POWER WORKERS' UNION

February 20, 2026

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Via online submission

Re: Power Workers' Union Submission on the Proposal for Advancing Critical Transmission Expansion in the Toronto Area (ERO) 026-0019

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The Power Workers' Union (PWU) is pleased to submit comments and make recommendations to the Ontario Ministry of Energy and Mines (the Ministry) regarding the Proposal for **Advancing Critical Transmission Expansion in the Toronto Area (ERO) 026-0019**. The ERO relates specifically to the Ministry's proposal to:

> … to direct the Independent Electricity System Operator (IESO) to undertake a competitive procurement process and enter into a procurement contract with a transmitter to develop and construct the Toronto Third Line project to meet electricity demand in Toronto and help address capacity constraints in the greater Toronto area.
>
> […]
>
> [T]he Ministry anticipates bringing this proposal forward for a possible decision in 2026. The IESO would endeavour to have a transmitter selected within 18 months of receiving the proposed Directive, if government decides to proceed with this proposal.[1]

The PWU is a strong supporter and advocate for the prudent and rational reform of Ontario's electricity sector and recognizes the importance of planning for low-cost, low-carbon energy solutions to enhance the competitiveness of Ontario's economy. The PWU represents the majority of the skilled workers that operate and maintain Ontario's electricity generation, transmission, and distribution systems. As a union deeply invested in Ontario's safe, reliable, and sustainable energy infrastructure, we recognize the critical importance of new and enhanced transmission capacity and infrastructure.

The PWU applauds the Ministry's proposals for building more electricity transmission (as outlined in Chapter 3 of *Energy for Generations: Ontario's*

[1] Government of Ontario, Environmental Registry of Ontario, Advancing Critical Transmission Expansion in the Toronto Area (ERO) 026-0019, January 7, 2026. https://ero.ontario.ca/notice/026-0019

Integrated Plan to Power the Strongest Economy in the G7 (the Integrated Energy Plan or IEP)). The IEP has identified several priority projects, which represent critical transmission projects to alleviate bottlenecks and system constraints. In 2025, the PWU provided feedback to the Ministry on the following priority projects:

1. **The Barrie to Sudbury Transmission Lines**, to enhance the transmission capacity between northern and southern Ontario; (ERO) 025-0656.

2. **The Orangeville to Barrie Reconductoring Project**, to enhance the transmission capacity between northern and southern Ontario; (ERO) 025-0657.

3. **The Bowmanville to GTA Transmission Line**, to enhance the transmission capacity east of Toronto; (ERO) 025-0658.

4. **The Windsor to Lakeshore Transmission Line**, to support critical transmission infrastructure in southwestern Ontario; (ERO) 025-0659.

5. **The Greenstone Transmission Line**, to enhance the transmission capacity in northern Ontario; (ERO) 025-0660.

6. **The Red Lake Transmission Project**, to enhance transmission capacity North of Dryden; (ERO) 025-1212.

The Ministry is currently seeking feedback by February 21, 2026 on **Advancing Critical Transmission Expansion in the Toronto Area** (ERO) 026-0019.

According to the IEP (pp 70-71) (our emphasis):

> **The Greater Toronto Area (GTA) is a key driver of Ontario's economy. Ensuring reliable, affordable electricity in this region is essential for the province's long-term prosperity.** While past growth has been supported by existing transmission lines, energy efficiency programs and strategically located generation assets, including the Portlands Energy Centre (a natural gas generation station), new transmission will be needed to meet rising demand.
>
> […]
>
> To support growth and electrification in the City of Toronto, the IESO is also developing a new Integrated Regional Resource Plan (IRRP) that will include recommendations for additional transmission capacity into the downtown core. This work builds on government direction issued through Powering Ontario's Growth, which recognized that Toronto will require a third major transmission line to downtown Toronto **to meet future demand**, and *Ontario's Affordable Energy Future*, which highlighted the need to **enhance system resiliency**.

Also as discussed in the IEP (p.78) (our emphasis):

> **Transmitter Selection Framework**
>
> With more transmission needed across Ontario, the government is committed to supporting new infrastructure that is delivered as **efficiently, affordably, and transparently** as possible. While **the government will need to maintain the ability to designate some projects directly to existing transmitters – such as Hydro One – due to their urgency or complexity**, there is also a clear opportunity to introduce healthy competition where timelines allow. Competitive procurement can help deliver transmission more cost-effectively, encourage innovation, and drive opportunities for Indigenous participation.

For each of the above six 2025 transmission proposals, the Ministry has designated Hydro One as the transmitter for the justifiable reasons of urgency and/or complexity. The PWU supported each of the six priority projects proposed by the Ministry in 2025, as well as the designation of Hydro One as the developer. **For the reasons discussed in the next section, the PWU strongly supports designation of Hydro One as the transmitter for Toronto's Third Line (TTL) due to (a) the consequentiality, urgency and scale of the project; (b) the complexity of the TTL; (c) the importance of supporting Ontario workers and nurturing our domestic supply chain at this pivotal moment in Ontario and Canadian history.** As the PWU has emphasized in our comments on the 2025 priority projects, Hydro One has a proven history of delivering quality transmission projects.

