



Electricity Transmission Licence

ET-2003-0035

Hydro One Networks Inc.

Valid Until

October 30, 2043

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Ontario Energy Board

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LIST OF AMENDMENTS

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1 Definitions

In this Licence:

“**Accounting Procedures Handbook**” means the handbook, approved by the Board which specifies the accounting records, accounting principles and accounting separation standards to be followed by the Licensee;

“**Act**” means the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B;

“**Affiliate Relationships Code for Electricity Distributors and Transmitters**” means the code, approved by the Board which, among other things, establishes the standards and conditions for the interaction between electricity distributors or transmitters and their respective affiliated companies;

“**Board**” means the Ontario Energy Board;

“**Electricity Act**” means the *Electricity Act, 1998*, S.O. 1998, c. 15, Schedule A;

“**Licensee**” means Hydro One Networks Inc.;

“**Market Rules**” means the rules made under section 32 of the Electricity Act;

“**Performance Standards**” means the performance targets for the distribution and connection activities of the Licensee as established by the Board in accordance with section 83 of the Act;

“**Rate Order**” means an Order or Orders of the Board establishing rates the Licensee is permitted to charge;

“**transmission services**” means services related to the transmission of electricity and the services the Board has required transmitters to carry out for which a charge or rate has been established in the Rate Order;

“**Transmission System Code**” means the code approved by the Board and in effect at the relevant time, which, among other things, establishes the obligations of a transmitter with respect to the services and terms of service to be offered to customers and provides minimum technical operating standards of transmission systems;

“**wholesaler**” means a person that purchases electricity or ancillary services in the IESO administered markets or directly from a generator or, a person who sells electricity or ancillary services through the IESO-administered markets or directly to another person other than a consumer.

2 Interpretation

- 2.1 In this Licence, words and phrases shall have the meaning ascribed to them in the Act or the Electricity Act. Words or phrases importing the singular shall include the plural and vice versa. Headings are for convenience only and shall not affect the interpretation of the Licence. Any reference to a document or a provision of a document includes an amendment or supplement to, or a replacement of, that document or that provision of that document. In the computation of time under this licence, where there is a reference to a number of days between two events, they shall be counted by excluding the day on

which the first event happens and including the day on which the second event happens. Where the time for doing an act expires on a holiday, the act may be done on the next day that is not a holiday.

3 Authorization

- 3.1 The Licensee is authorized, under Part V of the Act and subject to the terms and conditions set out in this Licence to own and operate a transmission system consisting of the facilities described in Schedule 1 of this Licence, including all associated transmission equipment.

4 Obligation to Comply with Legislation, Regulations and Market Rules

- 4.1 The Licensee shall comply with all applicable provisions of the Act and the Electricity Act and regulations under these Acts, except where the Licensee has been exempted from such compliance by regulation.
- 4.2 The Licensee shall comply with all applicable Market Rules.

5 Obligation to Comply with Codes

- 5.1 The Licensee shall at all times comply with the following Codes (collectively the “Codes”) approved by the Board, except where the Licensee has been specifically exempted from such compliance by the Board. Any exemptions granted to the Licensee are set out in Schedule 2 of this Licence. The following Codes apply to this Licence:
- a) the Affiliate Relationships Code for Electricity Distributors and Transmitters; and
 - b) the Transmission System Code.
- 5.2 The Licensee shall:
- a) make a copy of the Codes available for inspection by members of the public at its head office and regional offices during normal business hours; and
 - b) provide a copy of the Codes to any person who requests it. The Licensee may impose a fair and reasonable charge for the cost of providing copies.

6 Requirement to Enter into an Operating Agreement

- 6.1 The Licensee shall enter into an agreement (“Operating Agreement”) with the IESO providing for the direction by the IESO of the operation of the Licensee’s transmission system. Following a request made by the IESO, the Licensee and the IESO shall enter into an Operating Agreement within a period of 90 business days, unless extended with leave of the Board. The Operating Agreement shall be filed with the Board within ten (10) business days of its completion.
- 6.2 Where there is a dispute that cannot be resolved between the parties with respect to any of the terms and conditions of the Operating Agreement, the IESO or the Licensee may apply to the Board to determine the matter.

