



August 15, 2025

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

**Re: EB-2025-0216 Streamlining Transmission Connections
Niagara-on-the-Lake Hydro comments**

Dear Sir:

This is Niagara-on-the-Lake Hydro's (NOTL Hydro) submission on the transmission connection process in Ontario.

Executive Summary

Based on its own experience, NOTL Hydro believes there is room for improvement in the transmission connection process in Ontario. In particular:

- The length of time to obtain an SIA from the IESO and an estimate from Hydro One is too long and needs to be shortened.
- There are concerns with the amount charged by Hydro One for their services.

NOTL Hydro also strongly supports the OEB getting an independent partner highly knowledgeable on the transmission connection process to assist with this review.

Finally, NOTL Hydro recommends that the recent Government of Ontario plan to have a body to prioritize transmission connections be integrated into the review.

Support for Review

NOTL Hydro supports the undertaking of a comprehensive review of the transmission connection process. NOTL Hydro notes that the connection process applies to both connections directly to the transmission grid and connections to distribution grids that exceed certain capacities. In the case of new loads this is 10 MW. NOTL Hydro has had some experience with the latter which will be provided further below.

NOTL Hydro recognizes that connections to the grid must be managed to protect the integrity of the grid. A connection process is necessary. This process must find the right balance between protecting the integrity of the grid and providing customers with an expeditious and customer-centric process. One of the issues before this review is whether this balance is being achieved.

The importance of an efficient transmission connection process from an economic development perspective has been well documented and does not need to be repeated here.

Concerns with the Review

NOTL Hydro has some concerns with the nature of the review as outlined in the July 31, 2025 letter. These are as follows:

1. Having the OEB conduct a review on efficiency and timeliness has a certain ironic consideration. The OEB's own shortcomings in this regard were included in the Modernization Panel report. In NOTL Hydro's opinion this is still an issue. NOTL Hydro is participating in the generic hearing on transmission billing related issues. This hearing commenced in late 2021 and is still ongoing in 2025. This lengthy process has cost the ratepayers of NOTL Hydro hundreds of thousands of dollars.
2. NOTL Hydro is concerned that the nature of the review may not elicit the response levels desired from load customers that have the relevant experience. For many load customers, this may be a one-time event so they no longer have a vested interest in seeing the process improved. There may also be concerns with impacts on ongoing relationships and services.
3. NOTL Hydro is also concerned as to whether the OEB will have the expertise needed to independently assess the validity of claims with regards to what is needed to protect the integrity of the transmission grid. In the opinion of NOTL Hydro, a working group may not be the best method to obtain this expertise.

To address the above concerns, NOTL Hydro recommends that the OEB partner on this review with an independent, third party with significant experience in transmission connections. This partnership may need to be more than the usual hired consultant but, rather, a more active participant in the entire review process. In addition to providing independent expertise, this partner could proactively reach out to recent load customers to get more frank assessments of their connection process experiences.

4. The OEB commonly conducts a jurisdictional review on the issue as part of their reviews. NOTL Hydro agrees with this approach. However, NOTL Hydro is aware that the performance in some other jurisdictions is worse than Ontario with regards to transmission connections. The OEB should not allow this to be a reason for Ontario not to have the most customer-friendly process possible.
5. The Government of Ontario recently announced the creation of a new body that will be tasked with prioritizing transmission connections based on provincial needs. NOTL Hydro understands the objectives behind this decision but is concerned that it could add



further delays and complications to the connection process. This review could be an opportunity to ensure this new step is seamlessly integrated.

NOTL Hydro Experience

In late 2021, NOTL Hydro was approached by a business looking to establish cryptocurrency mining operations at a site in Niagara-on-the-Lake that would be connected to the NOTL Hydro distribution grid. As this operation would use more than 10 MW of electrical demand, approval of the IESO and the local transmitter, Hydro One, was required. The approvals come by the way of a System Impact Assessment (SIA) from the IESO and a Connection Impact Assessment (CIA) from Hydro One. As will be described below, a third element to the connection process, a Remedial Action Scheme (RAS), was also required. It should be noted that in all these actions NOTL Hydro is an intermediary. NOTL Hydro tries to act in the best interest of its customer but the costs and delays are borne by the customer.

IESO SIA

The SIA application to the IESO was made on May 2, 2022. In late May a meeting was held with an IESO analyst who advised that this process usually takes nine months. The impression was also given that the result of the SIA was already largely known. The final SIA was received on March 28, 2023, almost 11 months later.

NOTL Hydro is aware that cryptocurrency mining is not considered the most favourable use of electricity and that the recent Government of Ontario actions on transmission connections might impact the likelihood of this type of connection even being granted in the future. However, these rules were not in place at that time so this should not have had a material impact on the process. By the end, the impression NOTL Hydro was left with was that this process could have been completed in a considerably shorter time frame. Given the significance of this approval to our customer's operations, the length of the approval process is not considered by NOTL Hydro to be reasonable. NOTL Hydro notes that in the last document from the IESO that it saw on this process, the expected time for a decision had been expanded to 14 months.

Based on its research and analysis, NOTL Hydro expected that 60 MW would be available to our customer. The SIA request was for 80 MW. The approved SIA granted 50 MW subject to the implementation of a RAS. A manually operated RAS was accepted as a stopgap measure until an automated RAS could be implemented. Some participants have considered the risk metrics used to require the RAS to be overly conservative. NOTL Hydro recognizes that this is subjective and driven by the strategic objectives of the IESO leadership. Overall, NOTL Hydro considers the actual decision by the IESO to be reasonable.



Niagara On-The-Lake HYDRO

Hydro One CIA

Hydro One does not issue a CIA until the IESO SIA has been completed. NOTL Hydro kept Hydro One apprised of the developments with the SIA. The final CIA was received on May 26, 2023. NOTL Hydro considers the timeliness of the CIA and its decision to be reasonable.

Hydro One RAS

As mentioned, one of the conditions in the SIA was the eventual implementation of an automated RAS. This must be done with the local transmitter, Hydro One. At the time of writing, the process for implementing the RAS is ongoing. As such, final observations cannot be made but some concerns can be noted:

- The CCEA document required to obtain an estimate from Hydro One was signed on April 29, 2024. This required a fee of \$280,111 plus HST just for the estimate. In NOTL Hydro's opinion this is not reasonable. Costs in any project should be kept as low as possible for the customer in the early stages so that the sunk costs are as low as possible at the point when enough facts are known to make a final decision.
- The estimate was provided on July 29, 2025. The details of the estimate have not been provided and will not be known until sometime in September 2025. NOTL Hydro does not believe a term of over a year to obtain an estimate is reasonable. NOTL Hydro acknowledges that, as its customer was not in any hurry to pay for the automated RAS while the manual RAS was in operation, it did not pressure Hydro One for the estimate.
- Hydro One is a large company. NOTL Hydro has a long-standing relationship with the department that provided the CIA. The department providing the RAS was new to NOTL Hydro. NOTL Hydro was often frustrated by the lack of consideration for the final customer in its deliberations.
- NOTL Hydro is not currently in a position to evaluate the reasonableness of the estimate. NOTL Hydro believes it worth obtaining a second opinion but that will be at the discretion of the final customer.

Yours truly,

Tim Curtis
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