Sincerely,

Andrew Clunis
President
Power Workers' Union

Power Workers' Union Specific Feedback on the Proposal for **Advancing Critical Transmission Expansion in the Toronto Area (ERO) 026-0019**

The Ministry of Energy and Mines has requested public feedback on the following proposed actions:

1. The proposal to direct the IESO to undertake a competitive procurement process and enter into a contract with a transmitter to develop and construct the TTL
2. Proposed restrictions on transmitter eligibility
3. Proposed requirements on the evaluation criteria for transmitter selection
4. Consultation with Indigenous Communities on this Proposal
5. Timing
6. Environmental Impact

1. The Proposal to Direct the IESO to Undertake a Competitive Procurement Process

The PWU **strongly disagrees** with the proposal to direct the IESO to undertake a competitive procurement process and enter into a contract with a transmitter to develop and construct the TTL. While we support the objectives of the Transmitter Selection Framework (TSF), **the TTL is not a suitable pilot project for a framework that has never been used for real-world competitive transmitter selection.**

Because the TTL is not suitable for a competitive procurement, the PWU strongly supports designation of Hydro One as the transmitter for Toronto's Third Line (TTL) for the reasons outlined above and elaborated on in this section: (a) the consequentiality, urgency and scale of the project; (b) the complexity of the TTL which will operate within Hydro One's network; (c) the importance of supporting Ontario workers and nurturing our domestic supply chain at this pivotal moment in Ontario and Canadian history.

a) Consequentiality, Urgency and Scale

The TTL is highly consequential, urgent and large-scale.

Consequentiality: The project is critically important because it is directly tied to the reliability of the electricity system in the City of Toronto (including the downtown core) and the GTA, a key driver of the Ontario (and Canadian) economy. Put simply, the TTL is system-critical infrastructure for Canada's largest city.

Urgency: The PWU has repeatedly emphasized the urgency of building new transmission in Ontario, and into Toronto. New transmission assets should be designed to accommodate high growth (as per the priorities for Ontario's Integrated Energy Planning[1]). However, the PWU believes that the demand forecast should be substantially higher than the high-growth demand forecast referenced in the

[1] Government of Ontario, Energy for Generations: Ontario's Integrated Plan to Power the Strongest Economy in the G7, June 2025, p. 119.

Integrated Energy Plan (IEP). Nonetheless, the PWU is pleased that IESO recognizes the need to build new transmission assets in the Toronto region:

> The IRRP considers the reliability impacts of the significant demand growth forecast for the Toronto Region. **Peak demand is expected to nearly double by 2043** and while the region has historically been summer-peaking, **the region could become winter peaking by the early-2030s**. (p. 7)

The PWU restates its comments from the August 2025 PWU Feedback on the Proposal for **Enhancing Transmission Capacity East of Toronto - The Bowmanville to Greater Toronto Area (GTA) Transmission Line (ERO) 025-0658** (p. 2):

> In the case of the GTA, in particular, the PWU applauds the Ministry for recognizing that more transmission capacity is needed in this region and for prioritizing this project. However, the PWU argues that especially in the GTA, the electricity system (including transmission capacity) must be upgraded and upsized as soon as possible -- and at a considerably faster pace than that proposed in the IEP.[2] Most GTA regional governments are actively working towards deep decarbonization. And GTA LDCs (notably Toronto Hydro) are also very supportive of deep decarbonization (and therefore very large growth in electricity demand). Moreover, there are longstanding air quality problems in the GTA which could be greatly attenuated by increased electrification.
>
> **Therefore, we strongly recommend that the Ministry also prioritize additional transmission capacity (including a third transmission line to downtown Toronto)[3] as soon as possible (and ahead of the schedule outlined in the IEP) to address transmission capacity requirements to meet future demand.**

As further discussed in Section 6, the designation of Hydro One as the TTL transmitter would accelerate the project timeline by at least 18 months. The designation of Hydro One would avoid the 18-month period assumed by the Ministry in this Proposal for the selection of a transmitter following the reception of the proposed Directive.

Scale: According to the IESO's Toronto Integrated Regional Resource Plan Report (IRRP)[4], the "exploratory" cost estimate of the project is in the order of $1.5 billion (p. 67). It would increase supply diversity and resilience by bringing "a new, geographically and electrically separated source of supply directly into the urban centre." (p. 63). The TTL is an ambitious undertaking: it is Ontario's first

[2] [Original footnote 7 in PWU Feedback on the Proposal for Enhancing Transmission Capacity East of Toronto - The Bowmanville to Greater Toronto Area (GTA) Transmission Line (ERO) 025-0658] The IEP recommends the prioritization of the Bowmanville to GTA Transmission Line with an in-service date in the early 2030s (p. 70). The Plan also discusses early steps taken by the IESO to develop a new IRRP "that will include recommendations for additional transmission capacity into the downtown core." According to the Plan, this new transmission capacity should be "delivered in the early-to-mid 2030s." (p. 71)

[3] According to the IEP (p. 71), "This work builds on government direction issued through Powering Ontario's Growth, which recognized that Toronto will require a third major transmission line to downtown Toronto to meet future demand, and Ontario's Affordable Energy Future, which highlighted the need to enhance system resiliency."

