

October 15, 2024

RESS, EMAIL & COURIER

Ontario Energy Board
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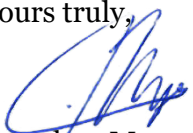
Attention: Nancy Marconi, Registrar

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, 2024 *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

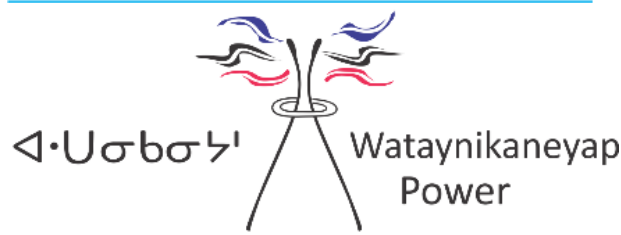
IN THE MATTER OF the *Ontario Energy Board Act, 1998*, C.S.O. 1998, c.15 (Sched. B); pursuant to section 92 of the *Ontario Energy Board Act*.

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, 2024



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 WPLP proposes that this semi-annual report will be its final report on the CWIP account, operating plans, community energization dates, project/construction monitoring, project reporting and community communications, with subsequent reports, if determined by the OEB in EB-2024-0176 to be necessary, being focused solely on backup power and IPA transfers until fully implemented.

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 2025 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 is being 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).

The schedule for backup power implementation projects was revised in summer 2023 and is outlined in greater detail below.

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 6 of this 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 was 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. Since Wawakapewin is a very small community, alternative options for backup power are also being investigated. Investigations and discussions are ongoing.

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	In Progress	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 (Study)	TBD	N/A	N/A
6	Wunnumin Lake First Nation	September 2023	Complete	In Progress	Complete	In Progress Spring 2025

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

***Notes:**

1. Transmission system assets up to the community connection point are energized for all communities.
2. Community connection is dependent on IPA upgrades and transfers.
3. See “Attachment A” for the latest status update report provided by ISC in relation to the IPA communities not yet connected to WPLP’s transmission system.

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

	Connecting Community	Project Status
1.	Pikangikum	<p>Critical Assets:</p> <p>Site visit completed by Engineer in July 2022. Design completed. Critical asset generator has been ordered. Critical asset design was finalized in summer 2024.</p> <p>Critical asset generator installation work will be tendered in fall 2024 with work scheduled for completion in spring 2025. The generator will be shipped via the 2025 winter road.</p> <p>DGS:</p> <p>Pikangikum DGS has been decommissioned.</p>
2.	North Caribou Lake	<p>Critical Assets:</p> <p>Site visit completed by Engineer in June 2022. Critical asset generator design completed. NCLFN put the process on hold pending resolution of community-wide backup power issue.</p> <p>In February 2024, NCLFN agreed to proceed with the purchase of critical asset generators, which have since been ordered. Critical asset generator installation work will be tendered in fall 2024 with work scheduled for completion in spring 2025. The generators will be shipped via the 2025 winter road.</p> <p>DGS:</p> <p>The DGS assets will not be repurposed for use as backup power due to age, condition, and environmental contamination.</p>
3.	Kingfisher Lake	<p>Critical Assets:</p> <p>Site visit completed by Engineer in June 2022. Critical asset generators have been ordered. Critical asset generator installation work was tendered in early October 2024, with work</p>

