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BY EMAIL AND RESS

October 23, 2026

Mr. Ritchie Murray
Registrar
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Mr. Murray,

EB-2025-0216 – Streamlining Transmission Connections Review Report by Hydro One Networks Inc.

In accordance with the OEB kick-off letter that launched Phase II of its Distribution Customer Connections Review and Streamlining Transmission Connections Review initiatives to implement proposals set out in the OEB's December 2025 Report to the Minister of Energy and Mines, please find Hydro One Networks Inc.'s Report on the Phase II Streamlining Transmission Connections (STC) Review attached for the OEB's consideration.

An electronic copy of this Report has been filed using the OEB's Regulatory Electronic Submission System.

Sincerely,

Pasquale Catalano

Phase II Streamlining Transmission Connections (STC) Review Report

EB-2025-0216: STREAMLINING TRANSMISSION CONNECTIONS REVIEW

REPORT BY HYDRO ONE NETWORKS INC.

October 23, 2026

EXECUTIVE SUMMARY

In response to the Ontario Energy Board's (OEB) request as part of Phase II Streamlining Transmission Connections (STC) Review, Hydro One, with the support and input of the Independent Electricity System Operator (IESO), is providing proposals to support the development of a more transparent, coordinated, and customer-focused transmission connection process. Specifically, these proposals aim to improve customer experience through early and regular customer engagement, increase process predictability by setting performance requirements based on project complexity, establish clear accountabilities throughout the process, and reduce overall connection timelines. Notwithstanding, Hydro One notes that there remain areas for further consultation with respect to the pre-application engagement process and certain connection activity timelines, including the need for determining how economic growth and broader network benefits arising from a customer connection should be considered.

KEY PROPOSALS IN RESPONSE TO OEB'S REQUEST

1. Formalized Pre-Application Engagement

Establish a structured pre-application engagement process for customers to engage with the transmitter and, where appropriate, the IESO to receive initial guidance and input regarding their proposed connection before filing a formal application. This process would serve to identify known system constraints, provide preliminary capacity and technical guidance, determine the initial project complexity classification, provide a planning-level cost projections and improve the quality of the customer's application. This process is expected to take approximately two months.

2. Complexity-Based Performance Standards

To improve predictability, customer connections would be categorized by the transmitter as Low, Medium, or High Complexity based on the project scope. The project complexity classification will serve to establish timelines and expectations for certain connection activities, as shown in Table 1 on page 15. The complexity classification may be updated by the transmitter as the scope, risks, or requirements change. Performance of the connection activities listed in Table 1 may be paused or adjusted based on circumstances or unreasonable delays outside of the transmitter's control, which will be communicated to the customer.

Hydro One does not recommend establishing performance metrics related to the execution of Customer Cost Recovery Agreements because the timing of actions required to support this activity can vary significantly from project to project. Therefore, Hydro One believes that customers should receive an indicative range, which can be refined as the project advances.

3. Structured Multi-Party Engagement

Hydro One recommends mandatory engagement meetings at key project milestones involving the customer, transmitter, and where applicable, the IESO to provide process transparency and align on any issues that need to be addressed. These meetings will establish common expectations, facilitate improved issue resolution, and improve communication throughout the connection process.

4. Improved Process Coordination and Parallel Execution

To reduce overall project timelines, Hydro One and IESO propose that the Customer Impact Assessment (CIA) be initiated following the issuance of the draft System Impact Assessment report (rather than waiting for the final SIA report to be issued), while recognizing that performance of the CIA will be measured from the date that the final SIA report is issued. Hydro One and the IESO also proposed to eliminate unnecessary administrative hand-offs to improve efficiency without compromising technical rigor or system reliability assessments.

Areas for Further Development

Depending on the outcomes of ongoing policy development work, further updates to the transmission connection process may be required to address requirements for data centre connections and generators applying for a long-term procurement contract from the IESO.

Hydro One also recommends that the STC Review further examine when economic growth and broader network benefits arising from a customer connection, which would impact cost responsibility, should be considered. With the introduction of the *Protect Ontario by Securing Affordable Energy for Generations Act, 2025*, both the OEB and IESO now have mandates to support economic growth. The connection process must allow for determinations related to customer cost responsibility to be made at an appropriate time and in a way that does not lead to additional delays, create uncertainty or frustrate the overall customer experience. Hydro One recommends that these issues should be discussed and addressed as part of the next phase of the STC Review.

1. INTRODUCTION

On June 12, 2025, Ontario's Minister of Energy and Mines (MEM) issued a Directive to the OEB to support the advancement of the province's Integrated Energy Plan (IEP) - Energy for Generations. The MEM's Directive tasked the OEB with several actions related to the implementation of the IEP. One of these actions was for the OEB to establish a more integrated and streamlined system planning and approvals process to meet the growing demand for electricity in the province and to enable economic growth.

To support this action, the MEM requested that the OEB review the existing transmission and distribution connection procedures and report back to the MEM by December 31, 2025 with its recommendations for improving the overall connection process and reducing timelines. In parallel, the IESO received a separate government directive to review and modernize the IESO-led components of the connection process, including identifying opportunities to improve efficiency, transparency, and customer experience.

On December 18, 2025, the OEB issued its report, "Streamlining Ontario's Electricity Connection Framework: Enabling Growth and Meeting Customer Expectations" (the "Report"), which highlighted several opportunities for improving the efficiency, transparency, and predictability of both the transmission and distribution customer connection processes.

The Report's findings and recommendations were largely informed by separate OEB-led consultations with transmission and distribution stakeholders. To support the review of the transmission customer connection process, the STC review consultation was launched by the OEB on July 31, 2025. A Working Group, comprising of members from Hydro One Networks inc. (Hydro One), the IESO, Milton Hydro

Distribution Inc., Red Jar Energy Partners and the Association of Major Power Producers in Ontario (AMPCO), was formed and tasked with the objective of examining the effectiveness of the current connection process as part of Phase I. Over the course of several months, the Working Group met several times to discuss and align on opportunities for improvement. Key issues raised by stakeholders during Phase I of the STC review included:

1. Longer delays in connecting large and complex projects
2. The need for transparency and accountability
3. The absence of standardized connection procedures and requirements
4. Inadequate communication between regulated utilities and their prospective customers during the connection process, and
5. The need for better coordination between the transmitter and IESO when conducting connection impact assessment studies.

