

**BY EMAIL AND RESS**

January 31, 2025

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

Dear Ms. Marconi,

**EB-2023-0319 – Hydro One Networks Inc.'s Northeastern and Eastern Ontario Transmission Line Projects – Bi-annual Reporting for the Period up until October 31, 2024**

Please find attached Hydro One Networks Inc.'s, ("Hydro One") bi-annual reporting pertaining to the Northeast and East Ontario Transmission Line Projects, for the reporting period up until October 31, 2024, consistent with the direction provided to Hydro One by the Ontario Energy Board ("OEB" or the "Board") in its letter dated December 5, 2024.

The three attached reports contain details regarding Hydro One's development activities for the Northeast and East Ontario Transmission Line Projects, and are organised as follows;

- The first report contains a new 230 kilovolt (kV) transmission line, referred to as the North Shore Link Project ("Project 1"), from Mississagi Transformer Station to Third Line Transformer Station;
- The second report contains a new 500 kV transmission line, referred to as the Northeast Power Line Project ("Project 2"), from Mississagi Transformer Station to Hanmer Transformer Station; and
- The third report contains a new 230 kV transmission line, referred to as the Durham Kawartha Power Line Project ("Project 3"), from Dobbin Transformer Station to either Cherrywood Transformer Station or Clarington Transformer Station,

An electronic copy of the Bi-annual reports has been submitted using the Board's Regulatory Electronic Submission System.

Sincerely,



Joanne Richardson



**North Shore Link Transmission Line Project**  
(From Mississagi TS to Third Line TS)

Ontario Energy Board Progress Report

Update to October 31, 2024

## EXECUTIVE SUMMARY

On November 14, 2023<sup>1</sup>, the Ontario Energy Board (“OEB”) amended Hydro One Network Inc.’s (“Hydro One”) transmission licence (ET-2003-0035) to include a requirement for Hydro One to develop and seek approvals for three new transmission projects located in Northeastern and Eastern Ontario (collectively referred to as the “Projects”) in accordance with the recommendations of the Independent Electricity System Operator (“IESO”) as per the Directive approved by the Lieutenant Governor in Council on October 19, 2023, as Order in Council (“OIC”) No. 1532/2023.

Hydro One’s guiding recommendations for these three projects in the Northeastern and Eastern Ontario Area are primarily driven by two IESO bulk planning reports as documented in Hydro One’s letter to the OEB on October 31, 2023<sup>2</sup>.

These three new transmission projects included in Hydro One’s licence are expected to be owned by and included in the rate base of a new partnership, as a licenced transmitter. The line costs will be included in the Affiliate Transmission Projects Account (“ATP Account”) and will not form part of Hydro One’s rate base. On November 21, 2023<sup>3</sup>, Hydro One notified the OEB that it intends to begin using the ATP Account for tracking the costs of the new projects, in the same manner as those already approved in EB-2021-0169 and EB-2022-0142. The associated station work for the Projects is expected to form part of Hydro One’s future transmission rate base.

On December 5, 2024<sup>4</sup>, the OEB requested Hydro One prepare semi-annual project update reports detailing the budget, timing and risks associated with the development of the Projects. This document includes the project reporting for the North Shore Link Project, Project #1 of the three new transmission projects stemming from the forementioned OIC. The North Shore Link Project is a new 230 kV transmission line spanning from Mississagi Transformer Station to Third Line Transformer Station, including associated station facility expansions or upgrades required at the terminal stations.

Project #1 is in the development stage and is being monitored for risks. The major development risks being managed include risk of delays in regulatory approvals, delays and increased cost related to the Class Environmental Assessment (“Class EA”) process, consultation and engagement, route evaluation, and selection of preferred route. Hydro One is working with regulators, municipalities, and Indigenous communities to manage these risks.

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<sup>1</sup> EB-2023-0319 OEB’s Decision and Order on Hydro One’s Tx Licence, dated November 14, 2023:

<https://www.rds.oeb.ca/CMWebDrawer/Record/822747/File/document>

<sup>2</sup> EB-2023-0319 Hydro One’s Letter to the OEB, dated October 31, 2024:

<https://www.rds.oeb.ca/CMWebDrawer/Record/870805/File/document>

<sup>3</sup> EB-2023-0319 Hydro One’s ATP Account Notification Letter to the OEB, dated November 21, 2023:

<https://www.rds.oeb.ca/CMWebDrawer/Record/823665/File/document>

<sup>4</sup> EB-2023-0319 OEB’s Letter to Hydro One on Reporting Requirements, dated December 5, 2024:

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## BACKGROUND

On October 23, 2023<sup>5</sup>, the Minister of Energy issued a Directive to the OEB under section 28.6.1 of the Ontario Energy Board Act, 1998 (“OEB Act”) requiring the OEB to amend Hydro One’s electricity transmission licence to require Hydro One to develop and seek all necessary approvals for three transmission line projects located in Northeastern and Eastern Ontario (collectively referred to as “the Projects”), that were approved by the Lieutenant Governor in Council on October 19, 2023, as Order in Council No. 1532/2023<sup>6</sup>. The Projects are as follows:

- **Project #1 (known as North Shore Link Project)** - A new 230 kilovolt (kV) transmission line from Mississagi Transformer Station to Third Line Transformer Station, including associated station facility expansions or upgrades required at the terminal stations;
- **Project #2 (known as Northeast Power Line Project)** - A new 500 kV transmission line from Mississagi Transformer Station to Hanmer Transformer Station, including associated station facility expansions or upgrades required at the terminal stations; and
- **Project #3 (known as Durham Kawartha Power Line Project)** - A new 230 kV transmission line from Dobbin Transformer Station to either Cherrywood Transformer Station or Clarington Transformer Station, including associated station facility expansions or upgrades required at the terminal stations.

The Order in Council 1532/2023 accompanying the Directive states that expansion of Ontario’s transmission system is critical to provide a reliable and adequate supply of electricity to Northeastern and Eastern Ontario to support economic growth and electrification initiatives in the region. As such, all three of the transmission projects listed in the Directive have been declared to be needed as **priority projects** pursuant to section 96.1 of the OEB Act in Order in Council No. 1531/2023 dated October 19, 2023<sup>7</sup>.

The Directive also required the OEB to amend Hydro One’s licence to include a condition that the scope and timing for the Projects accord with the recommendations of the IESO, and it also directed the OEB to require that Hydro One provide such reporting to the OEB as the OEB may consider appropriate with respect to budget, timing, and risks in relation to the development of the Projects.

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<sup>5</sup> Minister of Energy’s Letter to OEB, dated October 23, 2023: <https://www.oeb.ca/sites/default/files/letter-from-ministry-20231023.pdf>

<sup>6</sup> Order in Council No. 1532/2023 and Minister’s Directive, dated October 19, 2023: <https://www.oeb.ca/sites/default/files/Order-in-Council-Directive-hydro-one-amendment-20231019.pdf>

<sup>7</sup> Order in Council No. 1531/2023, dated October 19, 2023: <https://www.oeb.ca/sites/default/files/Priority-Order-20231019.pdf>

On October 31, 2024<sup>8</sup>, Hydro One provided the OEB with the IESO's guiding recommendations for these three new transmission projects in the Northeastern and Eastern Ontario Area. The recommendations are primarily driven by two IESO bulk planning reports:

1. [Need for Northeast Bulk System Reinforcement](#) (October 2022)
2. [Gatineau Corridor End-of-Life Study](#) (December 2022)

These IESO reports affirmed the Projects' need and identified the scope and timing of each. Subsequent to these reports, the IESO provided Hydro One further direction in a letter dated March 8, 2024, regarding additional reactive facilities that will support voltage requirements in the northeast, as they pertain to and support the project's outlined in the Northeast Bulk System Reinforcement Report (including Projects #1 and #2) and gave recommendations regarding the required in service date of those facilities. Similarly for Project #3, Hydro One received a Memorandum from the IESO, dated December 8, 2023, regarding observations on new and modified alternative route options to meet the supply capacity needs.

In a letter dated December 5, 2024, the OEB requested that Hydro One prepare semi-annual reports to the OEB that provide updates on the following matters:

- Overall Project progress
- Development cost
- Development work schedule
- Risks and Issues Log
- Project scope and timing recommendations provided by the IESO.

The first report for these projects was requested to be filed by January 31, 2025, with all subsequent bi-annual reporting to cover the periods as follows:

- May 1 to October 31 for reporting in November, and
- November 1 to April 30 for reporting in May.

All reports are to be filed by the 15th business day of the month following the end of each reporting period.