	Connecting Community	Project Status
		<p>scheduled for completion in spring 2025. The generator will be shipped via the 2025 winter road.</p> <p>DGS:</p> <p>HORCI has completed modifications to the DGS assets and community-wide backup power is available from the DGS.</p>
4.	Bearskin Lake	<p>Critical Assets:</p> <p>There are no critical assets in Bearskin Lake requiring dedicated backup power.</p> <p>DGS:</p> <p>HORCI has completed modifications to the DGS assets and community-wide backup power is available from the DGS.</p>
5.	Wawakapewin (IPA)	<p>Critical Assets:</p> <p>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.</p> <p>DGS:</p> <p>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.</p> <p>Backup Power Study (Wawakapewin):</p> <p>Alternative backup power options are being reviewed and discussed by Wawakapewin Chief and Council and ISC. A backup power study is ongoing to identify and address considerations unique to Wawakapewin.</p>
6.	Wunnumin Lake (IPA)	<p>Critical Assets:</p> <p>Critical asset design complete. Critical asset generators have been ordered. The generator will be shipped via the 2025 winter road. Critical asset work will be completed once the generator is delivered.</p> <p>DGS work and critical asset generator installation work were tendered together, and the work is being completed by a single contractor.</p> <p>DGS:</p> <p>DGS inspections by Engineer, TSSA, ESA, and HORCI have been completed. The design for DGS modifications has been finalized.</p> <p>Enhanced Phase 1 ESA and Phase 2 ESA at the DGS site have been completed.</p> <p>Environmental remediation of the site has also been completed.</p> <p>DGS work and critical asset generator installation work were tendered together, and the work is being completed by a single contractor. DGS modifications work is ongoing and is expected to be completed in spring 2025. Wunnumin Lake has also purchased two new 50,000 L fuel tanks which are being installed as part of the work.</p>
7.	Kasabonika Lake	<p>Critical Assets:</p> <p>Critical asset design complete. Critical asset generators have been ordered. Critical asset generator installation work was tendered early October 2024, with work scheduled for completion in spring 2025. The generators will be shipped via the 2025 winter road.</p> <p>DGS:</p> <p>HORCI has completed modifications to the DGS assets and community-wide backup power is available from the DGS.</p>

	Connecting Community	Project Status
8.	Sachigo Lake	<p>Critical Assets:</p> <p>Site visit completed by Engineer in September 2022. Design completed. Critical asset generator has been ordered. Critical asset generator installation work will be tendered in fall 2024 with work scheduled for completion in spring 2025. The generator will be shipped via the 2025 winter road.</p> <p>DGS:</p> <p>HORCI has completed modifications to the DGS assets and community-wide backup power is available from the DGS.</p>
9.	Kitchnuhmaykoosib Inninuwig	<p>Critical Assets:</p> <p>Site visit completed by Engineer in November 2022. Design completed. Critical asset generators have been ordered. Critical asset generator installation work will be tendered fall 2024 with work scheduled for completion spring 2025. The generators will be shipped via the 2025 winter road.</p> <p>DGS:</p> <p>HORCI has completed modifications to the DGS assets and community-wide backup power is available from the DGS.</p>
10.	Wapekeka	<p>Critical Assets:</p> <p>Site visit completed by Engineer in November 2022. Design completed. Critical asset generator has been ordered. Critical asset generator installation work was tendered in early October 2024, with work scheduled for completion in spring 2025. The generator will be shipped via the 2025 winter road.</p> <p>DGS:</p> <p>HORCI has completed modifications to the DGS assets and community-wide backup power is available from the DGS.</p>
11.	Muskrat Dam (IPA)	<p>Critical Assets:</p> <p>Critical asset design complete. Critical asset generators have been ordered.</p> <p>DGS:</p> <p>DGS inspections by Engineer, TSSA, and ESA have been completed. Design for DGS modifications are ongoing. Enhanced Phase 1 ESA at the DGS site has been completed and a Phase 2 ESA is being coordinated.</p>
12.	Poplar Hill (IPA)	<p>Critical Assets:</p> <p>Site visits by Engineer in June 2022 and February 2023. Critical asset design complete. Critical asset generator has been ordered.</p> <p>DGS:</p> <p>DGS inspections by Engineer, TSSA, ESA, and HORCI have been completed. HORCI provided feedback on the DGS modifications design and scope based on their site visit and inspection. A Land-Use Permit (LUP) is required to operate the DGS for backup power as the DGS assets are located off-reserve. The Phase 1 ESA and Phase 2 ESA at the DGS site are ongoing. DGS modifications are ongoing.</p>
13.	Deer Lake	<p>Critical Assets:</p> <p>Site visit completed by Engineer in September 2022. Design completed. Critical asset generators have been ordered. Critical asset generator installation work will be tendered in fall 2024 with work scheduled for completion in spring 2025. The generators will be shipped via the 2025 winter road.</p> <p>DGS:</p>