Overall, stakeholders agreed that the connection process should be more customer-focused than it is today.

Based on the input, comments and feedback provided by the Working Group, the Report presented the following proposals for improving the transmission customer connection process:

1. Formalize a comprehensive transmission connection process, which would include a preliminary consultation option for customers and requirements for the transmitter, IESO and customer to meet at specific critical junctions in the connection process to clarify and confirm expectations;
2. Establish performance standards for transmitters to ensure that timelines for certain steps identified in the connection process are met

2. OEB REQUEST FOR HYDRO ONE AND THE IESO

On June 6, 2026, the OEB issued a letter launching Phase II of the STC Review, which would focus on the implementation of the Report's proposals. In the letter, the OEB requested that Hydro One and the IESO work collaboratively on developing a streamlined and customer-centric connection process, which provides details, requirements and timelines associated with connection process activities, to help guide

customer decision-making and manage customer expectations. In doing so, the OEB also requested that Hydro One and the IESO consider appropriate performance metrics for certain activities to drive connection consistency.

On June 22, 2026, OEB staff met with representatives from Hydro One and the IESO to clarify its requests and discuss the deliverables and the scope for the OEB directive, given the IESO's own directive from MEM. The OEB requested that Hydro One and the IESO provide a report that addresses the implementation of the following four key components of the OEB's vision for a streamlined connection process:

a) Process Structure and Coordination

- Produce a process map that organizes activities, information flows and milestones leading to the key process deliverables (e.g. SIA, CIA, cost estimate, CCRA);
- Identify the accountability for each activity or for the provision of required information; and
- Identify steps that can be completed simultaneously or in parallel with other activities

b) Pre-application engagement

- Develop a Preliminary Information Request Form;
- Include a pre-application engagement option to provide customers with a better understanding of connection options and considerations which should be scheduled within a certain timeframe following submission of a customer Preliminary Information Request form; and
- Provide preliminary connection cost information, based on the transmitters experience with comparable projects.

c) Multi-party engagement

- The process should include a schedule for meetings between the transmitter, IESO and Customer at key stages of the process;
- The first multi-party meeting should be held shortly after a Connection Assessment and Approval (CAA) application has been submitted; and
- Defined purpose and objectives of each post-application multi-party meeting based on its timing in the process

d) Performance Standards

- Develop criteria for low, medium and high complexity connections, and define associated performance standards for each category for the period between receipt of a complete CAA application to execution of the Customer Cost Recovery Agreement (CCRA) that will set "ambitious yet typically achievable target timelines for transmitters";
- Identify circumstances outside the control of the IESO and transmitter that would delay the process and provisions for pausing the process if those circumstances arise; and
- Consideration of whether the process can include an expediting option(s), potentially with an associated fee, for applications willing to accept certain risks, along with corresponding risk-adjusted timelines

In conjunction with the OEB's request, the IESO is also acting on its own MEM directive to streamline and enhance the transparency of the connection process that is being addressed through a separate workstream and is outside the scope of this report.

3. RESPONSE TO THE OEB'S REQUEST

To address the OEB's request, this section is organized as follows:

1. Pre-CAA Application Consultation Process, Requirements and Deliverables
2. Defining Connection Complexity and Performance Standards
3. Requirements for Multi-Party Engagement
4. Overall Connection Process and Details
5. Economic Growth Considerations and Cost Responsibility

Given that the OEB and IESO both have mandates to support economic growth, Hydro One believes that the customer connection process must allow for proper consideration of the potential economic growth benefits that may result from a customer's connection in establishing cost responsibility. The assessment of these potential benefits should be performed at an appropriate stage of the connection process that avoids causing undue delays for the connecting customer. While Hydro One recognizes that further review is still needed to establish the framework for this assessment and the stage of the

connection process when these assessments should be undertaken, this subject is discussed at the end of this section as an area for further consultation as part of the next phase of the STC Review.

Hydro One strongly recommends that the STC Review consultation consider the economic growth impacts arising from a customer connection as part of the connection process. This is necessary to ensure that established performance metrics can be met in the long-term and that customers have clarity in terms of cost responsibility for their connection project costs. It is also important to note that the STC review consultation was launched by the OEB prior to the introduction of the Protect Ontario by Securing Affordable Energy for Generations Act, 2025 (the "Act"), which provided obligations for the OEB and IESO to support economic growth. The OEB's Report is informed by consultation activities that similarly predate the Act.

Hydro One would also like to note that the following aspects of the OEB's request are not addressed in this report:

SIA Timelines

- Performance standards for the IESO are not included in this draft report. The IESO is currently undertaking a separate connection process modernization initiative, including the development of performance standards for activities under its responsibility, in accordance with the June 12, 2025 IEP directive. Accordingly, IESO-led components of the connection process are being addressed through a separate initiative and are outside the scope of this report.

- The transmission customer connection process framework will need to be updated once an SIA performance standard is established. In the meantime, the IESO will work collaboratively with the transmitter to provide customers with expected timelines and any updates to these timelines, as required. In the absence of an SIA performance standard, the OEB should clarify how overall connection process timelines should be communicated to the customer.

Connection Process Requirements for Data Centres and Specific Generators

- On August 13, 2026, the MEM released its draft Data Centre Playbook, which contemplates a different approach for assessing data centre connections, as well as the need to perform a strategic priority assessment for these connections. The public consultation on the Playbook recently closed on September 12, 2026. As a result, it remains unclear whether data centre connections will be subject to different connection requirements than other load connections and whether a connection process specifically tailored to data centres will need to be established. For the time being, the proposed connection process will apply to all transmission load customer connections, including data centres.

- The proposed pre-application engagement process established in this report will not apply to generators applying for an IESO Long-Term Procurement (LTP) contract, who have unique needs at the pre-application engagement stage. There are ongoing discussions between the IESO, the OEB, the MEM and Hydro One to establish specific preliminary consultation requirements for these generator customers.

Given the above, there will be a need to revise or update the established customer connection process to reflect subsequent decisions made in relation to the above issues.

3.1 PRE-APPLICATION CONSULTATION PROCESS, REQUIREMENTS AND DELIVERABLES

Currently, there are multiple points of entry in the connection process: some customers start by contacting the IESO and others contact the transmitter. Customers intending to connect to the transmission system can contact Hydro One and submit a Transmission Customer Preliminary Inquiry Form (PIF) to discuss their proposed connection, including different potential Points of Interconnection (POIs), site locations, and facility sizes. This process provides customers with the opportunity to review their project requirements, potential connection options, technical considerations, capacity constraints, timelines, and preliminary cost expectations with a Hydro One account executive and system planner.