This document includes the project reporting for the development of the North Shore Link Project, Project #1 of the three new transmission projects (hereinafter, "Project" shall refer to the North Shore Link Project). The project reporting for the subsequent two new transmission projects (Projects #2 and #3) are the subject of separate bi-annual reports that will be filed with the OEB in conjunction with this report.

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<sup>8</sup> EB-2023-0319 Hydro One's Tx Recommendations Letter to the OEB, dated October 31, 2024: <https://www.rds.oeb.ca/CMWebDrawer/Record/870805/File/document>

## Hydro One’s OEB-Approved Affiliate Transmission Projects Regulatory Account

On October 7, 2021, the OEB approved Hydro One’s application for an accounting order to establish a new regulatory account, the Affiliate Transmission Projects Account. The ATP Account will be used for a transmission line project where:

1. Hydro One has, or will, receive a letter from the IESO identifying transmission system needs, and/or an Order in Council or direction from the Minister of Energy for the development or construction of a transmission line project, and
2. All or part of the transmission line project is expected to be owned by and included in the rate base of a new partnership, as a licensed transmitter, such that costs included in the ATP Account Project will not form part of Hydro One’s rate base.

The transmission line portion of the three new transmission projects are expected to be owned by and included in the rate base of a new partnership, as a licenced transmitter, such that line costs included in the ATP Account Project will not form part of Hydro One’s rate base. Whereas the associated station work for the Projects is expected to form part of Hydro One’s future transmission rate base.

On November 21, 2023, Hydro One notified the OEB that it intends to begin using the ATP Account for tracking the line costs of these three new transmission projects, in the same manner as those already approved in EB-2021-0169 and EB-2022-0142.

### Project Summary Table

For ease of reference, and comparison to other Hydro One Projects being undertaken as a result of an Order in Council, Table 1 below provides a summary of the Project included in this report. A map of the Project located in Northeastern can be found at Attachment 1 to this document.

**Table 1 - Summary of Project #1 – North Shore Link**

Status	Line Name	Voltage	Length	Circuit Type	Completion	Project Stage	Notes
<b>To Be Developed and Prioritized for Construction</b>	North Shore Link	230 kV	Approx. 100 km	Double	2029	Under development	Development work underway

## PROJECT REPORT

### Project #1 – North Shore Link

#### OVERALL PROGRESS BY PROJECT

In the IESO's "Need for Northeast Bulk System Reinforcement" report issued in October 2022, the IESO identified a need for a new 230 kV double-circuit transmission line from Mississagi to Third Line TS with a planned in-service of 2029. The Government declared this new transmission line a priority project, and designated Hydro One as the transmitter. The Government also directed the OEB to amend Hydro One's electricity transmission licence to require Hydro One to develop and seek all necessary approvals for this Project.

Hydro One began development work in April 2023 to provide the IESO support and necessary data, as well as to initiate engagement with First Nations and other impacted stakeholders. Hydro One continues to proceed with development work on this Project, specifically advancing environmental approvals and consultation, and engineering and design activities. The following summarises the work undertaken to-date and within the reporting period.

#### Environmental Approvals and Consultation

Early engagement on the project commenced in January 2023. Prior to the Project Notice of Commencement ("NOC") release, the Indigenous Relations ("IR") team actively worked to engage the partner communities and execute Capacity Funding Agreements to support their involvement in the Class EA process. The First Nation ("FN") partners also took part in several workshops throughout February and May 2024 to provide input on the route identification process to determine the alternative routes.

On July 22, 2024, Hydro One distributed the Notice of Commencement of the Class EA to Indigenous communities, government officials/agencies, as well as interested persons and organizations. This notice signified the initiation of the Class EA activities and the evaluation of the alternative routes. Since that time, Hydro One has continued to engage with Indigenous communities, stakeholders, and members of the public. Key engagement activities during this reporting period included:

- Community Open House in Sault Ste. Marie on September 17<sup>th</sup>, 2024
- Community Open House in Searchmont on September 18<sup>th</sup>, 2024
- Community Open House in Echo Bay on September 19<sup>th</sup>, 2024
- Technical Advisory Committee Workshop #1 on November 7<sup>th</sup>, 2024, to discuss the alternative routes and provide participants with an overview of the route evaluation process

Additionally, a comprehensive environmental field survey program was initiated to collect data along the alternative transmission line routes to help inform the evaluation and selection of the

Project's preferred route, as well as the assessment of the Project footprint. The Project team is working closely with the nine FN Partners, to encourage their involvement during project planning and that opportunities to share Indigenous knowledge are possible. Capacity, in the form of funding and training, is being provided to Indigenous communities to enable opportunity for participation and consultation in the Project.

Ongoing consultation and engagement are being performed with the FN Partners, government agencies, the public and other interested parties. Key engagement activities during this reporting period with Indigenous communities included:

- FN Partner Routing Workshop #1 held on February 11, 2024, to discuss the process of identifying the alternative routes
- FN Partner Routing Workshop #2 held on April 11, 2024
- FN Partner Routing Workshop #3 held on April 29-30, 2024
- Environmental Fieldwork training sessions for the Indigenous Monitors held September 10-13, 2024
- Archaeological Assessment training sessions for Indigenous Monitors held September 16 - 22, 2024
- FN Partner Technical Advisory Committee Workshop #1 completed October 30, 2024, to discuss the alternative routes and provide the partners with an overview of the route evaluation process
- Community Open House at Mississagi First Nation on November 4, 2024
- Community Open House at Whitefish River First Nation on November 29, 2024.

The EA process is expected to be completed by Q4 2026, with the near-term focus on the selection of the preferred route.

## **Engineering and Design**

In support of the line project scope development, Hydro One commenced an extensive competitive procurement process in Q3 & Q4 2024, to engage the services of two Engineering Procurement and Construction ("EPC") contractors to participate in an Early Contractor Involvement ("ECI") procurement model. The ECI model will:

- Provide necessary design and engineering information into the environmental assessment and Hydro One's overall development of the Project;
- Advance preliminary identification of Project specific Indigenous and non-Indigenous employment, procurement and training opportunities and requirements through continuing meetings with Indigenous communities and organizations; and
- Identify and implement opportunities for innovation in design, materials, procurement and construction early in the Project, to enable the development of an optimal project delivery solution to mitigate risk. This will enable the ECI-EPC contractors to thoroughly understand the risks, costs, and challenges associated with the project, thus giving greater certainty to Hydro One on the overall schedule and cost

Engineering and design work continues for the expansion of two of Hydro One's transmission stations, Mississagi TS and Third Line TS, to support the need for the Project. The engineering team has completed Project feasibility studies and is currently undertaking development of the Project design scope.

## **COSTS**

Consistent with the Order in Council for this Project, and the timing requirements for its delivery, Hydro One has commenced development work for the Project, as indicated by the expenditures to date shown in Table 2, below. The costs currently included in the Budget column of Table 2 (column C) pertain only to the EA phase of the Project. Hydro One will be determining a Project Development Cost Budget once there is more clarity regarding the preferred route.

**Table 2 - Project Development Costs – Project #1 – North Shore Link Project**

	Actuals Spent		Forecast Budget Variance						
	A	B	C	D	E	F	G	H	I
	Spent this Reporting Period (Millions) <sup>9</sup>	Total Spent to Date (Millions)	Budget <sup>10</sup> (Millions)	Forecast Budget Change from Last Report (Millions)	Forecast Budget Change from Last Report (%)	Revised Total Budget (Millions)	G = F - B Budget Remaining (Millions)	H = G/F * 100 Budget Remaining (%)	Reasons for Change
<b>Real Estate</b>	\$0.1	\$0.1	\$2.8	\$0.00	0%	\$0.00	TBD	TBD	
<b>Engineering and Design</b>	\$0.3	\$0.3	\$5.6	\$0.00	0%	\$0.00	TBD	TBD	
<b>Environmental Approvals</b>	\$0.7	\$0.7	\$10.3	\$0.00	0%	\$0.00	TBD	TBD	
<b>Indigenous Consultation</b>	\$0.6	\$0.6	\$14.3	\$0.00	0%	\$0.00	TBD	TBD	
<b>Project Management</b>	\$0.9	\$0.9	\$5.0	\$0.00	0%	\$0.00	TBD	TBD	
<b>Contingency</b>	\$0.0	\$0.0	\$6.6	\$0.00	0%	\$0.00	TBD	TBD	
<b>Other Consultation</b>	\$0.1	\$0.1	\$3.1	\$0.00	0%	\$0.00	TBD	TBD	
<b>Interest and Overhead</b>	\$0.1	\$0.1	\$4.9	\$0.00	0%	\$0.00	TBD	TBD	
<b>Total<sup>11</sup></b>	<b>\$2.8</b>	<b>\$2.8</b>	<b>\$52.7</b>	<b>\$0.00</b>	<b>0%</b>	<b>\$0.00</b>	<b>TBD</b>	<b>TBD</b>	

<sup>9</sup> Actual Spent amounts for this reporting period shown in *Column A* reflects the OEB’s direction that the first set of reports should cover the period up until October 31, 2024.