7 Obligation to Provide Non-discriminatory Access

- 7.1 The Licensee shall, upon the request of a consumer, generator, distributor or retailer, provide such consumer, generator, distributor or retailer, as the case may be, with access to the Licensee’s transmission system and shall convey electricity on behalf of such consumer,

generator, distributor or retailer in accordance with the terms of this Licence, the Transmission System Code and the Market Rules.

8 Obligation to Connect

- 8.1 If a request is made for connection to the Licensee's transmission system or for a change in the capacity of an existing connection, the Licensee shall respond to the request within 30 business days.
- 8.2 The Licensee shall process connection requests in accordance with published connection procedures and participate with the customer in the IESO's Connection Assessment and approval process in accordance with the Market Rules, its Rate Order(s) and the Transmission System Code.
- 8.3 An offer of connection shall be consistent with the terms of this Licence, the Market Rules, the Rate Order, and the Transmission System Code.
- 8.4 The terms of such offer to connect shall be fair and reasonable.
- 8.5 The Licensee shall not refuse to make an offer to connect unless it is permitted to do so by the Act or any Codes, standards or rules to which the Licensee is obligated to comply with as a condition of this Licence.

9 Obligation to Maintain System Integrity

- 9.1 The Licensee shall maintain its transmission system to the standards established in the Transmission System Code and Market Rules, and have regard to any other recognized industry operating or planning standards required by the Board.

10 Transmission Rates and Charges

- 10.1 The Licensee shall not charge for the connection of customers or the transmission of electricity except in accordance with the Licensee's Rate Order(s) as approved by the Board and the Transmission System Code.

11 Separation of Business Activities

- 11.1 The Licensee shall keep financial records associated with transmitting electricity separate from its financial records associated with distributing electricity or other activities in accordance with the Accounting Procedures Handbook and as otherwise required by the Board.

12 Expansion of Transmission System

- 12.1 The Licensee shall not construct, expand or reinforce an electricity transmission system or make an interconnection except in accordance with the Act and Regulations, the Transmission System Code and the Market Rules.

13 Provision of Information to the Board

- 13.1 The Licensee shall maintain records of and provide, in the manner and form determined by the Board, such information as the Board may require from time to time.
- 13.2 Without limiting the generality of paragraph 13.1, the Licensee shall notify the Board of any material change in circumstances that adversely affects or is likely to adversely affect the

business, operations or assets of the Licensee as soon as practicable, but in any event no more than twenty (20) business days past the date upon which such change occurs.

14 Restrictions on Provision of Information

- 14.1 The Licensee shall not use information regarding a consumer, retailer, wholesaler or generator, obtained for one purpose for any other purpose without the written consent of the consumer, retailer, wholesaler or generator.
- 14.2 The Licensee shall not disclose information regarding a consumer, retailer, wholesaler or generator to any other party without the written consent of the consumer, retailer, wholesaler or generator, except where such information is required to be disclosed:
- a) to comply with any legislative or regulatory requirements, including the conditions of this Licence;
 - b) for billing, settlement or market operations purposes;
 - c) for law enforcement purposes; or
 - d) to a debt collection agency for the processing of past due accounts of the consumer, retailer, wholesaler or generator.
- 14.3 Information regarding consumers, retailers, wholesalers or generators may be disclosed where the information has been sufficiently aggregated such that their particular information cannot reasonably be identified.
- 14.4 The Licensee shall inform consumers, retailers, wholesalers and generators of the conditions under which their information may be released to a third party without their consent.
- 14.5 If the Licensee discloses information under this section, the Licensee shall ensure that the information is not be used for any other purpose except the purpose for which it was disclosed.

15 Term of Licence

- 15.1 This Licence shall take effect on October 31, 2023 and expire on October 30, 2043. The term of this Licence may be extended by the Board.

16 Transfer of Licence

- 16.1 In accordance with subsection 18(2) of the Act, this Licence is not transferable or assignable without leave of the Board.

17 Amendment of Licence

- 17.1 The Board may amend this Licence in accordance with section 74 of the Act or section 38 of the Electricity Act.

18 Fees and Assessments

- 18.1 The Licensee shall pay all fees charged and amounts assessed by the Board.