For more complex projects, an optional Feasibility Study for capacity may subsequently be undertaken by the IESO and a Feasibility Study for constructability options by the transmitter to identify a preferred connection solution and obtain a more indicative cost estimate before the customer formally submits their connection application. If the customer decides to proceed with the IESO's SIA, the customer must

submit a CAA application to both Hydro One and the IESO, which initiates the formal technical assessment process.

While Hydro One and the IESO both currently provide early consultation opportunities prior to a customer's submission of their CAA application, customers have expressed an interest in establishing a formal, structured and collaborative pre-application engagement stage to clarify certain expectations related to their proposed connection. This stage would provide the ability for the customer to engage both the IESO and transmitter early in the process and simultaneously. Effectively, the pre-application engagement stage would provide the customer with the opportunity to seek technical guidance, discuss connection options and considerations, confirm expected timelines for different connection process activities, and obtain a preliminary planning-level cost information for their project based on similar recent projects completed by the transmitter.

Hydro One and the IESO are supportive of establishing a formal pre-application engagement process that establishes clear and stated objectives and is designed to address a customer's need for specific preliminary information and guidance. The following structure, details and deliverables for the pre-application engagement consultation is proposed:

i. Pre-CAA Application Engagement Process

A request for a pre-CAA application engagement consultation must be initiated with the transmitter by the customer[1] who is applying for a connection. This request must be submitted before a CAA application is filed. To initiate the request, the customer must complete the transmitter's PIF, which requires the customer to provide the following information regarding their proposed connection, but not limited to:

- Location of Proposed Facility
- Project Size
- In-Service Timeline
- Customer Facility Single Line Diagram (SLD)
- Protection Philosophy Documents

[1] For customers contacting the IESO first, the IESO usually introduces them to the appropriate teams of the transmitter

- Major Projects Identification Committees (MPIC) reference number (if the customer has submitted an inquiry to the IESO)

Hydro One's PIF is attached as Appendix A for reference.

ii. Pre-CAA Application Review and Deliverables

Subsequent to receiving a completed PIF, the transmitter will facilitate up to two meetings with the customer at no charge to review the customer's connection proposal (i.e., one POI). IESO's participation at these meetings is optional and would be determined by the transmitter. The transmitter will provide the following information to the customer based on a high-level screening of the connection proposal such as:

- Any known connection constraints at the POI;
- Preliminary indication of whether there is sufficient capacity at the connection facilities of the POI to accommodate the customer's connection proposal based on information available at the time of the consultation. No studies or assessments are undertaken to support this review. Confirmation of available capacity can only be provided by IESO after completing the necessary studies.
- The complexity classification for the proposed connection (see Section 3.2 for details);
- Preliminary planning-level cost information to provide an indicative magnitude of the project cost;
- Other technical considerations relevant to the connection;
- An opportunity to respond to customer questions related to their connection proposal; and
- Meeting minutes.

Any findings or information provided by the transmitter or the IESO at the pre-application engagement stage shall always be treated as preliminary in nature and subject to validation following the completion of all required studies (i.e., IESO SIA, Hydro One Protection Impact Assessment (PIA), Hydro One CIA. The objective of the pre-application engagement consultation is simply to determine whether the project can proceed to the CAA application stage or whether further preliminary assessment work is required.

Furthermore, the transmitter will not entertain more than one PIF for the same customer connection project.

iii. Additional Charges Related to the Pre-Application Engagement Consultation

The transmitter will commit to undertaking the actions in (ii) above at no cost to the customer. If the customer requires additional or more detailed information beyond what is provided in (ii) or the customer wants to assess multiple connection points, the transmitter will charge the customer for performing the work required to gather the necessary information, including any additional meetings that may be required to present and discuss the findings to the customer.

iv. Applicability

The pre-application engagement consultation process outlined above is available to all load or generator customers who apply to connect to the transmission system, except for generator customers applying for an IESO LTP contract who require specific clarity regarding their connection configuration and improved connection cost certainty. The pre-application engagement consultation process is not applicable to a transmitter that has requested a connection to another transmitter's system. Hydro one will charge a non-refundable fee for any technical and economic feasibility studies that must be performed to assess such connections to its facilities.

v. Timeline

In most cases, the pre-application engagement process is expected to take approximately two months.

3.2 DEFINING CONNECTION COMPLEXITY AND PERFORMANCE STANDARDS

During Phase I of the STC review consultation, it was clear from information provided by Hydro One for recently completed load connection projects that connection timelines can vary significantly and are driven by factors related to project complexity. Despite this, customers have requested greater clarity and certainty regarding connection timelines and have stated that they would benefit from knowing as soon as possible if specific factors could influence or increase the uncertainty of their connection timeline. Rather than providing a possible range, the OEB agreed that the transmitter should be able to provide more accurate timelines for certain connection process activities that are within their control and once the complexity of the connection is better understood. Specifically, the OEB has proposed to establish performance metrics for the transmitter's deliverables of the CIA, Connection Cost Estimate (CCE) and CCRA. Establishing performance metrics for these activities will help drive process predictability for customers and shorten timelines in certain circumstances.

Hydro One is supportive of establishing performance metrics for specific connection process activities based on the complexity of the connection. To drive consistency in project intake, planning, execution and delivery expectations, a transmitter should be able to classify the complexity of the proposed connection as Low, Medium, or High based on the project scope determined at the pre-application or connection application stage. A set of criteria, supported by representative project examples and informed by past experience, shall be used to define the three complexity categories.

i. Complexity Classification

The complexity of a customer's proposed connection shall be determined by the transmitter at the pre-application engagement stage and following the receipt and review of a customer's CAA application. The complexity classification assigned at intake is preliminary and based on information available at the time of assessment. As the connection project advances through the connection process and additional information becomes available through consultations, technical studies, stakeholder engagement, system assessments, and engineering reviews, the project complexity may change because of discovered risks or identified implementation issues. The project complexity could also change if the applying customer requests modifications to their connection that trigger changes to the project scope or the connection requirements. Where such changes impact the assigned complexity level, the applying customer will be notified and new applicable performance standards will be communicated to the customer. Therefore, the complexity classification of a connection may be updated at point during the connection review process, as required, to reflect any changes in project scope, requirements, risks, or other information that are identified.

