implementation funding applications. These communities included Wunnumin Lake First Nation, Pikangikum First Nation (critical assets only), Poplar Hill First Nation, and North Caribou Lake First Nation (critical assets only).

In January 2021, ISC began developing template funding applications for the Connecting Communities whose backup power implementation projects are to be initiated in Year 2. These communities included Kingfisher Lake First Nation, Muskrat Dam First Nation, Deer Lake First Nation, North Spirit Lake First Nation, and Keewaywin First Nation.

⁵ Wawakapewin was excluded given additional work required to assess existing infrastructure described on page 8 of semi-annual report.

As of December 2022, funding applications for the remaining seven (7) backup power implementation projects were developed, submitted to ISC, and approved. As of January 2023, work is underway for 15 of the 16 backup power implementation projects.

Wawakapewin First Nation is a unique case. The Backup Power Plan recommended backup power at ISC-funded critical assets only in Wawakapewin, of which there were none at that time. When HORCI was conducting reviews of the DGS assets in the Connecting Communities to assess their suitability for backup power, they were unable to visit Wawakapewin due to community access challenges. Consequently, HORCI and the BPWG used information available at the time for backup power planning. As the backup power planning process progressed, it was found that the technical information related to the Wawakapewin DGS assets, which was used to support the backup power recommendation outlined in the Backup Power Plan, was outdated. The BPWG and HORCI were able to obtain more current information related to the Wawakapewin DGS assets. Based on this new information, HORCI communicated their willingness to reassess the feasibility of repurposing and taking over operation of DGS assets in Wawakapewin for backup power. In August 2022, ISC met with Wawakapewin First Nation and agreed to provide funding for inspections and assessments of the DGS assets by an independent engineer, ESA, TSSA, and HORCI in order to properly evaluate their suitability for use as backup power. In January 2023, ISC approved funds to complete technical assessments of the DGS assets in Wawakapewin First Nation for suitability as backup power. Technical assessments were completed in August 2023 and confirmed that the DGS assets in Wawakapewin are unsuitable for use as backup power. Given the unsuitability of the DGS assets for use as backup power and that Wawakapewin is a very small community, alternative options for backup power are being investigated.

Energization dates for the Connecting Communities were revised as a result of COVID-19 and regional forest fires in 2021. The backup power implementation project schedule was also updated. Backup power implementation projects are no longer tracked by fiscal year, but rather by community energization date. Community energization dates are provided by Wataynikaneyap Power. In summer 2023, there were several communities whose energization dates were accelerated from 2024 to late 2023.

A table showing the revised backup power implementation workplan is shown below:

Connecting Community		Energization Date	Design Critical Assets	Procurement Critical Assets	Design DGS Assets	Construction DGS Assets
<u>Energization in 2022</u>						
1	Pikangikum First Nation	December 2018	Complete	In Progress	N/A	N/A
2	North Caribou Lake First Nation	October 2022	Complete	ON HOLD	N/A	N/A
3	Kingfisher Lake First Nation	November 2022	Complete	In Progress	Complete	Complete
<u>Energization 2023</u>						
4	Bearskin Lake First Nation	July 2023	Complete	N/A	Complete	Complete
5	Wawakapewin First Nation	August 2023	In Progress	TBD	N/A	N/A
6	Wunnumin Lake First Nation	September 2023	Complete	In Progress	In Progress	Not Started
7	Kasabonika Lake First Nation	September 2023	Complete	In Progress	Complete	In Progress

8	Sachigo Lake First Nation	November 2023	In Progress	In Progress	In Progress	In Progress
9	Kitchnuhmaykoosib Inninuwig	December 2023	In Progress	In Progress	In Progress	Not Started
10	Wapekeka First Nation	December 2023	In Progress	In Progress	In Progress	Not Started
11	Muskrat Dam First Nation	TBD	In Progress	In Progress	In Progress	Not Started
Energization 2024						
12	Poplar Hill First Nation	April 2024	In Progress	In Progress	In Progress	Not Started
13	Deer Lake First Nation	May 2024	In Progress	In Progress	Not Started	Not Started
14	Sandy Lake First Nation	June 2024	In Progress	In Progress	Not Started	Not Started
15	North Spirit Lake First Nation	July 2024	In Progress	In Progress	In Progress	Not Started
16	Keewaywin First Nation	August 2024	In Progress	In Progress	In Progress	Not Started

Updates for the 16 active backup power implementation projects are as follows:

	Connecting Community	Project Status
1.	Pikangikum	Site visit completed by Engineer in July 2022. Design completed. Critical asset generator has been ordered. Critical asset design will be finalized March 2024. Tender and construction timelines depend on delivery timelines and will be confirmed March 2024.
2.	North Caribou Lake	The DGS assets will not be repurposed for use as backup power due to age, condition, and environmental contamination. ESA/TSSA inspections not required for critical assets. Site visit completed by Engineer in June 2022. Design completed. Quotations for critical asset generators have been obtained. NCLFN has put the process on hold pending resolution of community-wide backup power issue.
3.	Kingfisher Lake	Site visit completed by Engineer in June 2022. Critical asset generators have been ordered. HORCI has completed modifications to the DGS assets.
4.	Bearskin Lake	There are no critical assets in Bearskin Lake requiring dedicated backup power. HORCI has substantially completed DGS modifications.
5.	Wawakapewin (IPA)	Wawakapewin has identified a community gathering point to receive dedicated critical asset backup power. The water treatment plant has its own backup power source and there are no other community critical assets. In January 2023, ISC approved funds for inspections/assessments of the DGS assets to determine suitability as backup power. Inspections/assessments have been completed by TSSA, ESA, Engineer, and HORCI. DGS assets were confirmed to not be suitable for use as backup power due to asset condition, site contamination, and other issues. Alternative backup power options are being reviewed and discussed by Wawakapewin Chief and Council and ISC.
6.	Wunnumin Lake (IPA)	Critical asset design complete. Critical asset generators have been ordered. DGS inspections by Engineer, TSSA, ESA, and HORCI have been completed. Design for DGS modifications is ongoing. Enhanced Phase 1 ESA at the DGS site has been completed.
7.	Kasabonika Lake	Critical asset design complete. Critical asset generators have been ordered. HORCI has completed the majority of DGS modifications and expects to be substantially complete October 2023.
8.	Sachigo Lake	Site visit completed by Engineer in September 2022. Design completed. Critical asset generator has been ordered. HORCI has initiated DGS modifications.
9.	Kitchnuhmaykoosib Inninuwig	Site visit completed by Engineer in November 2022. Design completed. Critical asset generators have been ordered. HORCI was planning to develop their scope of work for DGS modifications by end of the 2023 calendar year, but is accelerating this timeline to meet the new energization date.
10.	Wapekeka	Site visit completed by Engineer in November 2022. Design completed. Critical asset generator has been ordered. HORCI was planning to develop their scope of work for DGS

	Connecting Community	Project Status
		modifications by end of the 2023 calendar year, but is accelerating this timeline to meet the new energization date.
11.	Muskrat Dam (IPA)	Critical asset design complete. Critical asset generators to be ordered. DGS inspections by Engineer, TSSA, and ESA have been completed. Design for DGS modifications are ongoing. Enhanced Phase 1 ESA at the DGS site is ongoing.
12.	Poplar Hill (IPA)	Site visits by Engineer in June 2022 and February 2023. Critical asset design complete. Critical asset generator has been ordered. DGS inspections by Engineer, TSSA, ESA, and HORCI have been completed. Design for DGS modifications are ongoing. HORCI provided feedback on the DGS modifications design based on their site visit and inspection. The DGS assets are also being upgraded through a separate, unrelated project. That work is currently ongoing and must be completed prior to initiating DGS modifications for backup power. HORCI will conduct a follow up inspection once the current DGS upgrades are substantially complete, but before the DGS modifications for backup power are initiated. The terms of reference for the Enhanced Phase 1 ESA are being finalized. A Land-Use Permit (LUP) is required to operate the DGS for backup power as the DGS assets are located off-reserve.
13.	Deer Lake	Site visit completed by Engineer in September 2022. Design completed. Critical asset generators have been ordered. HORCI will develop their scope of work for DGS modifications in Q1 of 2024.
14.	Sandy Lake	Site visit by Engineer in December 2022. Design completed. Next step is to order critical asset generators. HORCI will develop their scope of work for DGS modifications in Q1 of 2024.
15.	North Spirit Lake (IPA)	Site visits by Engineer in December 2022 and April 2023. Design for critical asset backup is ongoing. Critical asset generators have been ordered. Design for DGS modifications is being initiated. The terms of reference for the Enhanced Phase 1 ESA are being finalized.
16.	Keewaywin (IPA)	Site visit by TSSA in April 2023. Site visit by Engineer is scheduled for October 2023. Design for critical asset backup has been initiated. Design for DGS modifications is being initiated. The terms of reference for the Enhanced Phase 1 ESA are being finalized.

Procurement times for dedicated generators to supply critical assets are approximately one year. HORCI is completing DGS updates/conversions in eight (8) of the ten (10) communities they serve with the purpose of community-wide backup power supplied via the existing DGS to be available at grid-connection. Dedicated backup power at critical assets will not be available until generators can be procured. The two (2) remaining communities – Pikangikum and North Caribou Lake – will not have dedicated backup at critical assets prior to installation of these generators.