<sup>10</sup> Budget amounts shown in *Column C* will be revise as total project development budget requires clarity on preferred route. The final development budget will be presented in a future report.

<sup>11</sup> Total estimate values represented with one decimal place have been rounded.

## PROJECT SCHEDULE

In the IESO’s “*Need for Northeast Bulk System Reinforcement*” report issued in October 2022, the IESO identified a need for a new 230 kV double-circuit transmission line from Mississagi TS to Third Line TS with a planned in-service of 2029. Hydro One has prepared a development schedule with the goal of completing all development work by the end of Q2 2027, which will allow time to construct and in-service the line by the need date. Table 3 below presents the key milestones involved in completing the development work.

**Table 3 - Project Schedule – Project #1 – North Shore Link**

Milestones	Schedule	Completed	Adjusted To
Notice of Commencement of Class EA	Mid 2024	July 22, 2024	-
Data collection, and development of route alternatives	Early - Mid 2024	Route Alternatives shared publicly in NoC of Class EA in July 2024.	
Community Open House #1	Late 2024	September 17-19, 2024	-
			-
Community Open House #2	Early 2025		-
Consultation and data collection in support of the EA	2024-2026	Ongoing	-
Community Open House #3	Mid 2025		-
Selection of preferred routes	Mid 2025		-
Publish the draft Environmental Study Report (ESR) for public review	Mid 2026		-
Submit Final ESR and complete the Class EA process	Late 2026		-
Leave to Construct (Section 92) Application Submission	Late 2026		-
Leave to Construct (Section 92) Application Approval	Early - Mid 2027		
Construction	Late 2027		-

## RISKS AND ISSUES LOG

The Project is being monitored continually for risks and risk mitigation implemented as a matter of routine activity by the Project team. Risks are formally re-evaluated on a recurring basis. A list of major development risks actively being managed is presented below. Risks for further stages of the Project development work will be identified as Project progresses. Project execution risks will be identified at a later date and will be included in Hydro One’s Leave to Construct application that will be submitted to the OEB.

- There is a risk of delay to the Project as a result of extended route evaluation and selection of preferred route process, which could impact the completion of the Class EA process. To mitigate this risk, Hydro One is conducting an extensive consultation program to seek local information from Indigenous communities, landowners, and stakeholders, completing environmental and technical data collection on all alternative routes, and holding meetings and open houses to address comments and concerns, and to support a thorough route evaluation process.
- Furthermore, there is a risk of project delays and increased costs due to extended timelines for consultation during the Class EA process. To mitigate this risk, Hydro One is proactively engaging with all stakeholders to align on priorities and ensure these activities are integrated into the EA schedule.
- There is a risk of increased costs due to the amount of archaeology to complete and availability of resourcing to undertake archaeological assessments along the corridor. To mitigate this risk, Hydro One will utilize all available archaeological vendor resources to ensure assessments are completed within the project schedule.