Hydro One has developed the following framework for classifying connection complexity:

Low Complexity: Small-scale projects with limited scope, minimal stakeholder involvement, and which require minor modifications (i.e. smaller load connections where sufficient thermal capacity and voltage support is available). [Example 115kV and 230 kV line taps]

Medium Complexity: Projects that require a moderate level coordination with several stakeholders and include some technical or regulatory considerations, a transformer station or some system reinforcement work. [Example: stations and/or line builds of any lengths]

High Complexity: Large scale connections facilities that present significant technical, regulatory, and stakeholder complexities, and require major network upgrades, new transmission line connections, transformer stations, and extensive system reinforcements. These types of connections typically require enhanced governance and will face longer delivery timelines for equipment. [Example: new large station projects, MVGIS and GIS and 500kV lines]

This framework for classifying complexity will be used by Hydro One to establish timelines for performing the CIA, delivering the CCE and entering into a CCRA. These timelines will be communicated to the customer and provide the basis for the determination of any suitable performance metrics for the transmitter.

ii. CIA Timeline

The purpose of the CIA is to assess the impact of the proposed connection on existing transmission customers connected to a transmitter's transmission system. The CIA focuses on customer issues and impacts that are outside the scope of the SIA and is intended to supplement the SIA. The CIA generally includes the following activities: conducting the required studies, documenting findings, providing time for the customer review and comment on these findings, and finalizing the report to address the input received from customer(s).

Hydro One provides customers with a 30-day comment period to respond to the draft CIA report and requires 15 days to review and address comments received to finalize the CIA report. In some cases, customer comments may give rise to requests for additional information or the need for further clarification from the transmitter and/or the IESO. Where such requests require further review, analysis, or coordination, the time required to address these additional customer enquiries may extend the 15-day review period and result in a corresponding extension to the CIA timeline (see section "Circumstances Outside the Transmitter's Control" below). To reduce the connection process timeline, Hydro One will start the CIA after the IESO issues their draft SIA report. However, completion of the CIA is contingent upon the determination of the connection requirements identified in the final SIA report. Since these requirements may vary from the requirements initially identified in the draft SIA report, the CIA report cannot be finalized and issued until after the IESO issues the final SIA report. For this reason, the start of the CIA timeline cannot begin until the final SIA report is issued, with a target of completing the CIA as soon as possible.

iii. CCE Timeline

Hydro One follows the Association for the Advancement of Cost Engineering (AACE) International classification system when developing and defining the quality of an estimate. The AACE system provides a structured framework for correlating cost estimate accuracy with the level of project scope definition and maturity of general and technical deliverables. Therefore, estimates can range from Class 5 (conceptual) to Class 1 (fully defined).[i]

Estimates provided by Hydro One based on a feasibility assessment of a proposed customer connection project are generally classified at Class 5. Estimate quality improves and would satisfy the criteria for Class 3 after detailed engineering and the technical layout for the connection project is completed. This progression reflects the increasing refinement of the project definition and the corresponding reduction in cost uncertainty. However, estimates developed prior to completion of the final SIA remain subject to change and may need to be revised upon determination of the connection requirements identified in the final SIA report.

For the purpose of establishing a CCE performance standard, Hydro One proposes that a Class 3 estimate should serve as the baseline deliverable. Customers can still choose to expedite the development of an estimate to a less advanced classification level but must recognize that each estimate class carries a different degree of cost uncertainty and risk. Appendix A provides a table that summarizes the AACE estimate classification system.[2]

The CCE will remain valid for 180 days from its issuance date. Following the expiry of this validity period, Hydro One reserves the right to refresh the CCE to reconfirm project scope, costs, assumptions, and schedule. Any refresh and all related costs shall be at the sole expense of the Proponent.

iv. CCRA Proposed Timeline

Hydro One does not support the OEB's request to establish a performance metric associated with the execution of the CCRA. The main reason for this is that it can be challenging to predict (with a

[2] The proposed Class 3 estimate schedule assumes all required information is available and no additional field investigations are needed. If studies such as geotechnical investigations, GPR, or topographic/land surveys are required and cannot be completed due to seasonal, site access, or other external constraints, the estimate schedule may need to be extended to accommodate the studies and incorporate their results into the estimate and design.

reasonable level of certainty) how long it can take to provide an execution-ready CCRA because several of these activities depend on factors that are often outside the transmitter's direct control.

The development of a CCRA depends on the timely receipt of critical customer information and third-party inputs, including legal and financial details, load forecasts, and confirmation of land rights. In parallel, several internal steps must be taken by a transmitter before the CCRA can be executed by both parties. For instance, the transmitter must complete planning and engineering scoping, customer financial and economic evaluations, establish legal and commercial terms, and develop the capital cost contribution model that informs the CCRA. The scope and duration of these activities vary based on project complexity, the completion of the SIA, the availability and timely provision of customer financial information, and alignment on scope and accountability between the parties. Furthermore, CCRA execution could depend on an OEB Section 92 approval decision. If a transmitter is seeking approval from the IESO and/or OEB for a different approach to cost allocation for the proposal connection assets, this could introduce additional delays associated with CCRA execution. None of these factors can be anticipated upfront when the complexity of the customer connection project is classified.

Given the multitude of factors that can influence the preparation and execution of a CCRA, Hydro One proposes that transmitters only be required to provide customers with an indicative timeframe range for CCRA execution based on information available at that time. The transmitter should update the customer, as necessary, with more certainty as information becomes available and the connection process progresses. However, Hydro One does not believe that specific performance metrics should be established related to the execution of the CCRA.

v. Proposed Performance Standard Metrics

Based on the above considerations, Table 1 below provides a summary of Hydro One's recommended performance metrics for specific connection process activities based on the assigned project complexity classification.