OSLP, on behalf of First Nation LP, continues to support the Connecting Communities and their Tribal Councils with implementing backup power.

3.2 Key Issues and Risks

The issues and risks discussed in the table below are associated with the implementation 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. The table will be updated in future reports to focus on any new issues and risks arising during the implementation of the plan.

Development of Backup Power Plan – Issues and Risks				
<i>Item</i>	<i>Description</i>	<i>Impact</i>	<i>Actions/Mitigation</i>	<i>Requirement to Remove Risk</i>
1.	Connecting Community Support 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 HORCI report, as well as any potential community impacts resulting from the proposed solution.	Failure to secure community acceptance of backup power solutions could delay or prevent finalization of Backup Power Implementation Funding Applications.	<ul style="list-style-type: none"> - Early and ongoing engagement with the Connecting Communities specifically focused on backup power requirements and solutions - First Nation LP is a party to the Parallel Process Agreement, and a member of the Backup Power Working Group - Terms of Reference for the Backup Power Working Group indicate intent to secure support letters from each Connecting Community 	<ul style="list-style-type: none"> - Obtain a Band Council Resolution (BCR) supporting the Backup Power Plan from each Connecting Community - BCRs have been executed by 15 of 16 Connecting Communities
2.	Stakeholder Support & Commitments 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.	Failure to secure funding and operational commitments for the preferred backup power solution could delay or prevent backup power implementation.	<ul style="list-style-type: none"> - Canada is a party to the Parallel Process Agreement, and ISC is a member of the BPWG - Early and ongoing discussion with HORCI - HORCI engaged to complete 2018 Backup Power Report and updated 2019 Backup Power Report for the working group - Participation in Backup Power Working Group meetings by HORCI - Participation in Backup Power Implementation by HORCI 	<ul style="list-style-type: none"> - Contractual arrangements related to Backup Power - Funding agreements related to implementation of backup power - Development of technical documents related to the implementation of backup power (i.e. technical or environmental scopes, etc.)
3.	Timing Backup Power funding applications should be submitted with sufficient lead time to allow for system	Delays in backup power funding application submissions could result in delays to	<ul style="list-style-type: none"> - Target date for finalizing the Backup Power Plan is more than one year ahead of the earliest in-service dates for community connections 	<ul style="list-style-type: none"> - Submission and approval of each backup power funding application

Development of Backup Power Plan – Issues and Risks				
Item	Description	Impact	Actions/Mitigation	Requirement to Remove Risk
	modifications and other work to be completed prior to the grid-connection date for each Connecting Community.	implementation which, in turn could result in reliability impacts following connection	<ul style="list-style-type: none"> - Coordination of schedules between WPLP Project Management group and OSLP/ISC to prioritize backup power solutions based on grid-connection timelines and lead times for backup power solutions - Backup Power meetings held regularly to discuss scheduling & target dates - Tribal Councils and ISC, supported by OSLP, are providing support to the Connecting Communities with completion & submission of funding applications 	<ul style="list-style-type: none"> - Funding applications have been submitted and approved for all backup power projects to date - Updated grid-connection schedule from WPLP to ensure continued alignment between backup power implementation and grid-connection
4.	Implementation Implementation of backup power (legal agreements, environmental work, regulatory approvals, funding approvals, construction etc.) in time for grid-connection of each community	Implementation of backup power is not a requirement for grid-connection. However, delays in backup power implementation could result in service gaps.	<ul style="list-style-type: none"> - Coordination of schedules between WPLP Project Management and each backup power implementation project - Hold HORCI accountable to their cost & schedule estimates - Actively manage impacts from the COVID-19 pandemic and related community access restrictions / social restrictions 	<ul style="list-style-type: none"> - Implementation of recommended backup power option in each of the Connecting Communities

3.3 Backup Power Solutions and Forecasted Dates by Community

The Backup Power Projects section of Attachment 'A' includes a summary of backup power solutions and overall status by community. Note that the grid connection dates shown in Attachment 'A' are currently aligned with potential accelerated construction schedule.

4. Community Connection Schedule

The table below provides the energization dates for each community excluding connections in 2022.

Energization Dates by Community	
Date	Community
May-23*	Pikangikum First Nation
May-23*	Wunnumin Lake First Nation
Jul-23*	Muskrat Dam First Nation
Jul-23*	Bearskin Lake First Nation
Aug-23*	Wawakapewin First Nation
Aug-23*	Kasabonika Lake First Nation
Nov-23	Sachigo Lake First Nation
Apr-24	Poplar Hill First Nation
Apr-24**	Kitchenuhmaykoosib Inninuwug + Wapekeka First Nation
May-24	Deer Lake First Nation
Jun-24	Sandy Lake First Nation
Jul-24	North Spirit Lake First Nation
Aug-24	Keewaywin First Nation

*Community segment assets are energized.

