

Ministry of Energy and Mines

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MC-994-2026-169

February 6, 2026

David Lebeter  
President and Chief Executive Officer  
Hydro One Networks Inc.  
483 Bay St Tower, 8th Floor  
Toronto ON M5G 1P5

Re: Supporting Critical Transmission Infrastructure in Northern Ontario – The Barrie to Sudbury Transmission Lines

Dear Mr. Lebeter,

As you know, electricity demand in northern Ontario is projected to grow rapidly over the next decade due to economic development from mining for critical minerals, alongside increasing needs from the expansion of housing and electrification initiatives. Ontario's recent Integrated Energy Plan, *Energy for Generations: Ontario's Integrated Plan to Power the Strongest Economy in the G7* (released on June 12, 2025) sets out the Government's commitment to alleviate bottlenecks in Ontario's electricity transmission system so power could be delivered where and when it is needed.

I am writing to inform you that under the authority of section 96.1(1) of the *Ontario Energy Board Act, 1998*, the Lieutenant Governor in Council has made an order declaring the construction, expansion or reinforcement of the following transmission line in northern Ontario as a priority project for Government:

1. The Barrie to Sudbury Transmission Lines (Phase 1): a new single-circuit 500-kilovolt transmission line running approximately 290 kilometers from Essa Transformer Station near Barrie to Hanmer Transformer Station in Sudbury, and associated station facilities.

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Furthermore, under the authority of section 28.6.1 of the *Ontario Energy Board Act, 1998*, I have, with the approval of the Lieutenant Governor in Council, directed the Ontario Energy Board (OEB) to amend the conditions of Hydro One Networks Inc.'s (Hydro One) transmission licence to require it to develop and seek all necessary approvals for Phase 1 and 2 of the Barrie to Sudbury Transmission Lines, as recommended by the Independent Electricity System Operator (IESO), which includes conducting development work on a second single-circuit 500-kilovolt transmission line running from Essa Transformer Station to Hanmer Transformer Station, and associated station facilities.

These actions, taken together, should focus and streamline approval processes at the OEB and provide regulatory clarity to Hydro One to initiate development work and advance Indigenous participation in this project. These Orders-in-Council and the accompanying Directive are now effective, and copies thereof are attached to this letter.

The Ministry of Energy and Mines (ministry) acknowledges receipt of Hydro One's submission to the Environmental Registry of Ontario posting on the Barrie to Sudbury Transmission Lines proposal, and the request that the Orders in Council be explicit about enabling Hydro One to undertake all activities required to ensure that Phase 2 of the Barrie to Sudbury Transmission Lines is shovel ready, including all necessary land acquisition approvals, at the time you undertake those activities on Phase 1 of the project.

The ministry instead asks that Hydro One work with the IESO regarding the timing and need for aspects of development work related to Phase 2 of the Barrie to Sudbury Transmission Lines such as matters relating to land acquisition, in a timely manner. I have issued a separate letter to the IESO outlining my expectations that they work with Hydro One regarding the timing and scope of development work required to ensure that Phase 2 can be constructed and in-service when it is needed, as recommended by the IESO.

It is my expectation that Hydro One move forward expeditiously to develop and seek approvals for this project, to advance rights-based consultation and, if applicable, finalize equity partnerships or other economic participation arrangements with potentially impacted Indigenous communities, respecting, as appropriate, their unique protocols and interests.

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The Crown has a constitutional duty to consult and, where appropriate, accommodate Indigenous communities when the Crown contemplates conduct that might adversely impact established or credibly asserted Aboriginal or treaty rights. The Crown is responsible for fulfilling the substantive aspects of consultation, which includes retaining oversight over the consultation process regarding this transmission project. It is the ministry's intention to delegate the procedural aspects of consultation relating to the transmission project in question to Hydro One on behalf of the Crown. Detailed information on the ministry's expectations of Hydro One in this regard, as well as interests and concerns shared by Indigenous communities during the ministry's early rights-based consultations, will be provided through a forthcoming letter of delegation to Hydro One as part of the Class Environmental Assessment for Transmission Facilities.

Many Indigenous communities provided initial input on this transmission project through the consultation process on the ministry's proposal to seek approval of the attached instruments. Potentially impacted Indigenous communities have identified early rights-based concerns and interests associated with the proposed transmission development. Early involvement in the Class Environmental Assessment for Transmission Facilities, especially in relation to the incorporation of Indigenous knowledge and land stewardship values and informing the identification and design of routing options, is of particular interest to Indigenous communities to ensure any potential impacts to Aboriginal and/or treaty rights are considered from the outset of project development. The cumulative effects of planned transmission lines were raised as an overarching concern by some communities. Many communities have also highlighted the need for sufficient, flexible, and ongoing capacity funding to support their meaningful participation in the consultation processes for this project.