Table 1 - Summary of Proposed Performance Standards by Complexity

Complexity Level	Typical Example	CIA Timeline	Class 3 CCE Timeline	CCRA Timeline
Low	115 kV and 230 kV line taps	75 business days	6 months	Up to 4 months
Medium	Stations and/or line builds, 115/230 kV line work	90 business days	8 months	Up to 6 months
High	New large stations, MVGIS, GIS, 115/230/500 kV line projects	105 business days	8 - 12 months	6 - 9 months

Timelines for high-complexity projects are presented as a range to reflect the potential for significant variances in project scope, technical requirements, implementation risks, engineering design work and procurement specifications development. While estimates and CCRAs are expected to be completed within the defined ranges above for most customer connection projects, these deliverables could take longer for certain projects with more complex engineering, procurement, and contracting activities, including the need for engaging specialized EPC contractors, station construction contractors, MVGIS/GIS equipment suppliers, etc. Excluding these types of highly complex projects, performance metrics for high-complexity projects will apply to the upper bound of the established timeline range, where specified.

vi. Circumstances Outside of the Transmitter's Control

The established performance metrics for delivery of the CIA, CCE and CCRA may be paused, extended, or adjusted where unexpected or unreasonable delays arise due to circumstances outside the Transmitter's control, which include but are not limited to the following:

- Incomplete, inaccurate, or changing information provided by the customer
- Customer applicant requests changes to the project scope, capacity, Point of Interconnection (POI), connection configuration, protection philosophy, or project schedule.
- Customer requests clarification or additional information requirements that necessitate additional consultation and technical discussion, or confirmation with the IESO.
- Delays in receiving information, approvals, study results, or decisions from the IESO, neighbouring transmitters, distributors, affected customers, Indigenous communities, regulators, government agencies, or other third parties.

- Delays associated with obtaining land rights, permits, environmental approvals, municipal approvals, or regulatory authorizations.
- Requirement for additional technical studies, reassessments, modelling, or engineering analysis resulting from new information identified during the connection process.
- Discovery of previously unknown system constraints, protection issues, equipment limitations, short circuit concerns, operational requirements, or reliability risks.
- Material changes to system conditions, electricity demand forecasts, generation assumptions, outage plans, or transmission system configuration.
- Force majeure events, including severe weather, natural disasters, labour disruptions, cybersecurity incidents, public emergencies, or other events beyond the reasonable control of the Transmitter.
- Delays in execution of study agreements, payment of applicable fees, or fulfillment of applicant obligations.

vii. Process Pause Provisions

Where any of the above circumstances arise, the Transmitter may formally pause or reset the applicable assessment timeline. In such cases, the following provisions would apply:

1. Notification

The applicant will be notified in writing of the reason for the pause, the information or action required to resume the process, and any potential impacts to schedule.

2. Suspension of Performance Clock

All applicable service timelines, performance standards, and study completion targets will be suspended if the expected time for response exceeds more than 7 days.

3. Resumption of Process

The assessment timeline will restart once the outstanding information, approvals, decisions, payments, or actions required to proceed have been received or completed.

4. Customer Communication

Where a pause results in a revised complexity classification, study scope, schedule, or connection requirements, the customer will be informed of the change and any corresponding impacts.

3.3 REQUIREMENTS FOR MULTI-PARTY ENGAGEMENT

Engagement and communication with customers currently occur throughout the customer connection process lifecycle, as required. These interactions are necessary to advance a connection project to completion. However, the current connection process does not establish requirements or a schedule for multi-party meetings to support an effective process.

Hydro One believes that the effectiveness and efficiency of the customer connection process would benefit from a structured multi-party engagement framework with scheduled meetings at key milestones. The first multi-party meeting would occur shortly before the customer's submission of a CAA application, followed by additional meetings aligned with major stages of the connection process. Each meeting would have clearly defined objectives to improve coordination, provide greater transparency on project status and requirements, and support timely decision-making by all parties.

The transmitter should be responsible for scheduling the first multi-party meeting prior to CAA submission with the required participants and recording meeting decisions and assumptions. Subsequent multi-party meetings will be scheduled for providing updates on the progress of the SIA or CIA. These meetings should be organized by the IESO or by the transmitter, as appropriate, depending on the stage of the connection process. The meeting schedule may require some adjustments in terms of timing to address project complexity factors without removing mandatory decision gates.

Table 2, below, provides a summary of the multi-party engagement meetings that should be incorporated into the customer connection process, as a means for establishing key touchpoints and advancing a customer's connection project. It is expected that meeting minutes will be documented following each multi-party engagement meeting to capture decisions, action items, and any changes to the schedule of deliverables, if required.

Table 2 - Summary of Recommendations for Multi-Party Engagement

	Multi-Party Engagement Meeting	When	Participants	Purpose	Key Objectives
1	**Formal CAA Application Stage**	Prior to CAA application filing with IESO	Customer, IESO, Transmitter	Confirm readiness to file the CAA application	• Explain the stages of the connection process, provide high level information about its duration, answer customer's questions on the CAA application (if any). • Review the information required for the CAA application and confirm its readiness for submission. • The customer will be requested to obtain any missing information before their CAA application is filed with IESO and the Transmitter.
2	**Integrated Kick-Off and SIA/CIA Complexity Screening**	Following the execution of SIA and CIA study agreements	Applicant, IESO, Transmitter	Establish a common understanding of scope, accountability, communication protocol, complexity assumptions and the integrated assessment schedule.	Confirm the following: • The initial complexity category and the basis for that classification. • The integrated schedule covering SIA, PIA, CIA and Applicant deliverables. • Change-control expectations, including prompt disclosure of changes to the POI, configuration, protection, capacity or other material information and process 'pause' provisions that affect the schedule.

3	**SIA Early Study Checkpoint and PIA Coordination Review**	As per the schedule established during the integrated kick-off meeting	Customer, IESO, Transmitter	Preliminary identification of potential system complexities (e.g., RAS, need for reactive power support) and any information gaps. Verify the project complexity category and initiate the PIA request (where needed) and any supporting information and studies.	• Provide the IESO's preliminary identification of potential system complexities • Identify information gaps or technical issues that may affect study scope or schedule. • Establish the need and timing of the PIA request, SC study, and station demand forecast once the required information is available. • Potential PIA requirements known at this stage and if any changes should be made to the connection arrangement, single-line diagram, and protection philosophy before PIA assessment • Review and update integrated schedule, if required.
4	**Draft SIA and CIA Coordination Review**	After draft SIA publication	Customer, IESO, Transmitter	Review draft SIA findings, align IESO and transmitter assumptions, and coordinate expectations regarding completion of the CIA.	• Review key Draft SIA findings, connection requirements, and outstanding study matters. • Review changes from the original technical assumptions and their potential effect on the PIA, if applicable. • Confirm status of draft CIA initiation • Review and update integrated schedule, if required.
5	**Connection Cost Estimate Agreement (CCEA)**	Following completion of SIA and CIA reports	Customer, Transmitter	Develop CCEA	• Coordinate with the customer and refine project scope for development of the CCEA.

i. Process Efficiencies Through Parallel Execution and Improved Coordination

A key objective of this initiative is to reduce overall connection timelines by facilitating the parallel execution of activities where feasible and improving coordination between the transmitter and the IESO. The proposed process includes several enhancements intended to reduce administrative hand-offs, enable earlier commencement of assessments, and improve overall process efficiency without compromising the quality of technical reviews.