	Connecting Community	Project Status
		HORCI has completed modifications to the DGS assets and community-wide backup power is available from the DGS.
14.	Sandy Lake	<p>Critical Assets:</p> <p>Site visit by Engineer in December 2022. The critical asset generator design is completed. Critical asset generators have been ordered. Critical asset generator installation work will be tendered in early October 2024, with work scheduled for completion in spring 2025. The generators will be shipped via the 2025 winter road.</p> <p>DGS:</p> <p>DGS modifications are ongoing by HORCI and should be completed November 2024.</p>
15.	North Spirit Lake (IPA)	<p>Critical Assets:</p> <p>Site visits by Engineer in December 2022 and April 2023. Design for critical asset backup is ongoing. Critical asset generators have been ordered.</p> <p>DGS:</p> <p>Design work for DGS modifications is ongoing. The Phase 1 ESA at the DGS site is complete, and the Phase 2 ESA is ongoing.</p>
16.	Keewaywin (IPA)	<p>Site visit by TSSA in April 2023. Site visit by Engineer in October 2023. Design for critical asset backup is completed. Design for DGS modifications is ongoing. The Phase 1 ESA at the DGS site is complete, and the Phase 2 ESA is ongoing.</p>

HORCI has completed DGS updates/conversions in eight (9) 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.

Procurement times for dedicated generators to supply critical assets are approximately one year from time of order. Dedicated backup power at critical assets will not be available until critical asset generators can be procured and brought to site. The two (2) remaining communities – Pikangikum and North Caribou Lake – will not have dedicated backup at critical assets prior to installation of these generators. Generators will be shipped via the 2025 winter road. Installation of the generators will be determined based on the contract award for each community where they are being installed.

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				
Item	Description	Impact	Actions/Mitigation	Requirement to Remove Risk
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 as assessed by ISC. Note that the grid connection dates shown in Attachment 'A' are currently aligned with potential accelerated construction schedule.

4. Community Connection Schedule

All transmission assets up to community connection point are energized as of May 27, 2024.

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 all assets are now in 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 to 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.

All planned transmission line inspections (aerial, ground and climbing) as well as substation electrical and mechanical inspections and testing have been completed for 2024. Quarterly substation

inspections are being completed on a modified schedule for 2024 to account for advanced energization timelines, with increasing integration with WPLP's asset management software.

To address woodpecker damage observed during line inspections, PowerTel also replaced two wood poles with composite poles in September 2024, on the portion of the Red Lake to Pikangikum transmission line constructed in 2018. Non-emergency unplanned work for switching and troubleshooting alarms continues to be completed by a combination of internal staff and contracted resources, leveraging warranty provisions of WPLP's EPC contract with Valard where applicable. Emergency and outage response activity in 2024 was limited to a single response to an April 2024 outage that involved icing and suspected galloping on one of WPLP's transmission lines.

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.

All 22 of WPLP's substations have been integrated with HONI's control room as of May 27, 2024. WPLP-specific operating procedures, notification protocols and restoration procedures continue to mature as HONI control room operators gain experience with the operation of WPLP's transmission system.

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 includes access being actively used for demobilization and land restoration. WPLP has completed engagement 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 was to ensure that the scope of land restoration activities under the EPC contract and any access being retained for O&M purposes is compatible with commitments made during the EA process and traditional land use activities. During this transitional phase, WPLP continues to meet regularly with MNRF to discuss timing for the closeout of construction permits and to ensure a common understanding of WPLP's plan for operational access and associated permitting requirements.

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 have been 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 have been 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.
- Air cargo options have been identified to ship substation spare equipment from storage locations to Remote First Nation Airports that are generally located near WPLP's substations.
- Aerial lifts have been staged to facilitate inspection, maintenance and emergency response activity that requires working at heights in its most remote and inaccessible substations.
- 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'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.
- Master Services Agreements with multiple contractors that have experience working in remote areas of Northwestern Ontario.
- 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. Construction of a strategic storage location for spare equipment and fleet has commenced in the Pickle Lake area.

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.

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 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 current 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 continue vegetation management on sections of the Red Lake to Pikangikum system in the coming years, as the majority of this right of way was originally cleared for construction of the Pikangikum distribution system in 2018.

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

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 connected to WPLP's transmission system – Wawakapewin First Nation on August 16, 2023 and Wunnumin Lake First Nation on September 20, 2023. WPLP plans to connect three of the four remaining IPA communities by no later than December 22, 2024.

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 as assessed by ISC.

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 has completed collaboration 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 two additional First Nations to WPLP's transmission system (Deer Lake First Nation in April 2024 and Sandy Lake First Nation in May 2024), as well as being

ready to connect all outstanding IPA communities once all outstanding IPA transfer conditions have been fulfilled.