[4] Toronto Integrated Regional Resource Plan, IESO, October 31, 2025.

underwater high-voltage direct-current (HVDC) project connecting Bowmanville Substation to the Portlands Energy Centre in downtown Toronto via 65km of underwater transmission cables under Lake Ontario. The IRRP further demonstrates the critical importance and scale of the TTL:

> This line can accommodate significantly more growth in Toronto and the GTA, enabling 900 MW of supply to flow from the east; improving supply diversity and resilience by introducing a true third supply path into the downtown core; as well as supporting load restoration following major power disruptions, among other benefits. (p. 7)

As discussed above, the TTL is a system-critical, large-scale, and urgent project delivering load to Canada's largest city. Prudent risk management (for schedule, interface and costs) dictates the selection of Hydro One, an incumbent transmitter, with a proven track record of delivering quality transmission projects.

b) Complexity of the Project

Building the first underwater HVDC project is already a significant challenge. Moreover, adding to the complexity is the siting and construction of voltage-source converter stations (VCS) would be required at each end. These stations are large, expensive and technically complex.

> Some additional work on the 115 kV system in the Port Lands in Toronto will be required to accommodate a higher power injection as compared to the injection through PEC, and inline breakers will need to be added to the Cherrywood TS to Leaside TS 230 kV transmission circuits to add further resiliency to the current supply to East Toronto. (Toronto IRRP, p. 61)

In and of itself, the TTL is inherently a complex and technically challenging project. Adding to the complexity, is the fact that the project is an urban transmission project serving the GTA, and connecting into Toronto's core, a dense urban area. The underwater transmission route avoids many of the most challenging urban transmission issues (including land-use conflicts along the route, public opposition, construction disruption).

However, the TTL will still have constrained landing points and corridors and must connect with existing high-voltage substations. Suitable landing sites in Toronto are limited, environmentally sensitive, near dense residential or commercial areas. Any onshore cable routes or converter stations must fit into high-value, fully developed land. This increases stakeholder engagement requirements and the need for municipal and other government approvals (including potentially federal), consultations with communities, waterfront agencies and environmental regulators. Another major complexity challenge is integration with dense existing infrastructure (water and sewer mains, telecom and fibre corridors, gas pipelines, transportation infrastructure).

Hydro One's demonstrated experience with underground and underwater cable systems further supports its designation as the transmitter for the TTL. Hydro One has decades of operational and construction experience installing, operating, and maintaining underground transmission and distribution cables in dense urban environments across Ontario, including within the Greater Toronto Area. This experience includes complex cable routing, constrained rights-of-way, integration with existing

substations, and coordination with municipal infrastructure such as water, sewer, transportation, and telecommunications corridors.

In addition, Hydro One has experience with underground and lower-voltage underwater cable installations, where precision installation, environmental protection, thermal management, and long-term asset performance are critical. While the TTL represents Ontario's first underwater HVDC transmission project, Hydro One's existing underground and underwater cable experience provides a strong technical and operational foundation upon which specialized HVDC expertise can be layered through partnerships or contractors. This reduces project risk by ensuring that the proponent has deep, hands-on experience with the physical, environmental, and operational realities of cable-based transmission infrastructure.

The TTL will also have to be integrated into a dense and heavily utilized transmission network, the bulk of which is owned by Hydro One. The designation of a third-party transmitter for this critical project would require new operational interfaces and extensive and complex coordination agreements on system integration, protection schemes, outage planning and operations. In an emergency, this arrangement could create accountability gaps. This added complexity would increase the risk of delays, cost escalation, and reliability issues during both construction and operation.

Conversely, the designation of Hydro One would considerably reduce the complexity associated with this challenging project by simplifying integration of the TTL into the existing transmission system. Hydro One's designation would also provide single-operator accountability for reliability of Toronto's transmission system and enhance system protection and control. Hydro One also has local knowledge and experience in the GTA and is better equipped to manage the urban development challenges described above. With the appropriate regulatory incentives, rigorous and transparent regulatory oversight, the risk of delays and cost escalation can be prudently managed and minimized.

c) Importance of Supporting Ontario's Workers and Nurturing our Domestic Supply Chains

The PWU strongly emphasizes that Ontario labour (and specifically union labour) is highly preferable to maintain and grow provincial capabilities for the upcoming decades-long build-out (and operation) of an expanded electricity infrastructure, including the TTL. Ontario union labour is essential to ensure the quality and reliability of this key infrastructure. By preferencing Ontario workers for Ontario's electricity build-out, including the TTL, the government of Ontario will also foster the success of the Buy Ontario Act by limiting leakage of the economic development benefits outside Ontario and Canada (and ensuring that more of these benefits stay within Ontario). Hiring union labour will also help ensure that skilled labour is developed in Ontario and remains in Ontario over the long-term.