1. Parallel Execution of Assessments

Where feasible, assessments should be conducted in parallel rather than sequentially to reduce overall processing timelines. Under the proposed approach, the transmitter will initiate the CIA upon receipt of the IESO's draft SIA report, allowing CIA studies to progress while the IESO finalizes the SIA report. Although work on the CIA begins earlier, the applicable performance standard timeline for the CIA would commence only upon completion of the final SIA report, as the final connection requirements must first be confirmed. Where the final SIA report does not introduce material changes from the draft version, the CIA can be finalized shortly thereafter, enabling a more efficient overall assessment process while maintaining alignment with the approved connection requirements.

2. Improved Coordination and Information Exchange

The proposed process also streamlines information exchanges between the transmitter and the IESO by reducing unnecessary administrative hand-offs and establishing clear responsibilities for initiating supporting assessments. Under the proposed process, following the early SIA checkpoint meeting, the transmitter will provide preliminary information regarding potential PIA requirements to improve coordination and support early identification of protection-related considerations. Formal PIA, Short Circuit (SC) studies; and station-by-station load forecasts work would be initiated only upon the IESO’s request, consistent with the MOU between the transmitter and IESO. This approach reduces administrative handoffs and supports earlier assessment activities. It is important to note that preliminary screening is an indication, and Hydro One cannot guarantee that there will not be changes, thereafter.

These process enhancements are expected to improve coordination between the transmitter and the IESO, reduce administrative delays, and enable earlier initiation of key assessment activities, thereby supporting a more efficient and customer-focused connection process.

3.4 OVERALL CONNECTION PROCESS AND DETAILS

Hydro One has implemented a structured, multi-phase process to facilitate transmission customer connections. This process, from application submission to connection energization, will typically take two to five years to complete. Complex projects that require regulatory approvals or environmental assessments or are contingent on the resolution of land acquisition matters can take longer.

Figure 1 below provides a process diagram of the entire transmission customer connection process from beginning to end. The process map incorporates the recommendations and proposals discussed in the preceding sections into Hydro One's existing process. For each stage in the process, Hydro One has provided details that address how activities will be managed and tracked, deliverables that will be issued and activity accountabilities.

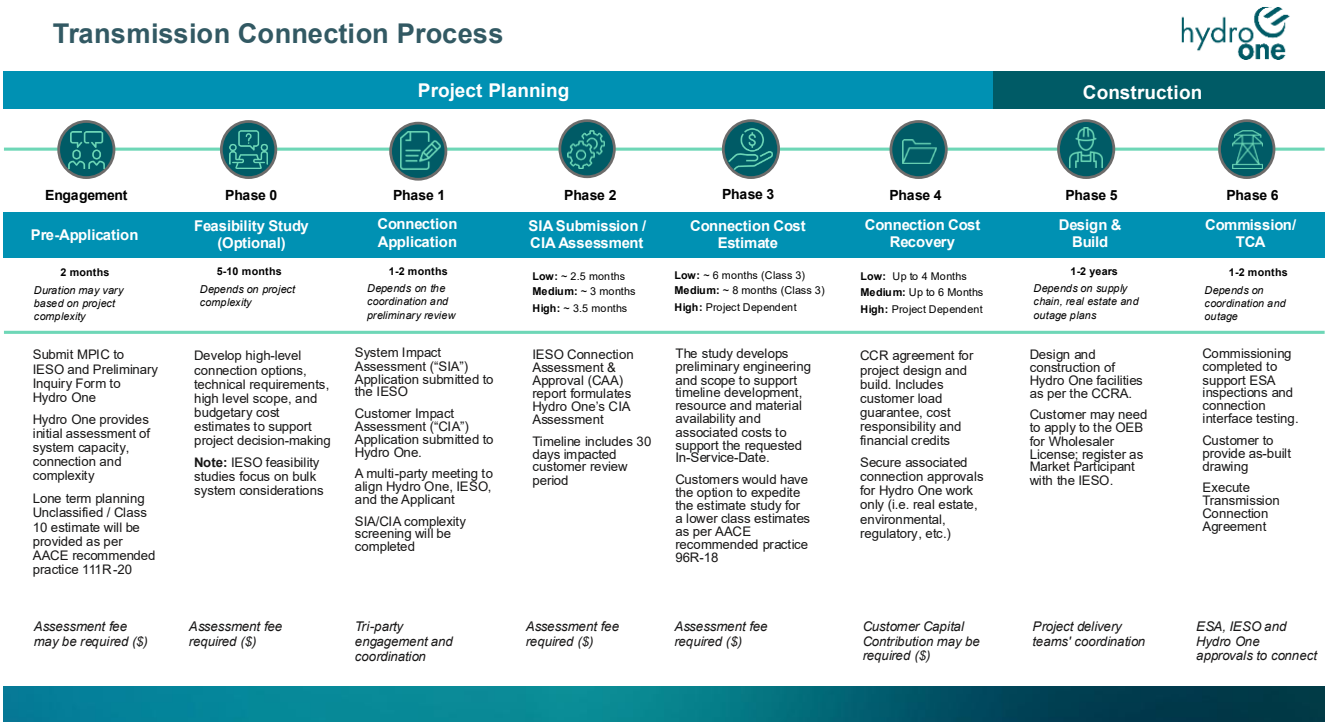

Figure 1: Transmission Connection Process

Pre-Application Engagement

- If a customer would like to discuss and review their proposed connection before submitting the CAA application, the customer can submit a PIF to the transmitter.

- The transmitter shall offer up to two consultation meetings to the customer (at no charge) to provide a high-level screening assessment of the connection proposal. This assessment will include preliminary planning cost information for the project based on past connection project examples and a project complexity classification based on the framework established in Section 3.2.
- Refer to Section 3.1 for further details regarding pre-application deliverables and accountabilities.