19 Expansion and Upgrading of Transmission System Further to Ministerial Directive

- 19.1 The Licensee shall, for the purposes of accommodating the safe connection of renewable energy generation facilities, immediately following February 28, 2011 work in co-operation with the Ontario Power Authority to establish the scope and timing of the transmission projects referred to in paragraphs 19.2 and 19.3.
- 19.2 The Licensee shall develop and seek approvals for the following transmission projects, the scope and timing of which shall be in accordance with the recommendations of the Ontario Power Authority made in the course of the Ontario Power Authority's transmission planning activities conducted in accordance with its objects, as well as those identified in a Directive issued to the Ontario Power Authority by the Minister of Energy on February 17, 2011 under section 25.30 of the *Electricity Act, 1998*:
- a) upgrade one or more existing transmission lines west of the City of London; and
 - b) a new transmission line west of the City of London.
- 19.3 The Licensee shall develop and implement the following transmission projects, the scope and timing of which shall be in accordance with the recommendations of the Ontario Power Authority made in the course of the Ontario Power Authority's transmission planning activities conducted in accordance with its objects, as well as those identified in a Directive issued to the Ontario Power Authority by the Minister of Energy on February 17, 2011 under section 25.30 of the *Electricity Act, 1998*:
- a) one or more devices to enhance transfer capability, such as series or static var compensation or other similar devices, in Southwestern Ontario; and
 - b) increase short circuit and/or transformer capacity at up to fifteen of the Licensee's transmission stations during the forty-eight month period beginning February 28, 2011, to enable the connection of small-scale renewable energy generation facilities.
- 19.4 Paragraph 19.3 in no way limits the obligation of the Licensee to obtain all necessary approvals for the transmission projects referred to in that paragraph.
- 19.5 Immediately following January 9, 2014 the Licensee shall, for the purposes of accommodating load due to forecast demand growth over the long term, promoting the use of clean and renewable energy sources from Ontario's supply mix, and enhancing opportunities for the development and connection of new renewable generation facilities over the long term, work in co-operation with the Ontario Power Authority to establish the scope and timing of the transmission project referred to in paragraph 19.6.
- 19.6 The Licensee shall develop and seek approvals for the expansion or reinforcement of a portion or portions of the Licensee's electricity transmission network in the area west of Thunder Bay (the "Northwest Bulk Transmission Line Project"). The scope and timing of the Northwest Bulk Transmission Line Project shall be in accordance with the recommendations of the Ontario Power Authority made in the course of the Ontario Power Authority's transmission planning activities conducted in accordance with its statutory mandate, objects and responsibilities under the *Electricity Act, 1998*, including with any transmission planning activities identified in any direction issued, or to be issued, by the Minister of Energy to the Ontario Power Authority pursuant to Part II.2 of the *Electricity Act, 1998*.
- 19.7 The Licensee shall develop and seek approvals for a new 230 kilovolt double-circuit transmission line from the existing Chatham Switching Station to the new Lakeshore Transformer Station to be

located at Leamington Junction (Chatham to Lakeshore Line), including associated station facilities to connect the Chatham to Lakeshore Line at the terminal stations. Development of the Chatham to Lakeshore Line shall accord with the project scope and timing recommended by the Independent Electricity System Operator.

19.8.1 The Licensee shall develop and seek approvals for the following four transmission line projects:

- a) A new 230 kilovolt (kV) transmission line from Lambton Transformer Station to Chatham Switching Station, including associated station facility expansions or upgrades required at the terminal stations;
- b) A new 500 kV transmission line from Longwood Transformer Station to Lakeshore Transformer Station, including associated station facility expansions or upgrades required at the terminal stations;
- c) A second new 500 kV transmission line from Longwood Transformer Station to Lakeshore Transformer Station, including associated station facility expansions or upgrades required at the terminal stations; and
- d) A new 230 kV transmission line that connect the Windsor area to the Lakeshore Transformer Station, including associated station facility expansions or upgrades required at the terminal stations.

19.8.2 Development of the projects set out in condition 19.8.1 shall accord with the project scope and timing recommended by the Independent Electricity System Operator.

19.9.1 The Licensee shall develop and seek approval for the following three transmission line projects:

- a) 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;
- b) 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
- c) 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.

19.9.2 The scope and timing for the development of the projects set out in condition 19.9.1, including the terminal point for the transmission line project listed in c), shall accord with the recommendations of the Independent Electricity System Operator.

19.10.1 The Licensee shall develop and seek approval for a new 230 kilovolt (kV) transmission line (built to 500 kV standards) from Wawa Transformer Station to Porcupine Transformer Station, including associated station facility expansions or upgrades required at the terminal stations.