The PWU advocates the hiring of skilled Ontario union labour for both operational and capital expenditures on electricity infrastructure projects, including the TTL. In the case where Ontario/Canadian providers are not available/feasible for certain capital expenditures (e.g. specialized underwater cable installation), the PWU emphasizes that as much Ontario union labour should be hired as possible on capital expenditure projects (a) to increase local Ontario content, and (b) to build expertise and staffing that will be required for the subsequent operations.

The economic success of Ontario at this pivotal moment in Ontario and Canadian history depends on nurturing both our human capital and our domestic supply chains. Insofar as possible, the PWU supports both the maximization of Ontario labour and that of supply procurement from Ontario and Canada (as emphasized in the Buy Ontario Act) on the TTL.

The Ontario government owns almost half of Hydro One and remains the controlling shareholder. Hydro One is a major employer of skilled union labour in Ontario. Therefore, the designation of Hydro One as the transmitter for TTL would support both Ontario union labour and supply procurement in Ontario.

d) Hydro One should be the designated transmitter; and the TTL should not be a pilot project for the TSF

For all reasons above, PWU supports Hydro One as the designated transmitter for the TTL:

1. The TTL is a system-critical, large-scale, and urgent project delivering load to Canada's largest city and the province's largest load centre. Prudent risk management (for schedule, interface and costs) dictates the selection of Hydro One, an incumbent transmitter, with a proven track record of delivering quality transmission projects.
2. The designation of Hydro One would considerably reduce the complexity associated with this challenging project by simplifying integration of the TTL into the existing transmission system. Hydro One's designation would also provide single-operator accountability for reliability of Toronto's transmission system and enhance system protection and control. Hydro One also has local knowledge and experience in the GTA and is better equipped to manage the urban development challenges described above.
3. The designation of Hydro One as the transmitter for TTL would support both Ontario union labour and supply procurement in Ontario.

While we support the objectives of the TSF, the TTL is not a suitable pilot project for a framework that has never been used for real-world competitive transmitter selection. Using an untested procurement framework on such a large, complex and consequential project amplifies process risk, schedule risk and interface risk. Large complex projects like the TTL tend to have uncertain costs (e.g. $1.5 billion Class 5 "exploratory" estimate), require extensive stakeholder engagement and benefit from strong local knowledge and ease of local system integration. Competitive procurement from the TSF can encourage aggressive bids, create the risk of under-scoped or under-priced proposals that then lead to later renegotiation and/or cost escalation.

While competitive transmission procurement can deliver cost discipline and innovation, it is unusual to launch a new framework on one of the system's most consequential reliability projects. In many jurisdictions (e.g. US, UK, Australia) new competitive frameworks are first tested on smaller and less time-critical projects and/or greenfield lines in lower-risk or remote corridors. The PWU would recommend that the TSF be tested on a smaller, less consequential and complex project in a more remote area. It could then be expanded to larger backbone transmission projects. This approach can build institutional experience and reveal design flaws in the real world with a lower risk of failure.

Using the TTL as the inaugural TSF procurement increases execution and operational risk at a time when the GTA is facing rapidly growing electricity demand. A staged rollout, starting with less-time critical and smaller and/or greenfield projects, would reduce risks while still advancing a competitive model.

2. Proposed Restrictions on Transmitter Eligibility

The PWU has already made the case in the previous section that Hydro One should be the designated transmitter for the TTL. However, if the Ministry disagrees with our recommendation, then the PWU agrees with the proposed restrictions on transmitter eligibility. We believe that these restrictions will still allow Hydro One to win a competitive procurement, but we emphasize that a competitive procurement will delay the timeline by 18 months. See Section 6 on Timing.

According to the Proposal, eligible transmitters should be limited to applicants with:

- Experience developing, building, and operating and mitigating environmental impacts associated with underwater transmission lines. This requirement may be demonstrated through partnerships or other arrangements with transmitters that possess this experience.
- Experience in engaging and working with Indigenous communities in Canada, including undertaking rights-based consultation within Treaty and traditional territories. This may be demonstrated through partnerships or other arrangements with organizations that possess this experience (e.g., other transmitters; consulting firms).

Experience with underwater transmission lines: The PWU is not aware of any other transmitters in Ontario with experience with underwater HVDC transmission lines given that this project is the first of its kind in the province. However, Hydro One is a long-standing major player among Canadian transmitters with experience with partnerships, as well as the management of contractors and procurement of services and equipment. Given the importance of local, GTA- and Ontario-specific knowledge to reduce risks in the TTL project (and for all the reasons discussed in Section 1), the PWU is firmly convinced that Hydro One should be the designated transmitter.