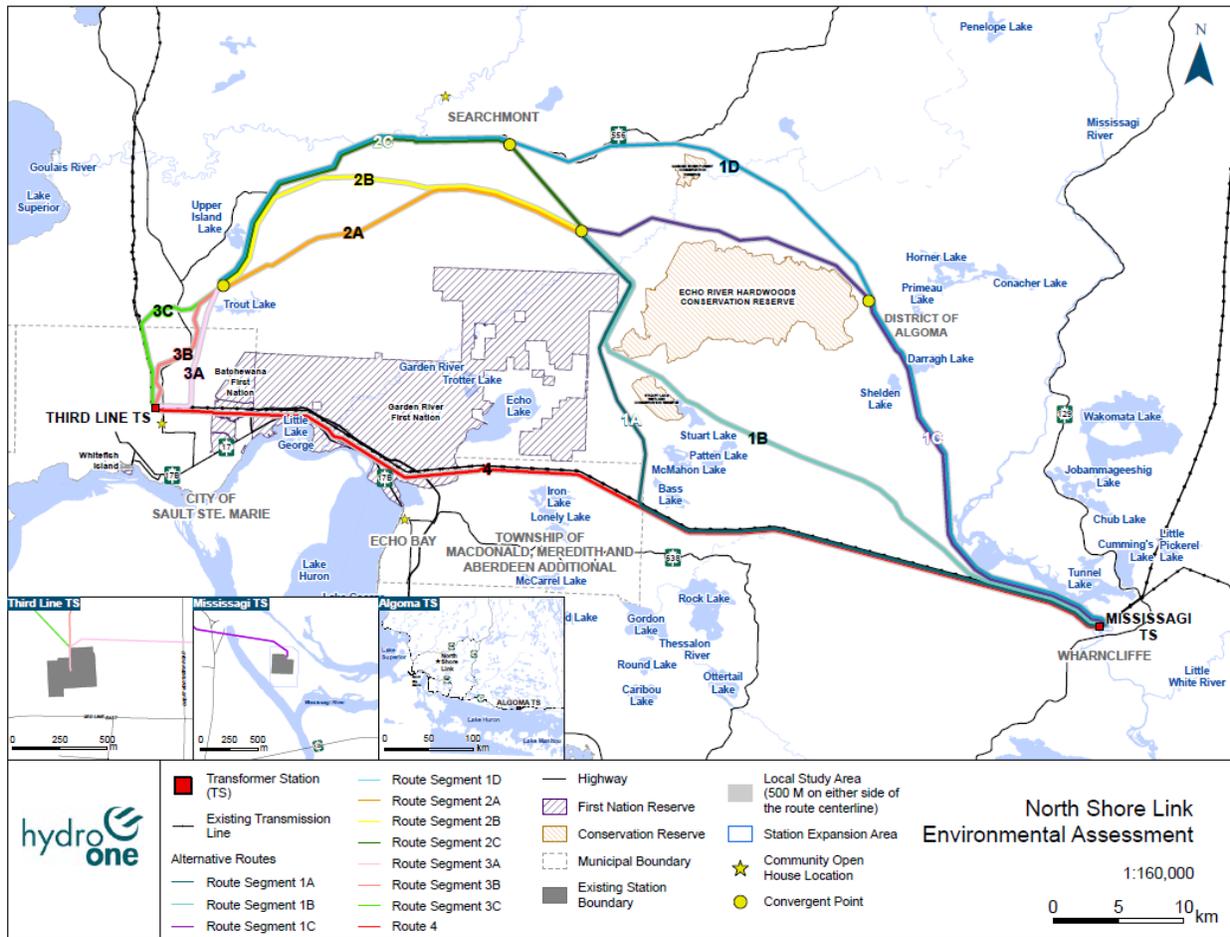
## **PROJECT SCOPE AND TIMING RECOMMENDATIONS PROVIDED BY THE IESO**

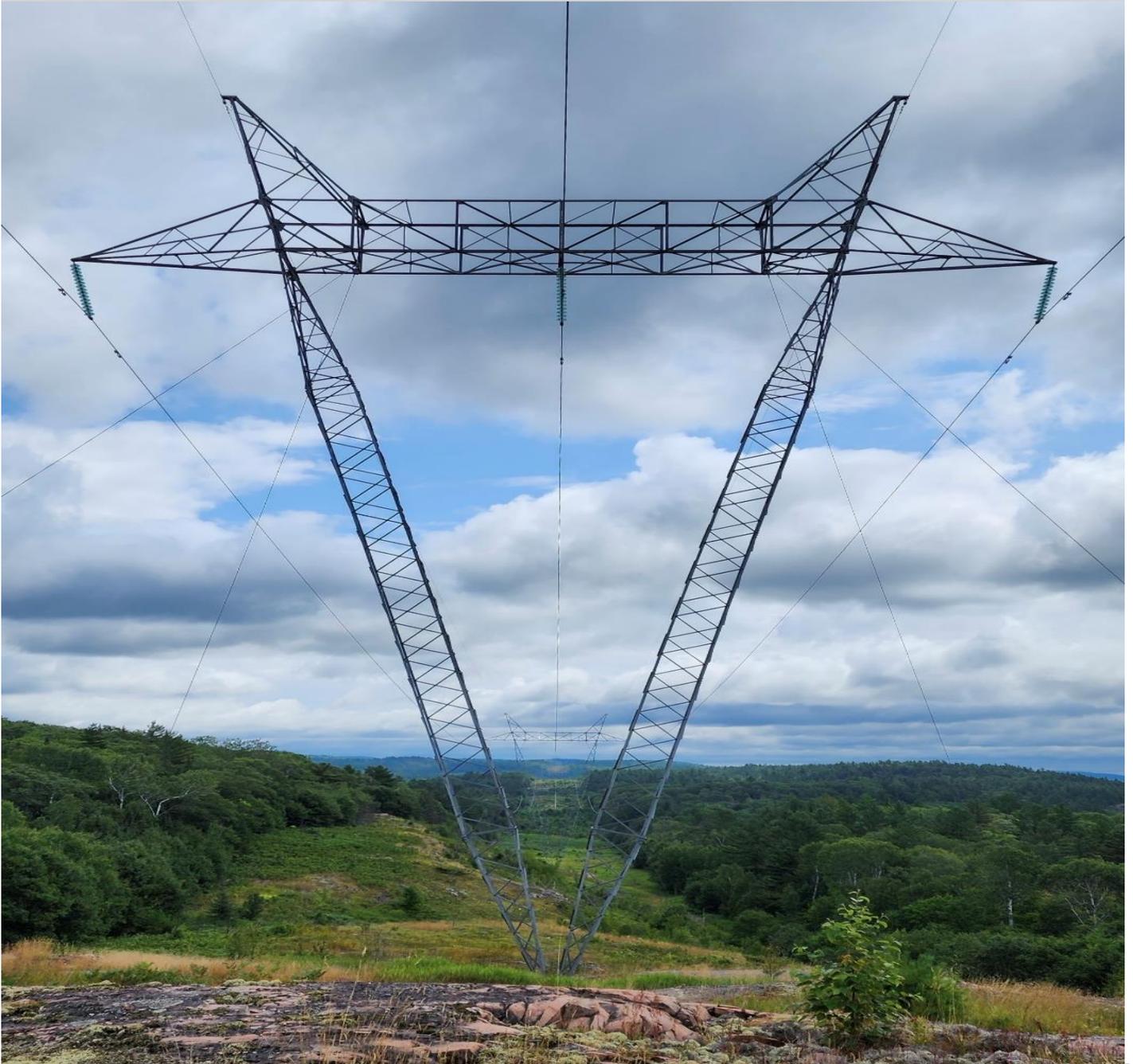
There is no update to report during this period. Should the IESO provide updates to the scope and/or timing recommendations to Hydro One for the North Shore Link Project, those details will be provided to the OEB and summarised in this section of the Report going forward. Information in this section will reflect any update(s) provided to Hydro One within the semi-annual reporting period to which the report pertains.

## ATTACHMENT 1

### Map of the New Transmission Line in Northeastern Ontario

A map of the North Shore Link (Project #1) in Northeastern Ontario, with alternative circuit routing spanning between Mississagi TS and Third Line TS.





**Northeast Power Line Transmission Line Project**  
(Hanmer TS to Mississagi TS)

Ontario Energy Board Progress Report

Update to October 31, 2024

## EXECUTIVE SUMMARY

On November 14, 2023<sup>1</sup>, the Ontario Energy Board (“OEB”) amended Hydro One Network Inc.’s (“Hydro One”) transmission licence (ET-2003-0035) to include a requirement for Hydro One to develop and seek approvals for three new transmission projects located in Northeastern and Eastern Ontario (collectively referred to as the “Projects”) in accordance with the recommendations of the Independent Electricity System Operator (“IESO”) as per the Directive approved by the Lieutenant Governor in Council on October 19, 2023, as Order in Council (“OIC”) No. 1532/2023.

Hydro One’s guiding recommendations for these projects in the Northeastern and Eastern Ontario Area are primarily driven by two IESO bulk planning reports as documented in Hydro One’s letter to the OEB on October 31, 2023<sup>2</sup>.

These three new transmission projects included in Hydro One’s licence are expected to be owned by and included in the rate base of a new partnership, as a licenced transmitter. The line costs will be included in the Affiliate Transmission Projects Account (“ATP Account”) and will not form part of Hydro One’s rate base. On November 21, 2023<sup>3</sup>, Hydro One notified the OEB that it intends to begin using the ATP Account for tracking the costs of the new projects, in the same manner as those already approved in EB-2021-0169 and EB-2022-0142. The associated station work for the Projects is expected to form part of Hydro One’s future transmission rate base.

On December 5, 2024<sup>4</sup>, the OEB requested Hydro One prepare semi-annual project update reports detailing the budget, timing and risks associated with the development of the Projects. This document includes the project reporting for the Northeast Power Line Project, Project #2 of the three new transmission projects stemming from the forementioned OIC. Northeast Power Line Project is a new 500 kV transmission line from Mississagi Transformer Station to Hanmer Transformer Station, including associated station facility expansions or upgrades required at the terminal stations.

Project #2 is in the development stage and is being monitored for risks. The major development risks being managed include risk of delays in regulatory approvals, delays and increase cost for extended timelines for Indigenous participation in the Environmental Update (“EU”) process, and availability of resourcing for archaeological assessments along the corridor. Hydro One is working with regulators, municipalities, and Indigenous communities to manage these risks.

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<sup>1</sup> EB-2023-0319 OEB’s Decision and Order on Hydro One’s Tx Licence, dated November 14, 2023: <https://www.rds.oeb.ca/CMWebDrawer/Record/822747/File/document>

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- **Project #1 (known as North Shore Link Project)** - A new 230 kilovolt (kV) transmission line from Mississagi Transformer Station to Third Line Transformer Station, including associated station facility expansions or upgrades required at the terminal stations;
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The Order in Council 1532/2023 accompanying the Directive states that expansion of Ontario’s transmission system is critical to provide a reliable and adequate supply of electricity to Northeastern and Eastern Ontario to support economic growth and electrification initiatives in the region. As such, all three of the transmission projects listed in the Directive have been declared to be needed as **priority projects** pursuant to section 96.1 of the OEB Act in Order in Council No. 1531/2023 dated October 19, 2023<sup>7</sup>.

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<sup>5</sup> Minister of Energy’s Letter to OEB, dated October 23, 2023: <https://www.oeb.ca/sites/default/files/letter-from-ministry-20231023.pdf>

<sup>6</sup> Order in Council No. 1532/2023 and Minister’s Directive, dated October 19, 2023: <https://www.oeb.ca/sites/default/files/Order-in-Council-Directive-hydro-one-amendment-20231019.pdf>

<sup>7</sup> Order in Council No. 1531/2023, dated October 19, 2023: <https://www.oeb.ca/sites/default/files/Priority-Order-20231019.pdf>

On October 31, 2024<sup>8</sup>, Hydro One provided the OEB with the IESO's guiding recommendations for these three new transmission projects in the Northeastern and Eastern Ontario Area. The recommendations are primarily driven by two IESO bulk planning reports:

1. [Need for Northeast Bulk System Reinforcement](#) (October 2022)
2. [Gatineau Corridor End-of-Life Study](#) (December 2022)

These IESO reports affirmed the Projects' need and identified the scope and timing of each. Subsequent to these reports, the IESO provided Hydro One further direction in a letter dated March 8, 2024, regarding additional reactive facilities that will support voltage requirements in the northeast, as they pertain to and support the project's outlined in the Northeast Bulk System Reinforcement Report (including Projects #1 and #2) and gave recommendations regarding the required in service date of those facilities. Similarly for Project #3, Hydro One received a Memorandum from the IESO, dated December 8, 2023, regarding observations on new and modified alternative route options to meet the supply capacity needs.

In a letter dated December 5, 2024, the OEB requested that Hydro One prepare semi-annual reports to the OEB that provided updates on the following matters:

- Overall Project progress
- Development cost
- Development work schedule
- Risks and Issues Log
- Project scope and timing recommendations provided by the IESO.

The first report for these projects was requested to be filed on January 31, 2025, with all subsequent bi-annual reporting to cover the periods as follows:

- May 1 to October 31 for reporting in November, and
- November 1 to April 30 for reporting in May.

All reports are to be filed by the 15th business day of the month following the end of each reporting period.

This document includes the project reporting for the development of the Northeast Power Line Project, Project #2 of the three new transmission projects (hereinafter, "Project" shall refer to the Northeast Power Line Project). The project reporting for the subsequent two new transmission projects (Projects #1 and #3) are the subject of separate bi-annual reports, that will be filed with the OEB in conjunction with this report.

