

BY EMAIL

August 15, 2025

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

Dear Ms. Marconi,

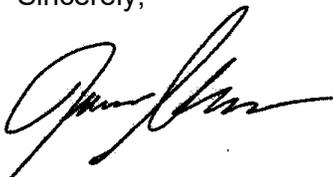
Re: EB-2025-0216 – Streamlining of Transmission Connection Procedures

On July 31, 2025, the Ontario Energy Board (“OEB”) issued a letter to notify the broader electricity sector that it would be initiating a comprehensive review of the connection procedures for transmission load customers in response to the Minister of Energy and Mines’ (the “Minister”) Integrated Energy Plan (IEP) Directive. The OEB has stated that their review will focus on assessing the reasonableness of the current connection timelines, identifying opportunities for streamlining the overall connection process, and improving the coordination of activities performed by transmitters and the Independent Electricity System Operator (IESO). The OEB is also considering the need to introduce performance standards for transmitters. A final report will be submitted by the OEB to the Minister in December 2025 that will summarize its findings.

Hydro One Networks Inc. (“Hydro One”) supports the review initiated by the OEB and believes that there are opportunities for streamlining aspects of the connection process and making the connection process more efficient. Please refer to Appendix A for a description of Hydro One’s transmission customer connection process and an explanation of the main issues that Hydro One believes are impacting connection timelines for load customers and need to be addressed to improve the efficiency of the connection process.

If you have additional questions or would like to discuss our comments in further detail, please contact Hatem Osman via email at regulatoryaffairs@hydroone.com.

Sincerely,



Jason Savulak

Cc: Freed Akhter, Senior Advisor, Transmission Policy & Compliance

Appendix A

1. Hydro One's Transmission Connection Process

The following diagram provides an overview of Hydro One's process for connecting transmission customers, which includes a description of and estimated timeline for each phase in the process. As can be seen from the diagram, each phase of the connection process is reliant on the completion of the previous phase because the output of the previous phase is an input to a subsequent phase in the process. Certain phases can be executed in parallel and, where possible, Hydro One will perform activities in some phases concurrently to reduce the overall connection time frame. However, doing so introduces uncertainty and requires assumptions to be made that, if incorrect, may result in changes to the design, scope of work and project cost.

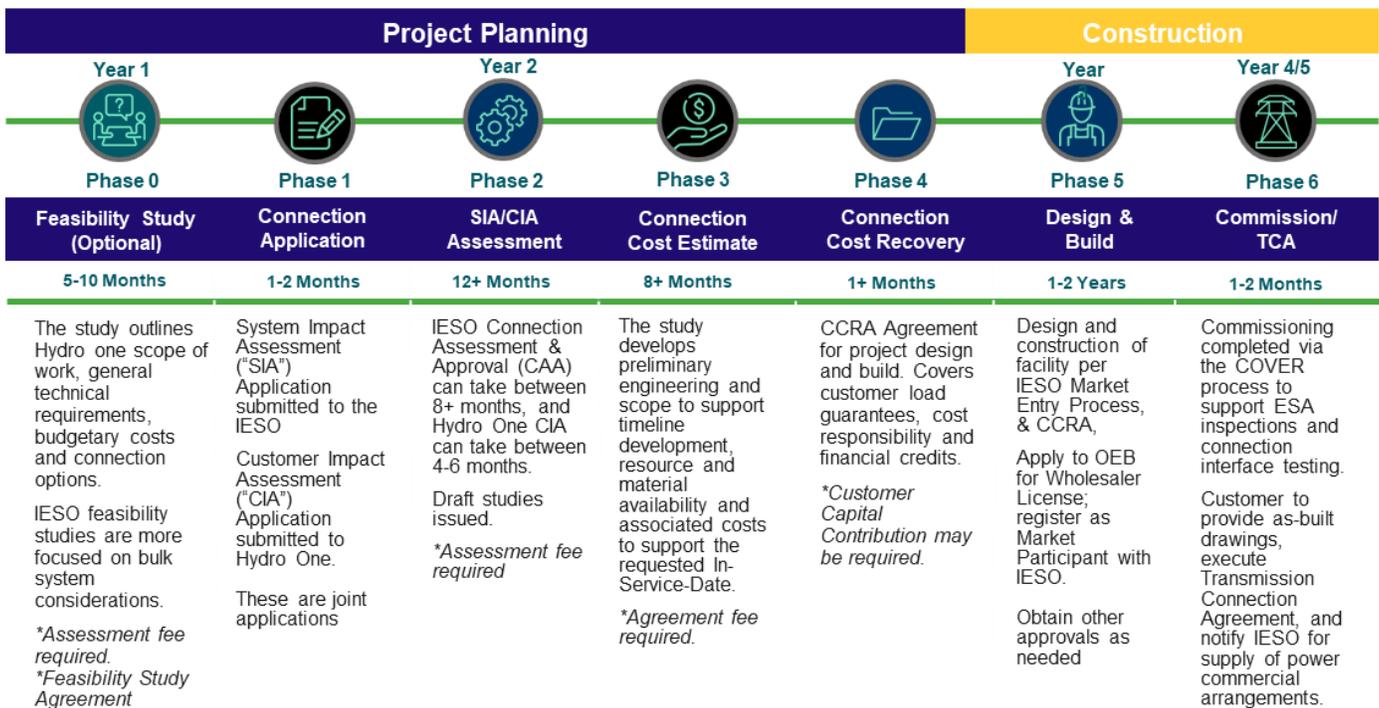


Figure 1 - Hydro One's Transmission Connection Process

2. Hydro One's Experience with the Transmission Customer Connection Process

Based on its experience with connecting customers to the transmission system, Hydro One has found that the following factors and issues affect the connection process and are the main cause for longer connection timelines and delays:

Customer Site Selection

Before proceeding with their connection, some customers may have options for siting their facilities and want to assess different site options. Initial and preliminary site selection assessments, which can include multiple connections to the system and different loading options, can take significant effort and time to complete before the customer submits their connection application. This assessment work creates a significant burden both for Hydro One and IESO and there is currently no mechanism for recouping costs associated with this work, regardless of whether the customer decides to proceed or not with their connection.