While the PWU recognizes that the TTL is Ontario's first underwater HVDC transmission project, it is important to distinguish between a lack of prior experience with underwater HVDC projects in Ontario and a lack of relevant experience. Hydro One has extensive experience with underground cable systems and lower-voltage underwater cables, including planning, construction, environmental mitigation, and long-term operation. These assets require many of the same competencies that are critical for the TTL, including marine and shoreline works, cable burial and protection, thermal considerations, fault location and repair, and coordination and with environmental regulators.

Hydro One's experience with underground and underwater cables, combined with its ownership and operation of the surrounding transmission network, places it in a uniquely strong position to manage interfaces, mitigate construction and operational risks, and ensure long-term system reliability.

We believe that Hydro One is in the best position to structure and manage a contractual arrangement, partnership or consortium with organization(s) experienced with underwater HVDC transmission lines. At this pivotal moment in Ontario and Canadian history, the PWU has a strong preference for Hydro

Ontario as the main proponent. Hydro One could partner or contract with one or more Canadian companies (transmitters or transmission service contractors) experienced in underwater HVDC transmission.

In Section 4, we recommend that the Ministry (assisted by IESO and the OEB) review the best practices for complex transmission projects with underwater HVDC components, notably in Canada, and provide guidance in the procurement contract requirements based on these best practices. The PWU trusts that Hydro One will suggest its own potential partners and contractors with underwater HVDC transmission experience based on the requirements of the procurement contract.

Experience with engaging and working with Indigenous communities in Canada: Hydro One has an established record of structuring Indigenous participation through equity ownership, including its publicly stated 50-50 First Nation Equity Partnership Model for new large-scale transmission projects in Ontario. In 2022, Hydro One introduced this 50-50 partnership model that offers First Nations the opportunity to acquire a 50% equity stake in transmission projects in Ontario valued at over $100 million. Hydro One is already applying this approach on major builds such as the Waasigan Transmission Line, described by the company as a 50/50 partnership with First Nations. The designation of Hydro One as the transmitter for project would allow this model to be applied to one of the province's most significant transmission projects, enabling meaningful Indigenous ownership from the outset.

In contrast, an out-of-province or non-Canadian transmitter would need to develop comparable Ontario-specific partnership structures and relationships in parallel for this system-critical, time-sensitive, complex and large-scale project. This does not imply other transmitters cannot deliver strong Indigenous partnerships; rather, Hydro One's established model reduces transaction costs and schedule risk for achieving meaningful Indigenous consultation and participation. For the TTL, a highly consequential project embedded in Hydro One's system, designating Hydro One as the transmitter (with specialized partners as needed) is the lower-risk path to delivering meaningful Indigenous ownership on a credible and proven platform.

3. Proposed requirements on the evaluation criteria for transmitter selection

The PWU has already made the case in Section 1 that Hydro One should be the designated transmitter for the TTL. However, if the Ministry disagrees with our recommendation, then the PWU agrees with the proposed requirements on the evaluation criteria for transmitter selection. We believe that these requirements will still allow Hydro One to win a competitive procurement, but we emphasize that a competitive procurement will delay the timeline by 18 months. See Section 6 on Timing.

According to the Proposal,

> The ministry is proposing that evaluation criteria established by the IESO for transmitter selection consider the following:
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> - A plan for how the applicant would engage with Indigenous communities and support their capacity to be consulted and participate in the project.

- Offers for Indigenous economic participation in the project, which could include but is not limited to equity participation, supply chain opportunities, training, and employment opportunities.
- Incentives intended to maximize the participation of and support of Ontario and Canadian businesses in the procurement.

Hydro One already has an established record of engaging with Ontario Indigenous communities and supporting their capacity to be consulted and meaningfully participate in transmission projects. Moreover, as explained in Section 2, Hydro One supports Indigenous participation through equity ownership, including its publicly stated 50-50 First Nation Equity Partnership Model for new large-scale transmission projects in Ontario. The designation of Hydro One as the transmitter for project would allow this model to be applied to one of the province's most significant transmission projects, enabling meaningful Indigenous ownership from the outset.

Hydro One also has an Indigenous Relations Policy,[5] which includes equity participation (the 50-50 model), procurement (i.e. supply chain opportunities), community investment, employment and energy programs. Hydro One also supports apprenticeship and skilled-trades training for Indigenous candidates. The transmitter works with Indigenous communities and organizations to promote careers in the electricity sector.[6]

As elaborated in Section 2, in contrast, an out-of-province or non-Canadian transmitter would need to develop comparable Ontario-specific partnership structures and relationships in parallel for this system-critical, time-sensitive, complex and large-scale project. This does not imply other transmitters cannot deliver strong Indigenous partnerships; rather, Hydro One's established model reduces transaction costs and schedule risk for achieving meaningful Indigenous engagement, consultation and participation. For the TTL, a highly consequential project embedded in Hydro One's system, designating Hydro One as the transmitter (with specialized partners as needed) is the lower-risk path to delivering meaningful Indigenous ownership on a credible and proven platform.