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<sup>8</sup> EB-2023-0319 Hydro One's Tx Recommendations Letter to the OEB, dated October 31, 2024: <https://www.rds.oeb.ca/CMWebDrawer/Record/870805/File/document>

## Hydro One’s OEB-Approved Affiliate Transmission Projects Regulatory Account

On October 7, 2021, the OEB approved Hydro One’s application for an accounting order to establish a new regulatory account, the Affiliate Transmission Projects Account. The ATP Account will be used for a transmission line project where:

1. Hydro One has, or will, receive a letter from the IESO identifying transmission system needs, and/or an Order in Council or direction from the Minister of Energy for the development or construction of a transmission line project and,
2. All or part of the transmission line project is expected to be owned by and included in the rate base of a new partnership, as a licensed transmitter, such that costs included in the ATP Account Project will not form part of Hydro One’s rate base.

The transmission line portion of the three new transmission projects are expected to be owned by and included in the rate base of a new partnership, as a licenced transmitter, such that line costs included in the ATP Account Project will not form part of Hydro One’s rate base. Whereas the associated station work for the Projects is expected to form part of Hydro One’s future transmission rate base.

On November 21, 2023, Hydro One notified the OEB that it intends to begin using the OEB-approved ATP Account for tracking the line costs of these three new transmission projects, in the same manner as those already approved in EB-2021-0169 and EB-2022-0142.

### Project Summary Table

For ease of reference, and comparison to other Hydro One Projects being undertaken as a result of an Order In Council, Table 1 below provides a summary of the Project included in this report. A map of the Project located in Northeastern Ontario can be found at Attachment 1 to this document.

**Table 1 - Summary of Project #2 – Northeast Power Line Project**

Status	Line Name	Voltage	Length	Circuit Type	Completion	Project Stage	Notes
To Be Developed and Prioritized for Construction	Northeast Power Line Project	500 kV	205 km	Single	2029	Under development	Development work underway

## PROJECT REPORT

### Project #2 – Northeast Power Line

#### OVERALL PROGRESS BY PROJECT

In the IESO's "Need for Northeast Bulk System Reinforcement" report issued in October 2022, the IESO identified a need for a new 500 kV single-circuit transmission line from Mississagi TS to Hanmer TS with a planned in-service of 2029. The Government declared this new transmission line a priority project, and designated Hydro One as the transmitter. The Government also directed the OEB to amend Hydro One's electricity transmission licence to require Hydro One to develop and seek all necessary approvals for this Project.

Hydro One began development work in April 2023 to provide the IESO support and necessary data, as well as to initiate engagement with First Nations and other impacted stakeholders. Hydro One continues to proceed with development work on this Project advancing environmental approvals and consultation, and engineering and design activities. The following summarises the work undertaken to-date and within the reporting period.

#### Environmental Approvals and Consultation

An Individual Environmental Assessment ("EA") for this project was approved in 1984, covering two transmission lines between Hanmer TS and Mississagi TS. Following this approval, property rights for both lines were acquired. However, between the 1984 EA approval and the subsequent construction of the existing line facilities, it was determined that the anticipated electricity demand would be required at a later date than initially anticipated. As a result, only the first line was constructed. Hydro One intends to complete an Environmental Update ("EU") to refresh all technical field surveys, such as archaeology, natural heritage surveys, along the approved route to meet current standards. Furthermore, Hydro One has committed to engaging and consulting with proximate Indigenous communities and stakeholders.

On March 5, 2024, Hydro One distributed a Project Announcement of the EU to Indigenous communities, government officials/agencies, as well as interested persons and organizations, signifying the start of the EU activities. Since that time, Hydro One has continued to engage with Indigenous communities, stakeholders, and members of the public. Key engagement activities during this reporting period included:

- Community Open House in Elliot Lake on March 19, 2024
- Community Open House in Hanmer on March 20, 2024
- Community Open House in Wharncliffe on July 24, 2024
- Initiated a community investment with capacity funding scheduled for completion by the end of 2024.

The Project team is working closely with the nine First Nation (“FN”) Partners, as part of the FN Equity Model, to ensure that their involvement during project planning is encouraged and that opportunities to share Indigenous knowledge are possible. Capacity, in the form of funding and training, is being provided to Indigenous communities to assure opportunity for participation and consultation in the Project.

Ongoing consultation and engagement are being performed with the FN Partners, government agencies, the public and other interested parties. Key engagement activities during this reporting period with Indigenous communities included:

- Community Open House at Thessalon First Nation on April 18, 2024
- Community Open House at Atikameksheng First Nation on May 27, 2024
- Community Open House at Mississauga First Nation on May 28, 2024
- Community Open House at Sagamok First Nation on July 11, 2024
- Community Open House at Wahnapiatae First Nation on September 11, 2024
- Environmental Fieldwork training sessions for the Indigenous Monitors held September 10-13, 2024
- Archaeological Assessment training sessions for Indigenous Monitors held September 16-22, 2024
- Community Open House at Whitefish River First Nation on November 29, 2024.

The EU process is expected to continue through the end of 2025, with the near-term focus on completion of the Stage 1 & 2 archaeological assessments, completion of environmental field surveys for the 2024 field season, planning for the 2025 environmental field season and drafting the Environmental Update Report, summarizing the results from updated surveys, as well as consultation and engagement activities.

## **Engineering and Design**

In support of the development of the lines scope of the Project, Hydro One commenced an extensive competitive procurement process in Q3 & Q4 2024, to engage the services of two Engineering Procurement and Construction (“EPC”) contractors for an Early Contractor Involvement (“ECI”) procurement model. The ECI model will:

- Provide necessary design and engineering information into the EU and Hydro One’s overall development of the Project;
- Advance preliminary identification of Project specific Indigenous and non-Indigenous employment, procurement and training opportunities and requirements through continuing meetings with Indigenous communities and organizations; and
- Identify and implement opportunities for innovation in design, materials, procurement and construction early in the Project, to enable the development of an optimal project delivery solution to mitigate risk. This will enable the ECI-EPC contractor to thoroughly understand the risks, costs, and challenges associated with the project, thus giving greater certainty to Hydro One on the overall schedule and cost.

Engineering and design work continues for the expansion of two of Hydro One's transmission stations, Hanmer TS and Mississagi TS, to support the need for the Project. The engineering team has completed the feasibility studies and is currently undertaking development of the Project design scope.

## **COSTS**

Consistent with the Order in Council for this Project, and the timing requirements for its delivery, Hydro One has commenced development work for the Project, as indicated by the expenditures to date shown in Table 2, below. Hydro One will be determining a full Project Development Cost Budget once there is more clarity regarding design and stakeholder consultation. The costs currently included in the Budget column of Table 2 (column C) pertain only to the EU phase of the Project. Hydro One will be determining a Project Development Cost Budget once there is more clarity regarding the Project's Environmental Update phase outcomes.

**Table 2 - Project Development Costs – Project #2 – Northeast Power Line Project**

	Actuals Spent		Forecast Budget Variance						
	A	B	C	D	E	F	G	H	I
	Spent this Reporting Period (Millions) <sup>9</sup>	Total Spent to Date (Millions)	Budget <sup>10</sup> (Millions)	Forecast Budget Change from Last Report (Millions)	Forecast Budget Change from Last Report (%)	Revised Total Budget (Millions)	G = F - B Budget Remaining (Millions)	H = G/F * 100 Budget Remaining (%)	Reasons for Change
Real Estate	\$0.5	\$0.5	\$2.0	\$0.00	0%	\$0.00	TBD	TBD	
Engineering and Design	\$1.3	\$1.3	\$5.6	\$0.00	0%	\$0.00	TBD	TBD	
Environmental Approvals	\$1.4	\$1.4	\$12.0	\$0.00	0%	\$0.00	TBD	TBD	
Indigenous Consultation	\$1.1	\$1.1	\$14.2	\$0.00	0%	\$0.00	TBD	TBD	
Project Management	\$0.9	\$0.9	\$5.0	\$0.00	0%	\$0.00	TBD	TBD	
Contingency	\$0.0	\$0.0	\$6.1	\$0.00	0%	\$0.00	TBD	TBD	
Other Consultation	\$0.2	\$0.2	\$2.1	\$0.00	0%	\$0.00	TBD	TBD	
Interest and Overhead	\$0.2	\$0.2	\$3.4	\$0.00	0%	\$0.00	TBD	TBD	
<b>Total<sup>11</sup></b>	<b>\$5.5</b>	<b>\$5.5</b>	<b>\$50.5</b>	<b>\$0.00</b>	<b>0%</b>	<b>\$0.00</b>	<b>TBD</b>	<b>TBD</b>	

<sup>9</sup> Actual Spent amounts for this reporting period shown in *Column A* reflects the OEB’s direction that the first set of reports should cover the period up until October 31, 2024.