WPLP continues to meet regularly with HORCI. As construction activity has been completed, the focus of these meetings has shifted to updates on completion of IPA transfer conditions for the final four IPA communities and the ongoing operational relationship and interactions between WPLP as a transmitter and HORCI as a distributor.

Attachment 'A' – ISC Status Report



Status Update: Watay Project Parallel Process Projects
September 2024



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 provide customer information and distribution system mapping to REMOTES.

COMMUNITY	PROJECT ACTIVITIES AND STATUS				
	DESIGN, TENDER & PRE-CONSTRUCTION	CONSTRUCTION PHASE	CUSTOMER INFO & SYSTEM MAPPING TO REMOTES	GRID CONNECTION DATE**	OVERALL STATUS
Wunnumin	✓	✓	✓	September 2023	✓ Completed
Muskrat Dam	✓	<u>Distribution System</u> : Electrical Safety Authority inspected in 2023 (current status unknown)	Paused; awaiting direction from Chief & Council		
		<u>REMOTES Compound</u> : Substantially complete in December 2022 (current status unknown)			
Wawakapewin	✓	✓	✓	August 2023	✓ Completed
Poplar Hill	✓	<u>Distribution System</u> : Minor deficiencies being addressed by REMOTES	✓	December 19, 2024, or sooner	✓ On track
		<u>REMOTES Compound</u> : ✓			
North Spirit Lake	✓	<u>Distribution System</u> : Minor deficiencies being addressed by REMOTES	✓	December 22, 2024, or sooner	✓ On track
		<u>REMOTES Compound</u> : ✓			
Keewaywin	✓	<u>Distribution System</u> : Minor deficiencies being addressed by REMOTES	✓	December 19, 2024, or sooner	✓ On track
		<u>REMOTES Compound</u> : ✓			

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 (DGS) (“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		<u>Critical Asset</u> : Detailed design complete	<u>Critical Asset</u> : Generator (1) assembly underway	December 2018	Delayed
North Caribou Lake	Critical Asset	N/A – critical asset only		<u>Critical Asset</u> : Detailed design underway	<u>Critical Asset</u> : Generators (4) ordered/being assembled	October 2022	Delayed
Kingfisher	Community-wide and critical asset	N/A – REMOTES community		<u>DGS</u> : Detailed design complete	<u>DGS</u> : Complete	November 2022	DGS complete
				<u>Critical Asset</u> : Detailed design complete	<u>Critical Asset</u> : Generator (1) assembly underway		Critical Asset delayed
Wunnumin	Community-wide and critical asset	Phase I, Phase II and remediation complete; awaiting final report	ESA and Fire Safety inspection done	<u>DGS</u> : Detailed design complete	<u>DGS</u> : Underway	September 2023	Delayed
				<u>Critical Asset</u> : Detailed design complete	<u>Critical Asset</u> : Generator (1) assembly underway		
Muskrat Dam	Community-wide* and critical asset	Phase I and Phase II complete; Phase II report under review	ESA and Fire Safety inspection done	<u>DGS</u> : Detailed design underway	<u>DGS</u> : Paused until grid connection plans confirmed	TBD	Delayed
				<u>Critical Asset</u> : Detailed design complete	<u>Critical Asset</u> : Generator (3) assembly underway		
Wawakapewin	TBD	No critical asset backup power gaps to address. Assessment of potential options for community-wide backup power or backup power at a community-gathering location underway.				August 2023	-
Bearskin Lake	Community-wide (no critical asset backup power gaps to address)	N/A – REMOTES community		<u>DGS</u> : Complete	<u>DGS</u> : Complete	July 2023	✓ Completed