Finally, with regard to incentives intended to maximize the participation of and support of Ontario and Canadian businesses in the procurement, the PWU agrees that this should be a heavily weighted selection criterion in a competitive selection. We recommend that additional weight be given to specific commitments to source Ontario and Canadian equipment and services, and to hire Ontario workers, especially skilled union workers. Similar to the Indigenous Participation Plan, the PWU recommends that the applicant be required to provide a Buy Ontario Plan, a viable plan to support Ontario supply procurement and Ontario labour (especially union labour). We again make the point that designating Hydro One would maximize the participation of and support of Ontario and Canadian businesses in the procurement. In Section 1c) Importance of Supporting Ontario's Workers and Nurturing our Domestic Supply Chains, the PWU outlined its support for both the maximization of Ontario labour and that of supply procurement from Ontario and Canada (as emphasized in the Buy Ontario Act) on the TTL. We conclude that the designation of Hydro One as the transmitter for TTL would support both Ontario

[5] Indigenous Relations Policy, Hydro One, February 2025. https://www.hydroone.com/abouthydroone/indigenousrelations/Documents/Hydro%20One%20Indigenous%20Relations%20Policy.pdf

[6] See also https://www.hydroone.com/about/indigenous-relations

labour and supply procurement in Ontario. It would be very challenging for an out-of-province or non-Canadian transmitter to exceed Hydro One's ability to hire Ontario labour or improve on their supply procurement from Ontario.

4. Proposed requirements on the procurement contract

According to the Proposal,

> The ministry is proposing to direct the IESO to, after completing its transmitter selection process, enter into a contract with the selected transmitter that includes contract terms that:
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> - Provide accountability mechanisms with respect to the transmitter's economic participation commitments to Indigenous communities, as well as commitments to supporting Ontario and Canadian businesses.
> - Incentivize schedule adherence to an in-service date.
> - Incorporate cost containment mechanisms in a manner that will be incorporated into the Ontario Energy Board's rate regulation process, as required.
> - Ensure contract fulfillment is conditional on obtaining all applicable environmental approvals and other permits, including fulfilling any delegated procedural aspects of the Duty to Consult in respect of the approval or permit.

The PWU agrees with these contract terms. We note that Hydro One already has proven accountability mechanisms with respect to their economic participation commitments with Indigenous communities. Their annual reporting references the 50-50 equity partnership model in the context of major transmission investments. This reinforces that the 50-50 model is not just for public relations, but part of how Hydro One actually structures projects. Moreover, Hydro One's 50-50 is designed specifically for OEB regulated transmission projects. A non-Canadian or out of province transmitter can offer equity, but it will not have a seamless Ontario-specific template that stakeholders recognize and can readily implement on a time-sensitive project such as the TTL.

As discussed above, we conclude that the designation of Hydro One as the transmitter for TTL would support both Ontario union labour and supply procurement in Ontario. It would be very challenging for an out-of-province or non-Canadian transmitter to exceed Hydro One's ability to hire Ontario union labour or improve on their supply procurement from Ontario.

Regarding the last three proposed requirements in the procurement contract, the PWU has already explained why the designation of Hydro One would accelerate the timeline, reduce schedule and cost overrun risks. In Section 7, we indicate why Hydro One would also reduce the risk of negative environmental impacts and delays with environmental approvals.

In finalizing the requirements of the TTL procurement contract, we recommend that the Ministry (assisted by IESO and the OEB) review the best practices for the development and operation of complex transmission projects with underwater components, notably in Canada, and provide guidance in the procurement contract based on these best practices. In particular, we suggest that the Ministry review the lessons learned from the recent experience of Muskrat Falls with two submarine transmission projects.

The Maritime Link, a $1.6 billion, 500-megawatt (MW) HVDC transmission line connecting the island of Newfoundland to Nova Scotia. The project has a submarine component of two 170km cables. It was developed by a consortium that included energy companies and transmission service contractors. The Maritime Link was completed on time without significant cost overruns.

On the other hand, the Labrador Island Line (LIL) was developed by Nalcor (now Newfoundland and Labrador Hydro). The LIL is a 1,100-kilometer, HVDC project connecting the Muskrat Falls hydroelectric station in Labrador to the Avalon Peninsula on the island of Newfoundland. It consisted of 35km of submarine cables. This project was expected to be completed in 2016, but full commissioning was not completed until 2023 due to problems with software for the converter station. The transmission project was initially estimated to cost $2.1 billion but by 2021, $3.6 billion had already been spent.