<sup>10</sup> Budget amounts shown in *Column C* will be revise after assessing the impact of data from the Project’s Environmental Update such as additional requirements for field studies, archaeology and Indigenous consultations. This impact will be presented in a future report.

<sup>11</sup> Total estimate values represented with one decimal place have been rounded.

## PROJECT SCHEDULE

In the IESO’s “*Need for Northeast Bulk System Reinforcement*” report issued in October 2022, the IESO identified a need for a new 500 kV single-circuit transmission line from Mississagi TS to Hanmer TS with a planned in-service of 2029. Hydro One has built out a development schedule with the goal of completing all development work by the end of 2026, which will allow time to construct and in-service the line by the need date. Table 3 presents the key milestones involved in completing the development work.

**Table 3 - Project Schedule – Project #2 – Northeast Power Line Project**

Milestones	Schedule	Completed	Adjusted To
Project Announcement of Environmental Update	Early 2024	March 5, 2024	-
Community Open House #1	Early 2024	March 19-20, 2024, & July 24, 2024	-
Community Open House #2	Late 2025	-	-
Consultation and data collection in support of the Environmental Update	2024-2025	Ongoing	-
Complete Environmental Update Report	Late 2025	-	-
Leave to Construction (Section 92) Application Submission	Early 2026	-	-
Leave to Construction (Section 92) Application Approval	Mid 2026		
Construction	Early 2027	-	-

## RISKS AND ISSUES LOG

The Project is being monitored continually for risks and risk mitigation implemented as a matter of routine activity by the Project team. Risks are formally re-evaluated on a recurring basis. A list of major development risks actively being managed is presented below. Risks for further stages of the Project development work will be identified as Project progresses. Project execution risks will be identified at a later date and will be included in Hydro One’s Leave to Construct application that will be submitted to the OEB.

- There is a risk of project delays and increased costs due to extended timelines for Indigenous inclusion and participation during project planning, and community benefit costs. To mitigate this risk, Hydro One is proactively engaging with Indigenous communities to align on priorities and ensure these activities are integrated into the project schedule.

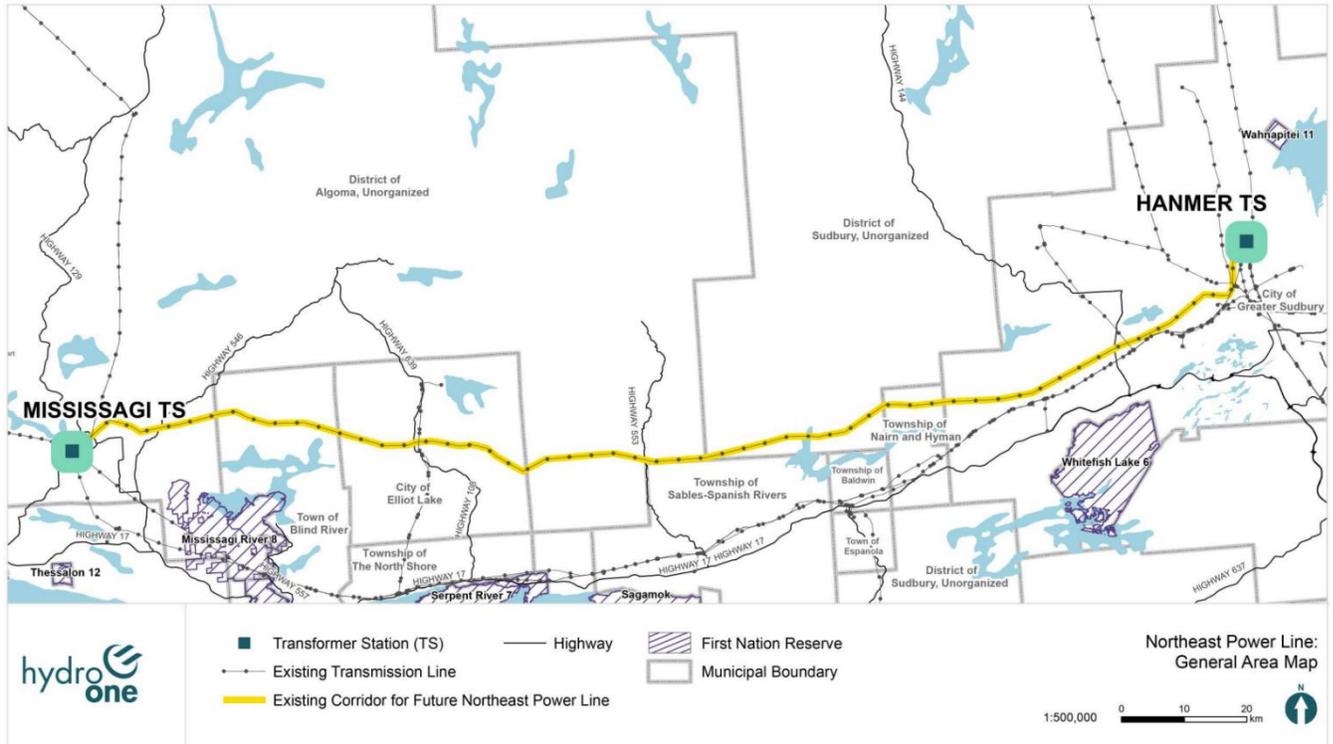
- There is a risk of project delays and increased costs due to the amount of archaeology to complete and availability of resourcing to undertake archaeological assessments along the corridor. To mitigate this risk, Hydro One will utilize all available archaeological vendor resources to ensure assessments are completed within the project schedule.

## **PROJECT SCOPE AND TIMING RECOMMENDATIONS PROVIDED BY THE IESO**

There is no update to report during this period. Should the IESO provide updates to the scope and/or timing recommendations to Hydro One for the Northeast Power Line Project, those details will be provided to the OEB and summarised in this section of the Report going forward. Information in this section will reflect any update/s provided to Hydro One within the semi-annual reporting period to which the report pertains.

## ATTACHMENT 1 Map of the New Transmission Line in Northeastern Ontario

A map of the Northeast Power Line Project (Project #2) in Northeastern Ontario, planned to span between Mississagi TS and Hanmer TS.





**Northeastern and Eastern Ontario Transmission Line Projects**  
Durham Kawartha Power Line Project

Ontario Energy Board Progress Report

Update to October 31, 2024

## EXECUTIVE SUMMARY

On November 14, 2023<sup>1</sup>, the Ontario Energy Board (“OEB”) amended Hydro One Network Inc.’s (“Hydro One”) transmission licence (ET-2003-0035) to include a requirement for Hydro One to develop and seek approvals for three new transmission projects located in Northeastern and Eastern Ontario (collectively, referred to as the “Projects”) in accordance with the recommendations of the Independent Electricity System Operator (“IESO”) as per the Directive approved by the Lieutenant Governor in Council on October 19, 2023, as Order in Council (“OIC”) No. 1532/2023.

Hydro One’s guiding recommendations for these three projects in the Northeastern and Eastern Ontario Area are primarily driven by two IESO bulk planning reports as documented in Hydro One’s letter to the OEB on October 31, 2023<sup>2</sup>.

These three new transmission projects included in Hydro One’s licence are expected to be owned by and included in the rate base of a new partnership, as a licenced transmitter. The line costs will be included in the Affiliate Transmission Projects Account (“ATP Account”) and will not form part of Hydro One’s rate base. On November 21, 2023<sup>3</sup>, Hydro One notified the OEB that it intends to begin using the ATP Account for tracking the costs of the new transmission projects, in the same manner as those already approved in EB-2021-0169 and EB-2022-0142. The associated station work for the Projects is expected to form part of Hydro One’s future transmission rate base.

On December 5, 2024<sup>4</sup>, the OEB requested Hydro One prepare semi-annual project update reports detailing the budget, timing and risks associated with the development of the Projects. This document includes the project reporting for the Durham Kawartha Power Line (“DKPL”) Project, Project #3 of the three new transmission projects stemming from the forementioned OIC. The DKPL Project was defined in the OIC as a new 230 kilovolt (“kV”) transmission line from Dobbin Transformer Station (“TS”) to either Cherrywood TS or Clarington TS, including associated station facility expansions or upgrades required at the terminal stations.

Project #3 is in the development phase and is being monitored for risks. Risk mitigation is implemented as a matter of routine activity by the Project teams. The major development risks being managed include risk of delays in regulatory approvals, acquisition of new easements required for the Project, and/or resulting from an Order under Section 16 of the *Environmental Assessment Act*. Hydro One is working with regulators, municipalities, Indigenous communities, and landowners to manage these risks.