**Construction is occurring ahead of schedule – the date shown above reflects the current construction schedule but will likely be accelerated.

5. Operational Update

The Settlement Agreement from EB-2021-0134 contemplates the inclusion in this semi-annual report of reporting on details of any updates to WPLP's current operations, and material changes to its long-term operating plans with respect to operations, operating and maintenance systems and practices. Further, pursuant to the Settlement Agreement in EB-2022-0149, WPLP committed to provide additional details on certain activities included in the "Current Operations" section of this report. These aspects are provided as follows.

5.1 Current Operations

WPLP continues to add staff to support engineering, asset management and operations functions and continues to increase work activity under third-party service agreements as additional assets come into service.

5.1.1 Inspection, Maintenance and Emergency Response Service Agreement

WPLP entered into a service agreement with PowerTel Utilities Contractors Limited ("PowerTel") in December 2022 (the "IMER Agreement"), with an initial term extending to December 31, 2026.

The inspection and maintenance scope of the IMER Agreement includes:

- Quarterly visual inspections of in-service substations, with thermographic scans, oil sampling and dissolved gas analysis completed annually, coincident with one of the quarterly inspections, beginning in 2023.
- Transformer, reactor, and circuit breaker electrical/mechanical inspection and testing on a multi-year cycle, beginning in 2024.
- Annual aerial inspections of transmission lines, beginning in 2023.
- Transmission line ground inspections on a multi-year cycle, beginning in 2024, including tower climbing inspections for a small sample of the towers being inspected.

The scope of the IMER Agreement also includes unplanned work, including outage and emergency response, switching activity, troubleshooting alarms, as well as correction of any defects discovered during inspection and maintenance activity. Wherever practical, non-emergency work is coordinated with planned inspection and maintenance activities to reduce mobilization costs.

The IMER Agreement also includes provisions related Indigenous employment, contracting and capacity building. Members of Participating First Nations have been hired into apprenticeships with PowerTel, allowing them to work on a variety of transmission projects to progress through their apprenticeships in a timely manner. The intent of this arrangement is to develop a pool of local, qualified individuals that can be employed directly by WPLP in the future, with a goal of self-performing routine tasks and reducing mobilization times to the remote project footprint during outages and emergencies.

As of September 30, 2023, all quarterly substation inspections and the annual aerial inspection of in-service transmission lines have been completed. To address woodpecker damage observed during line

inspections, PowerTel also performed a small number of wood pole replacements on the portion of the Red Lake to Pikangikum transmission line constructed in 2018.

5.1.2 Control Room Services Agreement

WPLP entered into an operating services agreement with HONI in August 2022 (the “Control Room Services Agreement”). Under the terms of this agreement, HONI is providing a full range of control room services to WPLP, including:

- Continuous monitoring and control of WPLP’s transmission system, including notification of alarms, equipment rating concerns and other conditions that may impact system operations or reliability.
- Controlling voltage levels and reactive power flows in coordination with operating procedures and direction from IESO.
- Monitoring telecom, protection, and control systems.
- Remote switching and equipment operation.
- Notification of outages and alarms, and activation of WPLP’s on-call response as required.

WPLP has worked closely with HONI to determine where existing HONI procedures can be employed for the operation of WPLP’s system, and where exceptions or additional procedures are required to address WPLP’s specific circumstances. As a result of this collaboration, a number of comprehensive WPLP-specific operating procedures, reference documents and prioritization criteria for response have been developed to supplement HONI’s operating procedures.

Six stations were integrated with HONI’s control room between August and November 2022, with an additional six stations integrated as of September 30, 2023.

WPLP and HONI continue to collaborate on the integration work required for the remaining 10 stations not yet in service.

5.1.3 Operational Access and Permitting

WPLP’s operational access is in a transitional phase, where permits for construction access remain valid, and where construction access ranges from access being actively used for construction, access being decommissioned for certain areas that are already energized, and access being established for certain areas where construction is being started. During this transitional phase, WPLP is actively engaging with land users and the leadership of each First Nation to determine where certain access established during construction can be leveraged for future O&M activities. The purpose of this engagement is to ensure that the scope of land restoration activities under the EPC contract and any access being retained for O&M purposes are compatible with commitments made during the EA process and traditional land use activities. During this transitional phase, WPLP is also meeting regularly with MNRF to discuss proposals for permanent operational access and associated permitting timelines.