Phase 0: Feasibility Study (Optional)

- The customer has the option of requesting a Feasibility Study to be undertaken by the transmitter prior to submitting their CAA application.
- A Feasibility Study would typically be conducted if any issues are identified at the pre-application engagement stage with respect to the: (a) connection location (b) the customer's requested connection timeline and the delivery of required materials and (c) the ability to safely deliver the solution based on the resource and outage availability.
- The main objective of the Feasibility Study is to identify a preferred connection option while also providing an estimate of the cost of the proposed connection.
- The transmitter will charge the customer a fee for performing the Feasibility Study.

Phase 1: Connection Application

- Prior to the submission of a CAA application by the customer, a joint meeting between the customer, Hydro One, and IESO can be scheduled to review the CAA application with the customer and confirm its readiness for submission and identify any deficiencies or required revisions to the CAA application.
- Customer submits the CAA application, which includes complete information required for SIA and CIA studies to be completed such as project size, facility type, connection details and other technical information

Phase 2: SIA/CIA Assessment

- Following the execution of the SIA and CIA study agreements, a joint kick-off meeting between the customer, transmitter, and IESO can be scheduled, if required.
- The transmitter shall classify the connection complexity classification for the project or reconfirm the complexity classification for the project established at pre-CAA application stage based on the framework established in Section 3.2. The complexity classifications established by the transmitter

is intended to guide customer expectations with respect to the timelines for delivering the CIA, and CCE. General guidance will be provided by the transmitter with respect to the execution of the CCRA.

- An integrated schedule covering each party's deliverables will be discussed and documented.
- IESO will request the PIA (where needed), short-circuit study, and station load forecast from the transmitter and conduct a SIA study checkpoint meeting per the schedule established to identify potential issues and risks.
- The IESO and Hydro One will provide regular study status updates to the customer.
- Any changes to the CAA application or requests for further information will be managed through the formal pause/restart process.
- The transmitter will begin performing the CIA once the IESO has issued the draft SIA report. Since the CIA is contingent upon the determination of the connection requirements identified in the final SIA report, the start of the CIA timeline begins once the final SIA report is issued.

Phase 3: Connection Cost Estimate

- The customer and transmitter will enter into a CCEA, which will dictate how the estimate and economic evaluation will be performed. The CCEA will also outline construction responsibilities for the transmission facilities needed to support the project.
- A Class 3 CCE is the proposed baseline estimate for all customer connection projects.
- Customers have the option of expediting this stage of the process by requesting a less advanced (ie. higher class) estimate or a more detailed estimate. If the customer elects the latter option, the customer acknowledges that this will extend the transmitter's timeline for providing an estimate and the transmitter will provide the customer with a revised expected timeline.

Phase 4: Connection Cost Recovery

- At this stage in the process, the customer and transmitter are in a position to proceed with the design and construction of the transmission connection facilities. A CCRA must be finalized and executed by the customer and the transmitter to proceed with the connection design and construction.
- Due to the various requirements that must be satisfied and approvals that must be sought, the transmitter shall only provide the customer with a range for the agreement execution timeline based on project complexity framework established in Section 3.2.

Phase 5: Design and Build

- The transmitter will complete the detailed design, procurement, and construction of the required transmission facilities, with timelines dependent on project complexity and outage availability.
- In parallel, the transmitter and customer will work together to finalize the details of the Transmission Connection Agreement (TCA).

Phase 6: Commissioning

- The commissioning phase involves inspection and testing of the connection facility to prepare for in-service approval.
- Prior to energization, the customer must obtain ESA authorization, receive approval to connect to the IESO-controlled grid, and execute the TCA.

3.5 ECONOMIC GROWTH CONSIDERATIONS ON COST RESPONSIBILITY REQUIRES FURTHER DISCUSSION

On December 11, 2025, the Protect Ontario by Securing Affordable Energy for Generations Act, 2025 was passed into law. This legislation requires both the OEB and IESO to support economic growth, consistent with the policies of the Government of Ontario. The MEM's IEP establishes a clear policy direction that Ontario's connection framework should support economic growth by addressing upfront connection costs that can impede major investments, while preserving the Beneficiary Pays principle and protecting existing ratepayers. The OEB's STC Review provides an important and timely opportunity to examine how the existing cost-allocation framework could better recognize circumstances where a connection supports significant economic development or provides broader system benefits including by identifying options, principles and implementation or process considerations that reduce barriers to connection in an efficient way that provides clarity to connecting businesses and positions the transmission framework to support the Government's stated growth objectives.

Transmission customer connections are key to driving economic growth in the province and consideration of the economic benefits arising from a customer's connection to the transmission system falls squarely within the mandates of the OEB and IESO. As well, a customer connection project could support or assist with regional infrastructure development plans, improve system performance and flows, and provide capacity on the system to enable future load growth. Where a customer's proposed

connection is beneficial to the economy, it is appropriate to consider this when determining cost responsibility. A customer's connection costs should not be borne solely by the customer when it enables broader economic benefits and is consistent with government policy.

Customers and transmitters alike must know how costs will be apportioned and recovered. This object similarly aligns with the aims of the STC Review, which is intended to improve the customer experience through early regular engagement, increase process predictability, clarify accountabilities, and shorten connection timelines. Therefore, if a connection enables economic benefits, it is necessary for the industry to understand whether the costs associated with the connection will be attributed solely to the benefitting connecting customer, or conversely, socialized across the benefitting economy. Though economic benefits have always been inherent to electricity connections, the consideration of economic benefits is no longer distinct from energy planning and approvals. The new IESO and OEB mandates that flow from the *Protect Ontario by Securing Affordable Energy for Generations Act, 2025* encourages a more coordinated consideration of economic benefits in line with the balance of other mandates within the IESO and OEB's purview.

The challenge faced now is determining how economic growth should be assessed and considered in establishing cost allocation. Of equal importance is the need to clarify when these assessments should be undertaken as part of the connection process, who will support these assessments and how these assessments should be conducted in such a way that does not frustrate the connection process and further delay customer's connection. Hydro One believes that cost responsibility should be determined before a customer must decide to proceed with the execution of the CCRA and should inform the planning process of the connection. Furthermore, cost responsibility should also be determined separately from and substantially before filing of a Leave to Construct application under Section 92 of the OEB Act (if required). This is necessary to provide customers with greater budget certainty and minimize any uncertainty related to investment planning. While the development of a comprehensive framework for assessing and allocating costs associated with economic growth will be established by regulation (which was meant to be posted for comment last summer 2025), the next phase of the STC Review should establish the foundational principles and structure necessary to support the future implementation of such a framework.