As noted above, the ministry will share specific concerns raised by communities in relation to the project alongside its consultation delegation letter to Hydro One. The ministry expects that these concerns will inform Hydro One's Indigenous consultation planning and discussions relating to this transmission project. It will be important to demonstrate that community feedback is heard and considered thoughtfully, as part of Ontario's overarching commitment toward reconciliation and to fulfil its consultation obligations. Ensuring that any identified impacts to rights are mitigated and accommodated, as appropriate, will be critical to the timely and successful development of this critical transmission project.

Ontario remains committed to enabling partnerships with Indigenous communities through the development of critical transmission projects, which present a significant opportunity to advance economic reconciliation. Partnerships, including equity and other forms of economic benefits and opportunities, were identified as an expectation by many potentially impacted First Nation and Métis communities during early consultation discussions with the ministry. I am pleased that Hydro One shares a similar commitment to partnerships with Indigenous communities through its First Nation Equity Partnership Model for large, new transmission projects, and other benefit agreements.

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As you are aware, the ministry has entered into a Memorandum of Understanding with the "Energy Corridor First Nations,"<sup>1</sup> a consortium of several First Nations that may be impacted by the transmission line. The goal of the Memorandum of Understanding is to support expeditious project completion, minimize impacts on protected rights and to work towards potentially impacted First Nations sharing equitably in the benefits of the project. It recognizes that the collective input of the Energy Corridor First Nations and the incorporation of agreed-upon reconciliation goals into the design, development and implementation of the new transmission lines will help achieve those objectives. It is the ministry's expectation that you will seek to enter into an early project development agreement which outlines a framework for consultation and engagement with the Energy Corridor First Nations and which provides appropriate mechanisms for their collective participation in the selection of routing options and all aspects of the environmental assessment process, as well as opportunities for economic participation and benefits. It is also important to note that the ministry expects that equitable opportunities be afforded to other potentially impacted Indigenous communities with whom you are consulting, as appropriate.

It is also important that Hydro One works closely with municipalities and other stakeholders, including landowners, as it moves forward to develop this project. Their input should be thoughtfully considered through the Environmental Assessment process as Hydro One determines the appropriate routing for this project and other ways the project can minimize impacts to residents, local ecosystems, and businesses.

Furthermore, while the designation of Hydro One as the transmitter for this project and declaration of Phase 1 as a priority supports our government's objectives for the timely development of transmission infrastructure, it is critical that this project is delivered cost-effectively for ratepayers. To this end, I appreciate that Hydro One will provide comprehensive and transparent reporting to the OEB in accordance with the OEB's requirements, including with respect to the budget, timing, and project risks as set out under the attached Directive to the OEB.

Lastly, I would ask Hydro One to continue using competitive procurements for this project and encourage that you buy Ontarian and Canadian, whenever feasible. As Hydro One is aware, the Ontario government has taken several actions including implementing the *Buy Ontario Act, 2025*, to strengthen Ontario's economic security. Our priority will always be to provide affordable and reliable energy to the people of Ontario. To accomplish this goal, I continue to encourage the energy sector to seek Ontario or Canadian suppliers, where there are reasonable opportunities to do so and where ratepayers are not unduly impacted. We must make investments in the future of the energy sector and our economy.

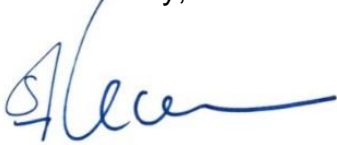
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<sup>1</sup> The Energy Corridor First Nations are, at the time of issuing this letter, comprised of Henvey Inlet First Nation, Dokis First Nation, Shawanaga First Nation, Wahnapiatae First Nation, and Magnetawan First Nation.

I trust that this letter provides clarity regarding the above noted instruments as well as my expectations as Hydro One contributes to the expansion of Ontario's transmission system. The ministry will work closely with Hydro One, potentially impacted Indigenous communities, stakeholders and other relevant ministries to help ensure these expectations are met as this critical project moves forward.

Sincerely,



Stephen Lecce  
Minister

- c: Susanna Laaksonen-Craig, Deputy Minister, Ministry of Energy and Mines
- Karen Moore, Assistant Deputy Minister, Ministry of Energy and Mines
- Carolyn Calwell, Chief Executive Officer, Ontario Energy Board
- Lesley Gallinger, President and Chief Executive Officer, Independent Electricity System Operator
- Geoff Owen, Chair of the Board of Directors, Ontario Energy Board
- Lisa Pearson, Executive Vice President, Corporate Affairs, Hydro One Networks Inc.