One of the key reasons given for the success of the Maritime Link was rigorous and transparent regulatory oversight by the Nova Scotia Energy Board. Lack of regulatory oversight alone cannot account for the excessive cost and timeline overruns of the LIL. The Ontario government should take note that an established and experienced transmitter, with GTA- and Ontario-specific knowledge is best positioned to minimize execution and operational risks. The TTL is not the project on which to experiment with an untested competitive framework and inexperienced transmitters lacking in local knowledge.

Another relevant and similar project that could offer lessons on best practices is the Champlain Hudson Power Express (CHPE), a 545 km 1250 MW HVDC transmission line, delivering power from Quebec to New York City and expected to be completed in 2026. This $8 billion project is a collaboration led by TransÉnergie (the transmission division of Hydro-Québec) and Transmission Developers Inc. About 60% of the route is underwater (including both Lake Champlain and the Hudson River) and 40% underground. Moreover, CHPE is located in highly sensitive locations including heavily urbanized areas in both Canada and the US.

5. Consultation with Indigenous Communities on this Proposal

The PWU supports advancement of the shared goal of reconciliation with Indigenous communities by providing economic and partnership opportunities in the construction of the TTL. We also support the government's commitment to fulfilling its duty to consult with Indigenous communities, as described in the project proposal. The PWU supports the TTL, under the condition that (a) constitutional rights are not compromised, and (b) the objectives of regulatory or environmental processes are not undermined, consistent with the government's existing provisions.

The PWU notes that Hydro One has extensive experience consulting and partnering with Indigenous Communities. The designation of Hydro One as the transmitter for the TTL will increase the likelihood of meaningful economic participation, long-term revenue-sharing and partnership opportunities in the construction of the TTL. See also Section 2 on Experience with engaging and working with Indigenous communities in Canada and Section 3 on Engagement with Indigenous communities and Hydro One's Indigenous Relations Policy.

6. Timing

The PWU supports building the TTL as soon as possible. This prioritization should not compromise constitutional rights or undermine the objectives of the province's regulatory or environmental

consultative approval process. We have repeatedly emphasized in our past submissions on the 2025 priority transmission projects that building more transmission assets sooner is crucial to avert an electricity crisis and support Ontario's economic growth.

The PWU has determined in the current submission that the TTL is urgent for the reasons developed in Section 1. In the current submission and in our August 2025 feedback on the Bowmanville to GTA line the PWU stresses that especially in the GTA, the electricity system (including transmission capacity) must be upgraded and upsized as soon as possible -- and at a considerably faster pace than that proposed in the IEP.

Therefore, we strongly recommend that the Ministry also prioritize the TTL as soon as possible (and ahead of the schedule outlined in this proposal) to address transmission capacity requirements to meet future demand.

The PWU fully advocates "bringing this proposal forward for a possible decision in 2026." such that the transmission lines can be in-service as soon as possible. The TTL proposal suggests the "IESO would endeavour to have a transmitter selected within 18 months of receiving the proposed Directive, if the government decides to proceed with this proposal." **The designation of Hydro One as the TTL transmitter would accelerate this timeline by at least 18 months. The PWU strongly believes that the real reduction in the schedule risk for this critical and urgent project outweighs any theoretical and untested savings from a competitive procurement.**

7. Environmental Impact

The PWU supports building this transmission line as soon as possible. This accelerated schedule should not compromise constitutional rights or undermine the objectives of the province's regulatory or environmental consultative approval process. We would expect the transmitter to obtain all required government permits and approvals. We note that transmission projects generally have a smaller potential environmental impact than most generation projects.

We also note that the designation of Hydro One as the TTL transmitter would reduce the risk of negative environmental impacts and delays with environmental approvals. As discussed above, large complex projects like the TTL require extensive stakeholder engagement (including with environmental regulators). They benefit from strong local knowledge, and knowledge of Ontario and Canadian environmental impact assessments. Hydro One has broad and deep experience with environmental impact assessments in Ontario and the GTA.

Conclusion

The PWU applauds the efforts to build more transmission assets to address capacity constraints under a higher-growth forecast. We fully support the implementation of Toronto's Third Line as soon as possible, and ahead of the schedule set out in the Proposal. The TTL is system-critical infrastructure directly tied to the reliability of the electricity system in Toronto and the GTA, a key driver of the Ontario (and Canadian) economy.

As such, the PWU reiterates that:

1. We strongly disagree with the proposal to direct the IESO to undertake a competitive procurement process to select a transmitter to develop and construct the TTL. While we support the objectives of the TSF, **the TTL is not a suitable pilot project for a framework that has never been used for real-world competitive transmitter selection.** Using the TTL as the inaugural TSF procurement increases execution and operational risk at a time when the GTA is facing rapidly growing electricity demand. A staged rollout for the TSF, starting with less-time critical and smaller and/or greenfield projects, would reduce risks while still advancing a competitive model.