APPENDIX A

1) Transmission Connection Preliminary Information Request Form

TRANSMISSION CONNECTION - PRELIMINARY INQUIRY FORM (PIF)

All fields marked with an asterisk (*) are mandatory and must be completed.

1. APPLICANT AND CONTACT INFORMATION

Company / Organization Name*

Project Name

Primary Contact Name*

Business Title / Role*

Customer or Consultant*

Email*

Phone*

Authorized Representative known?

Project Site Address*

Municipality / Region*

GPS Latitude*

GPS Longitude*

MPIC Reference Number*

2. PROJECT OVERVIEW

Project Type*

☐ Load ☐ Generation ☐ Storage

Project Description and Business Purpose*

Describe the facility, type of generation (if applicable), development stage, intended operation and why the connection is required.

Requested initial In-service Date*

Ultimate In-service Date*

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3. LOAD / GENERATION / STORAGE CHARACTERISTICS

Initial Peak Demand (MW)*

Ultimate Peak Demand (MW)*

Minimum Demand (MW)

Power Factor at POI

Maximum Import (MW)

Maximum Export (MW)

Reactive Range (Mvar)

Nominal Frequency

Load Factor (%) *

Peak Season*

Peak Time of Day

24-hour and Seasonal Operating Profile *

Describe normal, minimum, maximum, ramping, weekday/weekend and seasonal behavior. Attach representative profiles if available.

Special Electrical Characteristics

Examples: large motors, arc furnace, rectifiers, harmonic-producing loads, cyclic loading, rapid ramps, inverter-based resources.

4. CONSTRUCTION AND TRANSMISSION PHASING AND ENERGIZATION*

Construction Power Staging Plan*

Year	Target Date	Demand MW	Export MW	Mvar	Description
Year 1					
Year 2					
Year 3					
Year 4					

Transmission Power Staging Plan*

Year	Target Date	Demand MW	Export MW	Mvar	Description
Year 1					
Year 2					
Year 3					
Year 4					
Year 5					
Year7					
Year 9					
Year 10					

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TRANSMISSION CONNECTION - PRELIMINARY INQUIRY FORM (PIF)

5. PROPOSED POINT OF INTERCONNECTION (POI)

Preferred POI / Circuit / Station

Alternative POI

Preferred Connection Voltage (kV)*

Basis for Selecting the Preferred POI

Explain proximity, property control, route, voltage, capacity, schedule and other considerations.

6. PRELIMINARY CONNECTION ARRANGEMENT

Proposed Arrangement

- ☐ Line tap
- ☐ Three-breaker ring bus
- ☐ Breaker-and-a-half
- ☐ Bus connection
- ☐ Transformer station
- ☐ Other / unknown

Single or Dual Supply Circuit(s)

Number / Rating of Transformers

Effect of a Power Interruption and Required Service Continuity*

Identify safety, process, financial or equipment impacts and any redundancy expectations.

Standby / Emergency Generation Total MW

Load Displacement Generation Total MW

Preliminary Single-line Description

Describe HV equipment, transformation, buses, breakers, normally open points and connection facilities. Attach a preliminary SLD.

Major Equipment Data Available at Preliminary Stage

List transformer impedances, motor sizes, converter ratings, reactive devices, grounding and other key data already available.

Proposed Protection and Control Concept

Identify main and backup protection, breaker failure, line protection, transformer protection and telecom assumptions if known.

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TRANSMISSION CONNECTION - PRELIMINARY INQUIRY FORM (PIF)

7. RAS PARTICIPATION

Willingness to Participate in Remedial Action Scheme (RAS) / Special Protection Scheme (SPS)?

8. LAND, ROUTE, PERMITS AND THIRD-PARTY INTERFACES

Property and Route Status

Identify property control, easements, line route, water/highway/rail crossings and known constraints.

Known Approvals and Interfaces

Identify potential OEB, environmental, municipal, MTO, ESA, Indigenous engagement, distributor, pipeline or other requirements.

9. CUSTOMER-IDENTIFIED RISKS AND FLEXIBILITY

Known Project Risks or Schedule Constraints

Configuration Flexibility

Identify whether the customer can consider alternate POIs, voltages, staging, load limits, reactive support or operating restrictions.

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2) AACE Model[ii]

	Primary Characteristic	*Secondary Characteristic*		
ESTIMATE CLASS	**MATURITY LEVEL OF PROJECT DEFINITION DELIVERABLES** Expressed as % of complete definition	**END USAGE** Typical purpose of estimate	**METHODOLOGY** Typical estimating method	**EXPECTED ACCURACY RANGE** Typical variation in low and high ranges at an 80% confidence interval
Class 5	0% to 2%	Concept screening	Cost/length factors, parametric models, judgment, or analogy	L: -20% to -50% H: +30% to +100%
Class 4	1% to 15%	Study or feasibility	Cost/length, factored or parametric models	L: -15% to -30% H: +20% to +50%
Class 3	10% to 40%	Budget authorization or control	Semi-detailed unit costs with assembly level line items	L: -10% to -20% H: +10% to +30%
Class 2	30% to 75%	Control or bid/tender	Detailed unit cost with forced detailed take-off	L: -5% to -15% H: +5% to +20%
Class 1	65% to 100%	Check estimate or bid/tender	Detailed unit cost with detailed take-off	L: -3% to -10% H: +3% to +15%

Table 1 – Cost Estimate Classification Matrix for the Power Transmission Line Infrastructure Industries

- Additionally, a preliminary planning cost projection may be used before a specific **project is initiated, providing high-level cost forecasts while recognizing the significant uncertainty associated with early-stage planning.**

[i] The AACE model defines 5 estimate classes; however, Hydro One's project execution process typically does not require the development of Class 2 or Class 1 estimates, as projects generally proceed based on the level of estimate accuracy established in the earlier class 3 estimate.

[ii] Table 1: AACE International Recommended Practice No. 96R-18 Cost Estimate Classification System – As Applied in the Engineering, Procurement, and Construction for the Power Transmission Line Infrastructure Industries, Rev. Aug 7, 2020