

December 13, 2024

Policy Coordination and Outreach Branch
Ministry of Energy and Electrification
77 Grenville Street, 5th floor
Toronto, ON
M7A 2C1

Submitted via e-mail: integratedenergyplan@ontario.ca

RE: Environmental Registry of Ontario #019-9285 – Integrated Energy Resource Plan Consultation

Aecon is pleased to help inform Ontario's first Integrated Energy Resource Plan ("IERP"). We would like to thank the Ministry of Energy and Electrification for its ongoing work to develop the IERP and we appreciate the opportunity to present our recommendations on future planning for the province.

By way of background, as an experienced construction and infrastructure development company headquartered in Ontario, with operations across North America and over 11,000 employees, Aecon delivers integrated solutions to private and public-sector clients through its diverse operating sectors and is one of the largest utility contractors in Ontario. Aecon has long-standing relationships and master service agreements with key utility clients including Enbridge, Hydro One and Toronto Hydro, and is pleased to serve the electrical transmission & distribution, natural gas & pipeline distribution, telecommunications, and in-home services & renewables markets. Aecon is also the largest nuclear constructor in Canada and continues to play a critical role in the ongoing success of the largest nuclear projects in Ontario.

We are proud to be delivering energy resiliency and security through our work on the following projects, as just a few examples:

- Ontario Power Generation's Darlington Nuclear Refurbishment and Darlington New Nuclear Project in Clarington;
- Bruce Power's Major Component Replacement program in Tiverton;
- Hydro One's Chatham to Lakeshore Transmission Line Replacement; and
- The Oneida Energy Storage Project in Nanticoke.

We have also delivered the following key energy projects for the province:

- The Atikokan Generating Station in Atikokan, Ontario – one of the largest biomass plants in North America;
- Hydroelectric facilities such as the Lower Mattagami Dam project near Kapuskasing, Ontario; and
- Contracting construction services to both Enbridge and EPCOR in order to help support expanding natural gas distribution services in rural Ontario communities.

Aecon is a ready partner for the Government of Ontario and is also proud to foster long-standing partnerships across the communities in which we work, including successful Indigenous-led joint ventures throughout Ontario and Canada. As we build what matters to enable future generations to thrive, we are committed to collaboratively working with and providing lasting benefits to local and Indigenous communities – including maximizing procurement with Indigenous businesses to create partnerships that advance economic prosperity.

Furthermore, we are committed to supporting the Government's efforts to provide a sustainable, reliable, and affordable energy future for Ontarians. Building on the foregoing, we have outlined the following considerations for the Ministry as the IERP is developed, which includes focusing on the need for a reliable and diverse energy supply, and ensuring energy is delivered where it is needed to support Ontario's growth.

Sincerely,

Eric MacDonald
Executive Vice President, Utilities
Aecon Group Inc.

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Overview

Aecon appreciates the value of an IERP for Ontario as it provides a transparent roadmap to address the province's increasing need for energy while supporting economic growth and sustainability objectives. As a leading infrastructure development company, Aecon relies on policy certainty around major projects to plan for, mobilize resources, and execute delivery to a desired timeline and budget. This applies to all infrastructure, and energy systems are among the most vital for ensuring the functionality of the economy as well as the enablement of growth.

An IERP helps align energy planning with infrastructure needs, promoting investments new supply, transmission and distribution of electricity and natural gas, and innovative solutions that benefit both industry and communities. Additionally, a well-designed IERP built on feedback from and consensus among stakeholders, ensures the broadest possible support moving into an execution phase. By integrating long-term planning with actionable strategies, the IERP helps Aecon plan its business while contributing to Ontario's transition to a strong and resilient energy future.

The Value of Long-Term Planning

Aecon supports the need for more energy infrastructure in Ontario and the new framework for a detailed, long-term development plan which ensures the province can meet its growing energy demands while promoting economic growth. This growth in energy demand – driven by an increasing population, industrial expansion, and an energy transition which requires robust, modernized infrastructure capable of reliable delivery, cannot be satisfied by any one resource.

A comprehensive plan provides clarity and direction for infrastructure development, enabling Aecon and other stakeholders to align their investments and expertise with provincial goals. It also ensures timely execution of projects by identifying priorities, streamlining regulatory approvals, and addressing challenges like infrastructure renewal in addition to what is required incrementally. By supporting a strategic, well-coordinated pipeline of energy infrastructure projects, Aecon is well positioned to play a key role in building a resilient system that meets future challenges and supports Ontario's economy for decades to come.