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<sup>1</sup> EB-2023-0319 OEB’s Decision and Order on Hydro One’s Tx Licence, dated November 14, 2023: <https://www.rds.oeb.ca/CMWebDrawer/Record/822747/File/document>

<sup>2</sup> EB-2023-0319 Hydro One’s Tx Recommendations Letter to the OEB, dated October 31, 2024: <https://www.rds.oeb.ca/CMWebDrawer/Record/870805/File/document>

<sup>3</sup> EB-2023-0319 Hydro One’s ATP Account Notification Letter to the OEB, dated November 21, 2023: <https://www.rds.oeb.ca/CMWebDrawer/Record/823665/File/document>

<sup>4</sup> EB-2023-0319 OEB’s Letter to Hydro One on Reporting Requirements, dated December 5, 2024: <https://www.rds.oeb.ca/CMWebDrawer/Record/874735/File/document>

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## BACKGROUND

On October 23, 2023<sup>5</sup>, the Minister of Energy issued a Directive to the OEB under section 28.6.1 of the Ontario Energy Board Act, 1998 (“OEB Act”) requiring the OEB to amend Hydro One’s electricity transmission licence to require Hydro One to develop and seek all necessary approvals for three transmission line projects located in Northeastern and Eastern Ontario (collectively referred to as the Projects), that were approved by the Lieutenant Governor in Council on October 19, 2023, as Order in Council No. 1532/2023<sup>6</sup>. The Projects are as follows:

- **Project #1 (known as North Shore Link Project)** - A new 230 kV transmission line from Mississagi TS to Third Line TS, including associated station facility expansions or upgrades required at the terminal stations;
- **Project #2 (known as Northeast Power Line Project)** - A new 500 kV transmission line from Mississagi TS to Hanmer TS, including associated station facility expansions or upgrades required at the terminal stations; and
- **Project #3 (known as Durham Kawartha Power Line Project)** - A new 230 kV transmission line from Dobbin TS to either Cherrywood TS or Clarington TS, including associated station facility expansions or upgrades required at the terminal stations.

The Order in Council accompanying the Directive states that expansion of Ontario’s transmission system is critical to provide a reliable and adequate supply of electricity to Northeastern and Eastern Ontario to support economic growth and electrification initiatives in the region. As such, all three of the transmission projects listed in the Directive have been declared to be needed as priority projects pursuant to section 96.1 of the OEB Act in Order in Council No. 1531/2023 dated October 19, 2023<sup>7</sup>.

The Directive also required the OEB to amend Hydro One’s licence to include a condition that the scope and timing for the Projects accord with the recommendations of the IESO, and it also directed the OEB to require that Hydro One provide such reporting to the OEB as the OEB may consider appropriate with respect to budget, timing, and risks in relation to the development of the Projects.

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<sup>5</sup> Minister of Energy’s Letter to OEB, dated October 23, 2023: <https://www.oeb.ca/sites/default/files/letter-from-ministry-20231023.pdf>

<sup>6</sup> Order in Council No. 1532/2023 and Minister’s Directive, dated October 19, 2023: <https://www.oeb.ca/sites/default/files/Order-in-Council-Directive-hydro-one-amendment-20231019.pdf>

<sup>7</sup> Order in Council No. 1531/2023, dated October 19, 2023: <https://www.oeb.ca/sites/default/files/Priority-Order-20231019.pdf>

On October 31, 2024<sup>8</sup>, Hydro One provided the OEB with the IESO's guiding recommendations for these three new transmission projects in the Northeastern and Eastern Ontario area. The recommendations are primarily driven by two IESO bulk planning reports:

1. [Need for Northeast Bulk System Reinforcement](#) (October 2022)
2. [Gatineau Corridor End-of-Life Study](#) (December 2022)

These IESO reports affirmed the Projects' need and identified the scope and timing of each. Subsequent to these reports, the IESO provided Hydro One further direction in a letter dated March 8, 2024, regarding additional reactive facilities that will support voltage requirements in the northeast, as they pertain to and support the project's outlined in the Northeast Bulk System Reinforcement Report (including Projects #1 and #2) and gave recommendations regarding the required in service date of those facilities. Similarly for Project #3, Hydro One received a Memorandum from the IESO, dated December 8, 2023, regarding observations on new and modified alternative route options to meet the supply capacity needs.

In a letter dated December 5, 2024, the OEB requested that Hydro One prepare semi-annual reports to the OEB that provided updates on the following matters:

- Overall Project progress
- Development cost
- Development work schedule
- Risks and Issues Log
- Project scope and timing recommendations provided by the IESO.

The first set of reports should be filed with the OEB by January 31, 2025, and should cover the period up until October 31, 2024. All subsequent bi-annual reports are to cover the reporting periods as follows:

- May 1 to October 31 for reporting in November, and
- November 1 to April 30 for reporting in May.

All subsequent bi-annual reports are to be filed by the 15<sup>th</sup> business day of the month following the end of each reporting period.

This document includes the project reporting for the development of the Durham Kawartha Power Line Project, Project #3 of the three new transmission projects (hereinafter, "Project" shall refer to the Durham Kawartha Power Line Project). The project reporting for the other two new transmission projects (Projects #1 and #2) are the subject of separate bi-annual reports, that will be filed with the OEB in conjunction with this report.

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<sup>8</sup> EB-2023-0319 Hydro One's Tx Recommendations Letter to the OEB, dated October 31, 2024: <https://www.rds.oeb.ca/CMWebDrawer/Record/870805/File/document>

### Hydro One’s OEB-Approved Affiliate Transmission Projects Regulatory Account

On October 7, 2021, the OEB approved Hydro One’s application for an accounting order to establish a new regulatory account, the Affiliate Transmission Projects Account. The ATP Account will be used for a transmission line project where:

1. Hydro One has, or will, receive a letter from the IESO identifying transmission system needs, and/or an Order in Council or direction from the Minister of Energy for the development or construction of a transmission line project, and
2. All or part of the transmission line project is expected to be owned by and included in the rate base of a new partnership, as a licensed transmitter, such that costs included in the ATP Account Project will not form part of Hydro One’s rate base.

The transmission line portion of the three new transmission projects are expected to be owned by and included in the rate base of a new partnership, as a licenced transmitter, such that line costs included in the ATP Account Project will not form part of Hydro One’s rate base. Whereas the associated station work for the Projects is expected to form part of Hydro One’s future transmission rate base.

On November 21, 2023, Hydro One notified the OEB that it intends to begin using the ATP Account for tracking the line costs of these three new transmission projects, in the same manner as those already approved in EB-2021-0169 and EB-2022-0142.

### Project Summary Table

For ease of reference, and comparison, Table 1 below provides a summary of the Project included in this report. A map of the Project located in Eastern Ontario can be found at Attachment 1 to this document.

**Table 1 - Summary of Project #3 – Durham Kawartha Power Line Project**

Status	Line Name	Voltage	Length	Circuit Type	Completion	Project Stage	Notes
To Be Developed and Prioritized for Construction	Durham Kawartha Power Line	230 kV	Approx. 55 km	Double	2029	Under Development	Development work underway

## PROJECT REPORT

### Project #3 – Durham Kawartha Power Line

#### OVERALL PROGRESS BY PROJECT

In the IESO's "*Gatineau Corridor End-of-Life Study*" report issued in December 2022, among other things, the IESO identified a need for a new 230 kV double-circuit transmission line from Dobbin TS to either Cherrywood TS or Clarington TS with a planned in-service of 2029. The Government declared this new transmission line a priority project, and designated Hydro One as the transmitter. The Government also directed the OEB to amend Hydro One's electricity transmission licence to require Hydro One to develop and seek all necessary approvals for this Project.

Hydro One began development work in December 2023 and continues to proceed with advancing environmental approvals and consultation, and engineering and design activities for this Project. As part of this development work, Hydro One has selected the new 230 kV double-circuit transmission line to terminate at Clarington TS as established in the Notice of Commencement of the Class Environmental Assessment ("EA"). The following summarises the work undertaken to-date and within the reporting period.

#### Environmental Approvals and Consultation

On June 4, 2024, Hydro One distributed the Notice of Commencement of the Class EA to Indigenous communities, government officials/agencies, interested persons and organizations, signifying the start of the Class EA activities. Since that time, Hydro One has continued engagement activities with these parties. Key engagement activities during this reporting period included:

- Community Open House #1 - Held between June 25 to 27, 2024.
- Municipal and Regional government outreach program – Ongoing.
- Engagement with landowners to obtain early access to the corridor to perform various environmental studies associated with the Project - Ongoing.
- Outreach and coordination with impacted stakeholders, including Conservation Authorities and landowners, on environmental study details – Ongoing.