19.11.1 The Licensee shall develop and seek approvals for a new double-circuit 500 kV transmission line from Bowmanville Switching Station to either Parkway Transformer Station, Claireville Transformer Station, or Cherrywood Transformer Station, including associated station facility expansions or upgrades required at the terminal stations.

19.11.2 The scope and timing for the development of the transmission line project set out in condition 19.11.1, including the terminal point for the transmission line project, shall accord with the recommendations of the Independent Electricity System Operator.

20 Communication

20.1 The Licensee shall designate a person that will act as a primary contact with the Board on matters related to this Licence. The Licensee shall notify the Board promptly should the contact details change.

20.2 All official communication relating to this Licence shall be in writing.

20.3 All written communication is to be regarded as having been given by the sender and received by the addressee:

- a) when delivered in person to the addressee by hand, by registered mail or by courier;
- b) ten (10) business days after the date of posting if the communication is sent by regular mail; and
- c) when received by facsimile transmission by the addressee, according to the sender's transmission report.

21 Copies of the Licence

21.1 The Licensee shall:

- a) make a copy of this Licence available for inspection by members of the public at its head office and regional offices during normal business hours; and
- b) provide a copy of this Licence to any person who requests it. The Licensee may impose a fair and reasonable charge for the cost of providing copies.

SCHEDULE 1 specification of transmission facilities

This Schedule specifies the facilities over which the Licensee is authorized to transmit electricity in accordance with paragraph 3 of this Licence.

1. The transmission system and facilities of Hydro One Networks Inc. are depicted in the attached diagram and include transmission lines, transformation stations and all associated facilities. Hydro One may alter this diagram from time to time and shall file it with the Board, upon receipt of which the updated diagram shall be deemed to be the specification of transmission facilities under this schedule.

SCHEDULE 2 list of code exemptions

This Schedule specifies any specific Code requirements from which the licensee has been exempted.

1. The Licensee is exempted from Section 1.2.1 of Schedule E of Appendix 1 of the Transmission System Code so as to allow the Licensee:
 - to enter into a connection agreement with certain proposed customers on terms and conditions other than those set forth in the said section 1.2.1; and
 - to amend connection agreements already entered into by the licensee with customers, such that they may be amended to contain terms and conditions other than those set forth in the said section 1.2.1.
2. The modifications to the connection agreement are attached as Schedules 3 and 4 to this Licence. Schedule 3 contains changes needed to address legacy system configuration issues as well as operating concerns affecting all generating stations owned by OPG and Bruce Power. Schedule 4 contains changes needed to comply with the operational requirements of nuclear generating facilities, facilitate compliance with Power Reactor Operating Licences, issued by the Canadian Nuclear Safety Commission (“CNSC”).
3. The Licensee is exempted from Sections 4.1.1 and 4.1.2 of the Transmission System Code for the purpose of entering into a Transmission Connection Agreement with Oneida Energy Storage LP for the connection of a 250 MW battery energy storage facility to its transmission system in the form approved in the OEB’s Decision and Order in EB-2022-0085.
4. The Licensee is exempted from Sections 4.1.1 and 4.1.2 of the Transmission System Code for the purpose of entering into a Transmission Connection Agreement with Hagersville Battery Storage Inc. for the connection of a 300 MW battery energy storage facility to its transmission system in the form approved in the Board’s Decision and Order in EB-2022-0085, as stated in the Board’s Decision and Order in EB-2024-0202.
5. The Licensee is exempted from Sections 4.1.1 and 4.1.2 of the Transmission System Code for the purpose of entering into a Transmission Connection Agreement with Tilbury Battery Storage Inc. for the connection of an 80 MW battery energy storage facility to its transmission system in the form approved in the Board’s Decision and Order in EB-2022-0085, as stated in the Board’s Decision and Order in EB-2024-0203.
6. The Licensee is exempted from Sections 4.1.1 and 4.1.2 of the Transmission System Code for the purpose of entering into a Transmission Connection Agreement with Portlands Energy Centre L.P. for the connection of a 265 MW battery energy storage facility, which will be owned by Napanee BESS Inc., to its transmission system in the form approved in the Board’s Decision and Order in EB-2022-0085, as stated in the Board’s Decision and Order in EB-2024-0209.