Aecon, like other construction and infrastructure companies, favours policy certainty for long-lead projects due to the complex, large-scale nature of its operations. This includes:

- **Managing Project Complexity:** Construction and infrastructure projects involve numerous stakeholders, intricate designs, and technical requirements. Long-term planning helps manage these complexities by breaking the project into manageable phases and ensuring every detail is addressed.
- **Financial Certainty:** Long-term planning enables Aecon to allocate budgets effectively, forecast costs, and secure funding or investments over the project's lifecycle.
- **Effective Resource Allocation:** Aecon needs to manage resources such as labour, materials, and equipment efficiently. Long-term planning allows for the scheduling and procurement of these resources.
- **Stakeholder Coordination:** Large projects involve collaboration with clients, governments, contractors, and communities. Long-term planning ensures alignment of interests, clear communication, and smooth coordination among all stakeholders.

A Diversified Resource Mix

Ontario has several high growth areas across the province that need more access to energy over the coming years. These communities cannot necessarily wait for the electricity grid alone to support them and need to ensure that their regions and municipalities can meet energy needs of today. Aecon supports Ontario's commitment to a diverse and sustainable energy system that balances reliability, affordability, and resiliency.

Nuclear energy and hydroelectricity are a key part of Ontario's low-emission energy system. Together, these sources offer a steady and reliable supply of electricity, unaffected by weather conditions or seasonal variability. Nuclear energy provides more than 50 per cent of Ontario's electricity every year and has been a reliable backbone of the province's supply for decades.

While nuclear and hydroelectricity serve as the foundation, gas-fired power generation and renewable energy are also important in ensuring a balanced energy portfolio. Natural gas ensures reliability, particularly during peak demand periods or when renewable sources are unavailable. Renewables like wind and solar can contribute to reducing emissions further, however their intermittency underscores the need for a stable supply of baseload provided by nuclear and hydroelectric power, supported by the flexibility and dispatchability of natural gas.

Protecting natural gas' important role in the Ontario market reduces reliance on foreign energy, enhancing national security and creating stable, local employment opportunities that aren't easily outsourced. This can similarly be said for investing in a strong foundation of nuclear and hydroelectric resources that strengthen that domestic energy security and provide multi-generational benefits through their construction and operation.

Natural gas is a key part of a balanced energy mix, allowing for a realistic transition to lower emissions while ensuring energy remains affordable and reliable. Electricity capacity is a concern and to ensure that Ontario continues to attract jobs, we need to ensure that Ontario's energy system is ready to meet this important moment by ensuring that all forms of energy are available. The natural gas industry is also investing in cleaner technologies, such as carbon capture and hydrogen, creating new types of skilled union jobs.

Aecon views this interconnected approach as vital for achieving economic and sustainability goals, enhancing Ontario's position as a leader in infrastructure development and a destination for investment. A diverse energy mix ensures reliability for consumers while enabling economic growth across sectors, and stable electricity prices supported by supply mix reduces financial volatility for businesses and households. A key improvement of the IERP framework, and an important recommendation of the Electrification and Energy Transition Panel ("EETP") is the recognition of the importance of integrated planning between electricity and natural gas.

This integration is important to underpinning Ontario's commitment to a diversified energy strategy which positions the province well to be an energy superpower in North America in the years ahead. By maintaining nuclear and hydroelectricity as the stable foundation, supported by natural gas and competitively procured renewables, Ontario can meet its energy needs reliably and affordably. Aecon is proud to support these initiatives, leveraging its diverse expertise to help Ontario achieve its ambitious but practical goals.

Supporting Robust Transmission and Distribution Systems

Aecon believes that a strong and modern transmission and distribution network for electricity and natural gas is critical to support Ontario's evolving energy system. As the province builds for the future, reliable infrastructure will be essential to transport energy to the homes, hospitals, schools, and businesses which will rely on it every hour of every day. In addition to the opportunity and security of supply that investments in modern energy delivery assets provide over the long-term, building them provides substantial benefits in the nearer term.

For example, Enbridge's *Panhandle Regional Expansion Project* in Southwestern Ontario will create approximately 7,000 jobs and enable \$4.5 billion of economic investment. This project provides energy throughout the Great Lake economies and ensures that Ontario has access to stable energy rates. The integrated pipeline network ensures that the United States, Canada and Ontario have essential products that keep the economy moving.

Hydro One's new double-circuit 230-kilovolt transmission line from Chatham Switching Station to the Lakeshore Switching Station, known as the *Chatham to Lakeshore Project*, is opening opportunities in this area electrically by providing approximately 400 MW of clean energy to the region. Aligned with the commitments of Aecon and Hydro One, a significant portion of the line included procurement and purchases from Indigenous businesses as subcontractors.

As demand for energy grows, so too must the delivery pathways to get it to where it is needed. Aecon looks forward to playing a key role in building Ontario's integrated energy network. As the province strives to meet growing energy demand, a modernized transmission and distribution system is essential. This infrastructure will ensure that energy generated from Ontario's diverse supply mix is efficiently delivered across the province. Aecon is committed to leveraging its capabilities to support this transformation, contributing to a resilient, sustainable, and well-built energy system to serve Ontarians for generations.