Substation access will be achieved by road where possible (5-7 substations, depending on the time of year) and by air for the remaining substations. With a large portion of the construction of WPLP’s transmission lines relying on winter road access, WPLP will not have year-round road access to the

majority of its transmission system for the foreseeable future. WPLP has identified several complementary strategies to mitigate this risk:

- Helicopter landing areas are being incorporated into the permanent access plan for areas where road access is not available year-round, with sufficient landing areas to ensure reasonable travel distances along WPLP's ROW to any structure.
- Strategic storage locations are being identified for spare materials and lighter equipment, to ensure that combinations of road access and helicopter transportation can deliver material to any tower location, with consideration of weight limits and refuelling locations.
- Lightweight modular aluminum storm response structures have been procured for both temporary and permanent tower replacements in certain situations with challenging access. These towers can be installed without the need to mobilize heavy equipment.
- Planned work activities will be scheduled to take advantage of differences in seasonal access to the extent practical (e.g. winter road availability, drier terrain in late summer).
- WPLP is actively negotiating mutual assistance agreements with other utilities.
- WPLP's IMER service provider (PowerTel) has decades of experience in off-road utility construction and emergency response, with a significant fleet of tracked equipment that can be readily mobilized to the project footprint.
- Backup power solutions have been identified for most of the First Nations being connected to WPLP's transmission system.

5.1.4 Spares, Fleet and Facilities

WPLP has completed most of its spare material procurement through provisions in its EPC contract. This process leveraged the EPC contractor's vendor relationships, specifications, and QA/QC program. Procuring spares through the EPC contractor also created efficiencies with respect to delivery, receipt and temporary storage of spares. Through this process, WPLP has now received most of the spare parts required to ensure prompt replacement or repair of transmission system assets. Upcoming facility priorities include the construction of strategic storage locations for spare equipment and fleet.

WPLP's fleet requirements are mainly being met through the IMER agreement, with PowerTel having access to a large range of both on-road and tracked off-road equipment, supplemented by emergency response strategies involving helicopters as described above. General transportation needs for WPLP are also being met through purchased pickup trucks, third-party equipment rentals and third-party air transportation as required. Upcoming fleet priorities will focus on off-road equipment required for emergency response scenarios as a greater number of assets come into service in increasingly remote areas.

5.2 Long-term Operating Plans

The operational priorities identified in Section 5.1 are consistent with the description provided by WPLP in EB-2022-0149 related to the development of its Interim O&M Strategy.⁶ Based on the energization

⁶ EB-2022-0149; Exhibit B-1-4, Section C

schedule update provided in Section 4 above, WPLP expects to remain in a state of balancing construction and commissioning activity with operating and maintenance requirements until mid-2024. The core concept of the IMER Agreement is that WPLP and its service provider will work collaboratively to build capacity within the Participating First Nations to support the growth of WPLP's Operations department. As WPLP and its IMER service provider partner work collaboratively to build this capacity, the Interim O&M Strategy is expected to gradually transition to a long-term maintenance strategy where WPLP increasingly self-performs routine O&M activities, supplemented by local and strategic service providers. WPLP's long-term fleet and facilities strategy will also evolve based on the timing of direct trades employment to self-perform any O&M activity.

Additionally, WPLP expects to ramp up its vegetation management program over the next few years. Developing a comprehensive vegetation management plan will include First Nation engagement and training, data collection and analysis to assess re-growth and prioritize areas for clearing, as well as research on effective work methods that avoid the use of herbicides. WPLP expects to begin vegetation management on sections of the Red Lake to Pikangikum system starting in 2023, as the majority of this right of way was originally cleared for construction of the Pikangikum distribution system in 2018.

6. IPA Transfer and HORCI Status Updates

The Settlement Agreement from EB-2021-0134 contemplates that WPLP will provide updated information, in respect of each community for which an IPA will be transferring their distribution system assets to HORCI, on the status of each such IPA community in meeting the transfer conditions included in the IPA community's transfer agreements with ISC and HORCI, subject to WPLP being able to obtain this information from ISC along with consent from ISC to provide it on the public record in WPLP's semi-annual reports. Additionally, in respect of the communities currently served by HORCI, the Settlement Agreement contemplates that WPLP will provide high-level status updates on key milestones relating to those communities' efforts to become ready for connection to WPLP's transmission system. These aspects are discussed below.

6.1 IPA Transfer Agreement Update

Two IPA communities were recently connected to WPLP's transmission system – Wawakapewin First Nation on August 16, 2023 and Wunnumin Lake First Nation on September 20, 2023.

Please see Attachment 'A' for the latest status update report provided by ISC related to the four IPA communities not yet connected to WPLP's transmission system. WPLP's understanding from ISC and OSLP is that they do not have community consent to publicly report on the detailed status of all transfer conditions by community. However, Attachment 'A' provides a status update for key project activities by community.