Outages Required to Facilitate Customer Connections

Existing connected customers may refuse to agree to outages requested by the transmitter to facilitate new customer connections. This limits the period of availability for energizing new connection assets and making other system modifications, such as replacement of poor condition elements, that are needed to facilitate these connections.

Customer Delays

In some cases and due to various reasons, Hydro One has found that customers will delay their connection in-service date, which results in their cost estimate becoming stale and the inability to establish definitive project plans. Depending on the length of the delay, standards could be updated, equipment procurement timelines could change or system conditions/constraints could change. This can result in changes to project requirements, costs and scheduling. Often, these delays will require a refresh of the project scope, costs and the reassignment of Hydro One resources, which further adds to the delay.

Customer In-Service Dates

Some customers provide unrealistic connection dates and/or miss their own requested connection date, which results in an inefficient use of Hydro One's resources and interest being incurred on the project costs.

IESO System Impact Assessments (SIA)

The IESO does not guarantee a timeline for providing an SIA that establishes their connection requirements. Typically, an SIA can take anywhere from 9-12 months for the IESO to issue. Hydro One requires 4-6 months to complete its Connection Impact Assessment (CIA). In general, Hydro One cannot perform its CIA until it receives the SIA from the IESO. Therefore, Phase 2 of Hydro One's connection process can take between 11-21 months for both the IESO and transmitter to perform their connection assessments and define the connection requirements.

In some instances, Hydro One will try to reduce the timeline for Phase 2 by initiating its CIA based on preliminary findings of the SIA. While this approach can save time, there is a risk to taking this approach if Hydro One has to update their CIA to reflect any unforeseen requirements identified in the draft or final SIA.

Hydro One has made it clear to customers that performing the SIA and CIA in tandem may not actually accelerate the customer's connection timeline.

There also appears to be confusion on whether an SIA guarantees connection capacity for the customer. For example, if an SIA is issued to a customer but the customer delays their connection, does the SIA remain valid if changes are made to the system? Does the SIA have an expiry date? Hydro One believes that providing clarity on these details would be helpful and may avoid customer-driven delays if it is understood that the SIA is only valid for a period of time.

Project Approvals

There are numerous hand-offs between Hydro One, the IESO and the OEB in the course of connecting a transmission customer. Furthermore, a connection may also necessitate approvals from the OEB and other government authorities. Hydro One has found that the time to receive certain approvals is continuing to increase on average and is impacting the ability to execute certain steps in the connection process. For example, Hydro One has found that OEB s.92 and Ministry of Transportation approvals are taking a significant amount of time. If required, Hydro One cannot start construction until it receives an OEB s.92 approval.

Connection Cost Estimates

Customers often complain about the length of time that it takes for Hydro One to complete a detailed cost estimate. To address this issue, Hydro One has offered to provide customers with the option of receiving a lower accuracy estimate with a quicker turnaround time. However, if a customer proceeds with their connection based on this estimate, the customer must accept the higher level of cost uncertainty and potential implications to project financing.

Availability of System Capacity

At times, sufficient capacity is not available on the transmission network to connect a customer and the customer will need to wait for upstream system reinforcements, which could take years. Additionally, there is a lack of clarity from a cost allocation perspective as to whether a customer should be responsible for any part of the costs for investments undertaken as part of a regional reinforcement plan that enable the customer's connection.

3. Performance Standards

The OEB has indicated an interest in streamlining the transmission connection process by establishing performance standards and milestones. Hydro One believes that there is merit in pursuing this objective and has already established performance standards and timelines for each phase of its connection process, which are underpinned by a contractual agreement entered between Hydro One and the customer (ie. timelines for issuing a CIA, estimate and entering into a cost recovery agreement).

However, Hydro One also acknowledges that the complexity and scope of work for each customer connection request will vary due to a number of factors. Therefore, it would be challenging to apply specific performance standards to each phase of the process without considering the type of connection. There is also a need to recognize that factors outside the control of either the transmitter or the customer can impact the connection timeline and the transition from one phase to the next.

That notwithstanding, Hydro One believes that criteria can be established to define a typical or generic connection request. Based on these criteria, key milestones and performance standards could be developed to streamline the connection process for these types of connections. Customer connections that do not meet the criteria of a typical or generic connection request would be subject to slightly more variable performance standards and flexibility would need to be granted, where appropriate.

4. Recommendations

If the intention is to streamline and make the transmission connection process more efficient, Hydro One recommends the following:

- Establish a streamlined connection process, which includes milestones, responsibilities, performance expectations, for a typical or generic connection request. For connection requests that do not meet the criteria of a typical or generic connection, establish more flexible performance standards, where appropriate, based on the streamlined process. The OEB should allow for any timelines to be paused in the event that a responsibility is not fulfilled or a performance expectation is not met.
- Identify key activities in the connection process that take up a significant amount of time and explore options for reducing these timelines. If these activities are taking up a significant amount of time because they are dependent on the performance of other activities, explore options for mitigating the impact of this dependency.
- Hydro One has found that obtaining certain required third-party approvals or authorizations is increasing on average and delaying connection timelines. The Minister should be made aware of this, and actions should be taken to expedite the receipt of these third-party approvals or authorizations.