2. Because the TTL is not suitable for a competitive procurement, the PWU strongly supports designation of Hydro One as the transmitter for Toronto's Third Line (TTL) for the reasons detailed in this submission: (a) the consequentiality, urgency and scale of the project; (b) the complexity of the TTL which will operate within Hydro One's network; (c) the importance of supporting Ontario workers and nurturing our domestic supply chain at this pivotal moment in Ontario and Canadian history.

3. If the Ministry disagrees with our recommendation (that Hydro One should be the designated transmitter for the TTL), then the PWU generally agrees with (a) the proposed restrictions on transmitter eligibility; and (b) and the proposed requirements on the procurement contract. The PWU summarizes its key supplemental recommendations for the proposed requirements (further developed in the submission):

    a. Local knowledge and experience (with the development and operation of complex transmission projects in the GTA and Ontario, meaningful engagement with Ontario's Indigenous communities, maximization of Ontario supply chain and labour, and Ontario and Canadian environmental approvals) are essential to the timely implementation of the TTL. An out-of-province or non-Canadian transmitter does not possess this experience and would need to develop local knowledge and the required partnerships in parallel with the development of this system-critical and time-sensitive project. The selection of an established Ontario or Canadian transmitter with specific local knowledge and experience is the lower-risk path for the TTL.

    b. The PWU urges the Ministry to uphold the aims of the Buy Ontario Act by supporting both the maximization of supply procurement from Ontario and Canada and that of Ontario labour. The applicant should be required to provide a Buy Ontario Plan to support these aims.

    We believe that the contractual restrictions and requirements (as set out by the Ministry and supplemented in this submission) will allow Hydro One to win a competitive procurement, but we emphasize that a competitive procurement will delay the timeline of this system-critical project by 18 months. This real reduction in the schedule risk for a critical and urgent project outweighs any theoretical and untested savings from a competitive procurement.

The PWU has a successful track record of working with others in collaborative partnerships. We look forward to continuing to work with the Ministry and other energy stakeholders to strengthen and modernize Ontario's electricity system. The PWU is committed to the following principles: Create opportunities for sustainable, high-pay, high-skill jobs; ensure reliable, affordable, environmentally responsible electricity; build economic growth for Ontario's communities; and,

promote intelligent reform of Ontario's energy policy.

We believe our position and recommendations in this submission are consistent with, and supportive of Ontario's objective "to build-out of an affordable, reliable and clean energy system to meet the exceptional growth needs of Ontario." The PWU looks forward to discussing these comments in greater detail with the Ministry and participating in the ongoing stakeholder engagements.

List of PWU Employers

Alectra Utilities (formerly PowerStream)
Algoma Power
Aptum (formerly Cogeco Peer 1)
Atlantic Power Corporation - Calstock Power Plant
Atlantic Power Corporation - Kapuskasing Power Plant
Atlantic Power Corporation - Nipigon Power Plant
Atura - Brighton Beach Power
Atura – Halton Hills Generating Station
Atura – Napanee Generating Station
Atura - Portlands Energy
Bracebridge Generation
Brant County Municipality
Brookfield Power Wind Operations
Bruce Power Inc.
Canadian Nuclear Laboratories (AECL Chalk River)
Capital Power East Windsor
Capital Power Goreway
CC Nuclear (formerly Abraflex)
Centre Wellington Hydro
Compass Group (Bruce, Darlington, Pickering, PLC/Brock Rd.)
Cornwall Electric
Elexicon (formerly Whitby Hydro)
Enova (formerly Kitchener-Wilmot & Waterloo North)
Enwave Windsor
EPCOR Darlington Demineralized Water Plant
EPCOR Electricity Distribution Inc.
ERTH Power Corporation (formerly Erie Thames Powerlines)
ERTH Holdings Inc.
Electrical Safety Authority
eStructure
Ethos Energy Ltd.
Great Lakes Power (Generation)
Greater Sudbury Hydro
Greenfield South Power Corporation
Grimsby Power Incorporated
Halton Hills Hydro Inc.
Hydro One Inc.
Hydro One CSO (formerly Inergi)
Independent Electricity System Operator
InnPower (Innisfil Hydro Distribution Systems Limited)
Kinectrics Inc.
Lakeland Power Distribution
Laurentis Energy Partners
London Hydro Corporation
Milton Hydro Distribution Inc.
Mississagi Power Trust
NAES
Newmarket Tay Power Distribution
North Bay Hydro
Northern Ontario Wires
Nuclear Waste Management Organization
Ontario Power Generation Inc.
Orangeville Hydro
PUC Services
Quality Tree Service
Reworld Durham York Limited Partnership (Formerly Covanta Durham York Renewable Energy)

Rogers Communications (Kincardine Cable TV Ltd.)
Sioux Lookout Hydro Inc.
SouthWestern Energy
Synergy North (formerly Kenora Hydro Electric Corporation Ltd.)
The Town of Tillsonburg
Toronto Hydro
TransAlta Generation Partnership O.H.S.C.
Westario Power