Kasabonika	Community-wide and critical asset	N/A – REMOTES community		DGS: Complete	DGS: Complete	September 2023	DGS complete
				Critical Asset: Detailed design complete	Critical Asset: Generator (5) assembly underway		Critical Asset delayed
Poplar Hill	Community-wide* and critical asset	Phase I complete; Phase II planning underway	Forthcoming	DGS: Detailed design complete	DGS: Underway	December 19, 2024, or earlier	Delayed
				Critical Asset: Detailed design complete	Critical Asset: Generator (1) assembly underway		
Kitchenuhmayk-oosib Inninuwug	Community-wide and critical asset	N/A – REMOTES community		DGS: Complete	DGS: Complete	December 2023	DGS complete
				Critical Asset: Detailed design complete	Critical Asset: Generator (5) assembly underway		Critical Asset delayed
Wapekeka	Community-wide and critical asset	N/A – REMOTES community		DGS: Complete	DGS: Complete	December 2023	DGS complete
				Critical Asset: Detailed design complete	Critical Asset: Generator (1) assembly underway		Critical Asset delayed
Deer Lake	Community-wide and critical asset	N/A – REMOTES community		DGS: Complete	DGS: Complete	April 2024	DGS complete
				Critical Asset: Detailed design underway	Critical Asset: Generator (4) assembly underway		Critical Asset delayed
Sachigo Lake	Community-wide and critical asset	N/A – REMOTES community		DGS: Complete	DGS: Complete	November 2023	DGS complete
				Critical Asset: Detailed design underway	Critical Asset: Generator (1) assembly underway		Critical Asset delayed
Sandy Lake	Community-wide and critical asset	N/A – REMOTES community		DGS: Complete	DGS: Complete	April 2024	DGS complete
				Critical Asset: Detailed design underway	Critical Asset: Generator (5) assembly underway		Critical Asset delayed
North Spirit Lake	Community-wide* and critical asset	Phase I complete; Phase II planning underway	ESA and TSSA assessment complete	DGS: Detailed design underway	DGS: Forthcoming	December 22, 2024, or earlier	Delayed
				Critical Asset: Detailed design underway	Critical Asset: Generator (2) assembly underway		
Keewaywin	Community-wide* (no critical asset backup power gaps to address)	Phase I complete; Phase II planning underway	ESA and TSSA assessment complete	DGS: Detailed design underway	DGS: Forthcoming	December 19, 2024, or earlier	Delayed

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> Under review by Remotes	
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> (permit issued to First Nation until REMOTES takeover)	
			<u>28(2) Permit for DGS:</u> To be updated and recirculated	
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	September 2023
			<u>Land Use Permit for REMOTES Compound and DGS:</u> TBC by REMOTES	

Poplar Hill	Under review by First Nation and their legal counsel	Under review by First Nation and their legal counsel	28(2) Permit for Distribution System: Under review by Remotes	December 19, 2024, or earlier
			Land Use Permit for REMOTES Compound: ✓ (permit issued to First Nation until REMOTES takeover)	
			Land Use Permit for DGS: Under review by First Nation and their legal counsel	
Kitchenuhmaykoosib Inninuwig	Under review by First Nation and their legal counsel (agreement also covers backup power)	N/A	28(2) Permit for Distribution System: Under review by First Nation and their legal counsel	December 2023
			Land Use Permit for REMOTES Compound & DGS: TBC by REMOTES	
Wapekeka	Under review by First Nation and their legal counsel (agreement also covers backup power)	N/A	28(2) Permit for Distribution System, REMOTES Compound & Diesel Generating Station: Under review by First Nation and their legal counsel	December 2023
Deer Lake	Under review by First Nation and their legal counsel (agreement also covers backup power)	N/A	28(2) Permit for Distribution System: Under review by First Nation and their legal counsel	April 2024
			Land Use Permit for REMOTES Compound & DGS: Under review by First Nation and their legal counsel	
Sachigo Lake	Under review by First Nation and their legal counsel (agreement also covers backup power)	N/A	28(2) Permit for Distribution System, REMOTES Compound & DGS: Under review by First Nation and their legal counsel	November 2023
Sandy Lake	Under review by First Nation and their legal counsel (agreement also covers backup power)	N/A	28(2) Permit for Distribution System, REMOTES Compound & DGS: Under review by First Nation and their legal counsel	April 2024
North Spirit Lake	Under review by First Nation and their legal counsel	Under review by First Nation and their legal counsel	28(2) Permit for Distribution System & REMOTES Compound: Under review by First Nation and their legal counsel	December 22, 2024, or earlier
			28(2) Permit for DGS: To be updated and recirculated	
Keewaywin	Under review by First Nation and their legal counsel	Under review by First Nation and their legal counsel	28(2) Permit for Distribution System & REMOTES Compound: Under review by First Nation and their legal counsel	December 19, 2024, or earlier
			28(2) Permit for DGS: To be updated and recirculated	

*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 website: <https://www.wataypower.ca/project/community-connection-schedule>

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

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