6.2 HORCI Community Status Update

WPLP and its EPC contractor worked with HORCI in Q2 and Q3 of 2021 to complete design activity for all communities being connected to WPLP's transmission system (including current IPA communities). These efforts included site visits to each community, determination of ownership demarcation points, 25 kV line design, and engineering design for demarcation point equipment (e.g. metering, switching and protection equipment).

WPLP continues to collaborate with HORCI and its EPC contractor on coordinating the following activities:

1. Delivery, installation and commissioning of demarcation point equipment
2. Coordination of line work at interconnection points
3. Updates to the WPLP/HORCI Transmission Connection Agreement
4. IESO registration requirements (including delivery point metering registration)
5. Identifying energization schedules, risks and options to mitigate risk
6. Any other key milestones identified HORCI, WPLP or the IESO

These collaborative efforts have led to connecting five First Nations to WPLP's transmission system between May and September 2023 (Pikangikum First Nation, Wunnumin Lake First Nation, Bearskin Lake First Nation, Wawakapewin First Nation and Kasabonika Lake First Nation), as well as being ready to connect Muskrat Dam First Nation once all outstanding IPA transfer conditions have been fulfilled.

WPLP continues to meet regularly with HORCI and its EPC contractor to exchange more granular schedule details and to update the status of key milestones for connection to WPLP's transmission system. Current efforts are focused on connecting Sachigo Lake First Nation in November 2023, and working towards advancing the connections of Kitchenuhmaykoosib Inninuwug and Wapekeka First Nation.

Attachment 'A' – ISC Status Report



Status Update: Watay Project Parallel Process Projects October 2023



Independent Power Authorities Upgrades & Transfer Projects:

Overview: In six communities currently serviced by Independent Power Authorities, bring local distribution systems up to provincial standards, construct Compound sites for Hydro One Remote Communities Inc. (“REMOTES”), and collect customer information for REMOTES.

COMMUNITY	PROJECT ACTIVITIES AND STATUS				
	DESIGN, TENDER & PRE-CONSTRUCTION	CONSTRUCTION PHASE	CUSTOMER INFO COLLECTION FOR REMOTES	GRID CONNECTION DATE**	OVERALL STATUS
Wunnumin	✓	<u>Distribution System</u> : Project close-out underway	Completed	September 2023	✓ On track
		<u>REMOTES Compound</u> : Project close-out underway			
Muskrat Dam	✓	<u>Distribution System</u> : Electrical Safety Authority inspected (passed)	Forthcoming	To Be Determined	✓ On track
		<u>REMOTES Compound</u> : Substantially complete			
Wawakapewin	✓	<u>Distribution System</u> : Project close-out underway	Completed	August 2023	✓ On track
		<u>REMOTES Compound & Helipad</u> : Project close-out underway			
Poplar Hill	✓	<u>Distribution System</u> : Electrical Safety Authority inspected (passed)	Underway	April 2024	✓ On track
		<u>REMOTES Compound</u> : Substantially complete			
North Spirit Lake	✓	<u>Distribution System</u> : Electrical Safety Authority inspected (passed)	Underway	July 2024	✓ On track
		<u>REMOTES Compound</u> : Substantially complete			
Keewaywin	✓	<u>Distribution System</u> : Electrical Safety Authority inspected; minor deficiencies being addressed	Underway	August 2024	✓ On track
		<u>REMOTES Compound</u> : Substantially complete			

Backup Power Projects:

Overview: In each connecting community, implement backup power solution based on the Backup Power Plan. Backup power solutions include: community-wide backup power by repurposing the community’s existing diesel generating station (“community-wide backup power”) and dedicated standby generators at Indigenous Services Canada-funded critical community assets (“critical asset backup power”).