A comprehensive environmental field survey/studies program is also currently underway which will collect data along the transmission line route to help identify natural features and mitigation measures along the Project's route, as well as the assessment of the Project footprint. As of October 31, 2024, the summer and fall environmental field studies were completed.

The Project team is working closely with Indigenous communities to ensure that their involvement in the field surveys is encouraged and that opportunities to share Indigenous knowledge during field surveys are made available. Capacity, in the form of funding and training, is being provided

to Indigenous communities to assure opportunity for participation and consultation in the Project. Key engagement activities during this reporting period with Indigenous communities included:

- Project Kickoff meeting with Indigenous communities - August 12, 2024.
- Regular Meetings with Indigenous communities – Ongoing.

The EA process is expected to continue through to the end of 2025, with the near-term focus on the Community Open House #2 to be held between February 25 and 27, 2025, and the continuation of the environmental field work and studies in Spring 2025.

## Engineering and Design

In support of the Project's development phase activities, Hydro One undertook a competitive procurement process in Q3 2024 to engage the services of two Engineering Procurement and Construction ("EPC") contractors, who will participate in an Early Contractor Involvement ("ECI") procurement model. The ECI model will be used for the transmission line engineering and design work and utilized to:

- Provide necessary design and engineering information into the environmental assessment and Hydro One's overall development of the Project;
- Advance preliminary identification of Project specific Indigenous and non-Indigenous employment, procurement and training opportunities and requirements through continuing meetings with Indigenous communities and organizations; and
- Identify and implement opportunities for innovation in design, materials, procurement and construction early in the Project, to enable the development of an optimal delivery solution which mitigates risk. This will enable the ECI-EPC contractor to thoroughly understand the risks, costs, and challenges associated with the project, thus giving greater certainty to Hydro One on the overall schedule and cost.

Additionally, Hydro One has commenced engineering and design work for the expansion of two of Hydro One's transmission stations, Dobbin TS and Clarington TS, to support the connection of the new 230 kV double-circuit transmission line terminations. Engineering and design work completed within this reporting period includes identifying the optimal station configuration and finalizing station layouts to progress the design scope.

## COSTS

Consistent with the Order in Council for this Project, and the timing requirements for its delivery, Hydro One has commenced development work for the Project, as indicated by the expenditures to date shown in Table 2, below. Hydro One will be determining a total Project Development Cost budget once there is greater project definition, including determination of the preferred route and the progression of design. The costs currently included in the Budget column of Table 2 pertain only to the EA phase<sup>9</sup> of the Project and will be updated in a subsequent reporting period.

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<sup>9</sup> The Class EA is currently scheduled to conclude in late 2025, as noted in Table 3.

**Table 2 - Project Development Costs – Project #3 – Durham Kawartha Power Line Project**

	Actuals Spent		Forecast Budget Variance <sup>10</sup>						
	A	B	C	D	E	F	G	H	I
	Spent this Reporting Period <sup>11</sup> (Millions)	Total Spent to Date (Millions)	Budget <sup>12</sup> (Millions)	Forecast Budget Change from Last Report (Millions)	Forecast Budget Change from Last Report (%)	Revised Total Budget (Millions)	G = F - B Budget Remaining (Millions)	H = G/F * 100 Budget Remaining (%)	Reasons for Change
Real Estate	\$2.2	\$2.2	\$15.3	n/a	n/a	n/a	n/a	n/a	n/a
Engineering and Design	\$0.7	\$0.7	\$5.9	n/a	n/a	n/a	n/a	n/a	n/a
Environmental Approvals	\$0.6	\$0.6	\$4.5	n/a	n/a	n/a	n/a	n/a	n/a
Indigenous Consultation	\$0.6	\$0.6	\$7.1	n/a	n/a	n/a	n/a	n/a	n/a
Project Management	\$1.3	\$1.3	\$5.8	n/a	n/a	n/a	n/a	n/a	n/a
Contingency	\$0.0	\$0.0	\$5.4	n/a	n/a	n/a	n/a	n/a	n/a
Other Consultation	\$0.2	\$0.2	\$3.2	n/a	n/a	n/a	n/a	n/a	n/a
Interest and Overhead	\$0.2	\$0.2	\$2.8	n/a	n/a	n/a	n/a	n/a	n/a
<b>Total<sup>13</sup></b>	<b>\$5.8</b>	<b>\$5.8</b>	<b>\$50.2</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	

<sup>10</sup> For this initial report, there is no revised budget and thus no variance to report in Columns D to I. Updates will be provided in subsequent reporting.

<sup>11</sup> Actual Spent amounts for this reporting period shown in *Column A* reflects the OEB's direction that the first set of reports should cover the period up until October 31, 2024.

<sup>12</sup> Budget amounts shown in *Column C* are for the Project's EA phase only. A total Project Development Cost budget requires greater project definition, including determination of the preferred route and the progression of design.

<sup>13</sup> Total amounts may not add as estimate values represented with one decimal place have been rounded.

## PROJECT SCHEDULE

In the IESO's "*Gatineau Corridor End-of-Life Study*" report issued in December 2022, the IESO indicated that the Durham Kawartha Power Line Project would be required to be in service by the end of 2029. Hydro One has built out a development schedule with the goal of completing all development work by the end of 2026, which will allow time to construct and in-service the line by the need date. Table 3 presents the key milestones involved in completing the development work.

**Table 3 - Project Schedule – Project #3 – Durham Kawartha Power Line Project**

Milestones	Schedule	Completed	Adjusted To
Notice of Commencement of Class EA	Mid-2024	June 4, 2024	
Community Open House #1	Mid-2024	June 27, 2024	
Selection of preferred route	End-2024	-	
Community Open House #2	Early-2025	-	
Release of the draft Environmental Study Report (ESR) for public review	Mid-2025	-	
Submit Final ESR and complete the Class EA process	Late 2025	-	
Leave to Construction (Section 92) Application Submission	Mid-2026	-	
Leave to Construction (Section 92) Approval	End-2026	-	
Community Open House #3	End-2026	-	
Construction Starts	2027	-	
In-Service	2029	-	

## RISKS AND ISSUES LOG

The Project is being monitored continually for risks and risk mitigation implemented as a matter of routine activity by the Project team. Risks are formally re-evaluated on a quarterly basis. A list of major development risks actively being managed is presented below.

- There is a risk of delay to the Project if the easements required to construct the new transmission line cannot be acquired voluntarily, and Hydro One must apply to the OEB for authority to expropriate the lands. To mitigate this risk Hydro One is engaging landowners early, to discuss concerns and mitigations, in order to secure voluntary option agreements with landowners.
- There is a risk of delay to the Project if there are regulatory approval delays with either the OEB Section 92 or for the Environmental Assessment approval. To mitigate this risk,

Hydro One is committed to undertaking notification and outreach to impacted parties; and working with the regulatory bodies to provide sufficient time and opportunity for regulators to undertake their reviews and approvals.

- There is a risk of delay to the Project if an Order under Section 16 of the *Environmental Assessment Act* is pursued. To mitigate this risk, Hydro One continues to offer engagement opportunities with Indigenous communities proximate to the Project's EA study area, which includes offering the provision of capacity funding to potentially impacted communities and site monitor compensation, to support these consultation/monitoring activities and involvement in the EA process.

Risks for further stages of the Project development work will be identified as the Project progresses. Project execution risks will be identified at a later date and will be included in Hydro One's Leave to Construct application that will be submitted to the OEB.

## **PROJECT SCOPE AND TIMING RECOMMENDATIONS PROVIDED BY THE IESO**

Should the IESO provide updates to the scope and/or timing recommendations to Hydro One for the Durham Kawartha Power Line Project, those details will be provided to the OEB and summarized in this section of the Report going forward. Information in this section will reflect any update(s) provided to Hydro One within the semi-annual reporting period to which the report pertains.

**Updates** – As noted above, on October 31, 2024, Hydro One provided the OEB with the IESO's guiding recommendations to Hydro One for the Durham Kawartha Power Line Project. Included in that letter was the IESO's Memorandum report to Hydro One, dated December 8, 2023. No further reports have been received from the IESO during this reporting period.

## ATTACHMENT 1 Map of the New Transmission Line in Eastern Ontario

A map of the Durham Kawartha Power Line Project (Project #3) in Eastern Ontario, which references the new 230 kV double-circuit transmission line planned between Dobbin TS and Clarington TS including route options presented in the Class EA process.