COMMUNITY	TYPE OF BACKUP POWER	PROJECT ACTIVITIES AND STATUS					
		ENVIRONMENTAL SITE ASSESSMENT OF DIESEL GENERATING STATION	ASSESSMENT OF DIESEL GENERATING STATION BY ESA, TSSA AND FIRE SAFETY***	DESIGN PHASE	CONSTRUCTION PHASE	GRID CONNECTION DATE**	OVERALL STATUS
Pikangikum	Critical Asset	N/A – critical asset only		Underway	Critical Asset: Generators ordered	December 2018	Delayed
North Caribou Lake	Critical Asset	N/A – critical asset only		Forthcoming	Critical Asset: Forthcoming	October 2022	Delayed
Kingfisher	Community-wide and critical asset	N/A – REMOTES community		Diesel Generating Station: Completed by REMOTES	Diesel Generating Station: Completed by REMOTES	November 2022	Diesel Generating Station complete
				Critical Asset: Forthcoming	Critical Asset: Generators ordered		Critical Asset delayed
Wunnumin	Community-wide and critical asset	Underway	ESA and Fire Safety inspection done	Underway	Diesel Generating Station: Forthcoming Critical Asset: Generator ordered	September 2023	Delayed
Muskrat Dam	Community-wide* and critical asset	Underway	ESA and Fire Safety inspection done	Underway	Diesel Generating Station: Forthcoming Critical Asset: Generators ordered	To Be Determined	At risk of being delayed
Wawakapewin	TBD	No critical asset backup power gaps to address. Assessment of potential options for community-wide BUP underway.				August 2023	-
Bearskin Lake	Community-wide and critical asset	N/A – REMOTES community		Diesel Generating Station: Completed by REMOTES	Diesel Generating Station: Underway by REMOTES (nearly complete)	July 2023	Diesel Generating Station nearly complete
				Critical Asset: Backup power already available; no further work needed	Critical Asset: Backup power already available; no further work needed		Critical Asset complete
Kasabonika	Community-wide and critical asset	N/A – REMOTES community		Diesel Generating Station: Completed by REMOTES Critical Asset: Forthcoming	Diesel Generating Station: Underway by REMOTES Critical Asset: Generators ordered	September 2023	Delayed

COMMUNITY	TYPE OF BACKUP POWER	PROJECT ACTIVITIES AND STATUS					
		ENVIRONMENTAL SITE ASSESSMENT OF DIESEL GENERATING STATION	ASSESSMENT OF DIESEL GENERATING STATION BY ESA, TSSA AND FIRE SAFETY***	DESIGN PHASE	CONSTRUCTION PHASE	GRID CONNECTION DATE**	OVERALL STATUS
Poplar Hill	Community-wide* and critical asset	Preparation underway	Forthcoming	✓	<u>Diesel Generating Station</u> : Underway <u>Critical Asset</u> : Generators ordered	April 2024	✓ On track
Kitchenuhmayk-oosib Inninuwig	Community-wide and critical asset	N/A – REMOTES community		<u>Diesel Generating Station</u> : Completed by REMOTES <u>Critical Asset</u> : Forthcoming	<u>Diesel Generating Station</u> : Preparations underway by REMOTES <u>Critical Asset</u> : Generators ordered	December 2023	✓ On track
Wapekeka	Community-wide and critical asset	N/A – REMOTES community		<u>Diesel Generating Station</u> : Completed by REMOTES <u>Critical Asset</u> : Forthcoming	<u>Diesel Generating Station</u> : Preparations underway by REMOTES <u>Critical Asset</u> : Generators ordered	December 2023	✓ On track
Deer Lake	Community-wide and critical asset	N/A – REMOTES community		<u>Diesel Generating Station</u> : Forthcoming by REMOTES <u>Critical Asset</u> : Forthcoming	<u>Diesel Generating Station</u> : Preparations underway by REMOTES <u>Critical Asset</u> : Generators ordered	May 2024	✓ On track
Sachigo Lake	Community-wide and critical asset	N/A – REMOTES community		<u>Diesel Generating Station</u> : Completed by REMOTES <u>Critical Asset</u> : Forthcoming	<u>Diesel Generating Station</u> : Preparations underway by REMOTES <u>Critical Asset</u> : Generator ordered	November 2023	✓ On track
Sandy Lake	Community-wide and critical asset	N/A – REMOTES community		<u>Diesel Generating Station</u> : Forthcoming by REMOTES <u>Critical Asset</u> : Forthcoming	<u>Diesel Generator Station</u> : Preparations underway by REMOTES <u>Critical Asset</u> : Generators ordered	June 2024	✓ On track
North Spirit Lake	Community-wide* and critical asset	Preparation underway	Forthcoming	<u>Diesel Generating Station</u> : Forthcoming <u>Critical Asset</u> : Forthcoming	<u>Diesel Generator Station</u> : Forthcoming <u>Critical Asset</u> : Generators ordered	July 2024	✓ On track
Keewaywin	Community-wide* and critical asset	Preparation underway	Forthcoming	<u>Diesel Generating Station</u> : Forthcoming <u>Critical Asset</u> : Forthcoming	<u>Diesel Generator Station</u> : Forthcoming <u>Critical Asset</u> : To be determined	August 2024	✓ On track

Green = Complete / Yellow = Underway / Red = To be completed
GCDocs # 87251332

Legal Agreements and Permits:

COMMUNITY	LEGAL AGREEMENTS		PERMITS	GRID CONNECTION DATE**
	UNDERSTANDING & CONVEYANCE AGREEMENT	BACKUP POWER OPERATING AGREEMENT FOR DIESEL GENERATING STATION (DGS)		
Pikangikum	✓	N/A	<u>28(2) Permit for Distribution System & REMOTES Compound</u> : ✓	December 2018
North Caribou Lake	Under review by First Nation and their legal counsel	N/A	<u>28(2) Permit for Distribution System & REMOTES Compound (DGS N/A)</u> : Under review by First Nation and their legal counsel	October 2022
Kingfisher	Under review by First Nation and their legal counsel (agreement also covers backup power)	N/A	<u>28(2) Permit for Distribution System, REMOTES Compound & DGS</u> : Under review by First Nation and their legal counsel	November 2022
Wunnumin	✓	Under review by First Nation and their legal counsel	<u>28(2) Permit for Distribution System & REMOTES Compound</u> : ✓	September 2023
			<u>28(2) Permit for DGS</u> : Forthcoming	
Muskrat Dam	Under review by First Nation and their legal counsel	Under review by First Nation and their legal counsel	<u>28(2) Permit for Distribution System</u> : Under review by First Nation and their legal counsel	To Be Determined
			Land Use Permit for <u>REMOTES Compound</u> : ✓	
			<u>28(2) Permit for DGS</u> : Forthcoming	
Wawakapewin	✓	N/A	<u>28(2) Permit for Distribution System & REMOTES Compound (DGS N/A)</u> : ✓	August 2023
Bearskin Lake	Under review by First Nation and their legal counsel (agreement also covers backup power)	N/A	<u>28(2) Permit for Distribution System, REMOTES Compound & DGS</u> : Under review by First Nation and their legal counsel	July 2023
Kasabonika	Under review by First Nation and their legal counsel (agreement also covers backup power)	N/A	<u>Distribution System</u> : Under review by First Nation and their legal counsel	August 2023
			<u>Land Use Permit for REMOTES Compound and DGS</u> : TBC by REMOTES	

COMMUNITY	LEGAL AGREEMENTS		PERMITS	GRID CONNECTION DATE**
	UNDERSTANDING & CONVEYANCE AGREEMENT	BACKUP POWER OPERATING AGREEMENT FOR DIESEL GENERATING STATION (DGS)		
Poplar Hill (KOTC)	Under review by First Nation and their legal counsel	Under review by First Nation and their legal counsel	<u>28(2) Permit for Distribution System</u> : Forthcoming	April 2024
			<u>Land Use Permit for REMOTES Compound</u> : ✓	
			<u>Land Use Permit for DGS</u> : Forthcoming	
Kitchenuhmaykoos-ib Inninuwig	Forthcoming	N/A	<u>28(2) Permit for Distribution System</u> : Forthcoming	December 2023
			<u>Land Use Permit for REMOTES Compound & DGS</u> : TBC by REMOTES	
Wapekeka	Forthcoming	N/A	<u>28(2) Permit for Distribution System, REMOTES Compound & Diesel Generating Station</u> : Forthcoming	December 2023
Deer Lake	Forthcoming	N/A	<u>28(2) Permit for Distribution System</u> : Forthcoming	May 2024
			<u>Land Use Permit for REMOTES Compound & DGS</u> : TBC by REMOTES	
Sachigo Lake	Under review by First Nation and their legal counsel (agreement also covers backup power)	N/A	<u>28(2) Permit for Distribution System, REMOTES Compound & DGS</u> : Under review by First Nation and their legal counsel	November 2023
Sandy Lake	Forthcoming	N/A	<u>28(2) Permit for Distribution System, REMOTES Compound & DGS</u> : Forthcoming	June 2024
North Spirit Lake	Under review by First Nation and their legal counsel	Under review by First Nation and their legal counsel	<u>28(2) Permit for Distribution System & REMOTES Compound</u> : Under review by First Nation and their legal counsel	July 2024
			<u>28(2) Permit for DGS</u> : Forthcoming	
Keewaywin	Under review by First Nation and their legal counsel	Under review by First Nation and their legal counsel	<u>28(2) Permit for Distribution System & REMOTES Compound</u> : Under review by First Nation and their legal counsel	August 2024
			<u>28(2) Permit for DGS</u> : Forthcoming	

*Assuming agreement can be reached between parties (Canada (ISC), REMOTES, and First Nation) with respect to roles and responsibilities (discussions ongoing through development of legal agreement)

**Connection dates are from Watay Power’s community connection schedule (September 2023): <https://www.wataypower.ca/project/community-connection-schedule>

***ESA = Electrical Safety Authority, TSSA = Technical Safety Standards Authority

Green = Complete / Yellow = Underway / Red = To be completed