Invenergy

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September 8, 2023

The Honourable Todd Smith
Ministry of Energy
77 Grenville Street
Toronto, Ontario
M7A 2C1

RE: Supporting Critical Transmission Infrastructure in Northeast and Eastern Ontario

Dear Minister Smith,

We are pleased to see the Government recognizes the need for a more transparent and predictable approach to transmitter selection. Ontario has the opportunity to increase ratepayer benefits, unlock new investment, and promote new and innovative technologies by opening up its doors to more transmission developers. This has the potential to provide a greater advantage for communities, businesses, and ratepayers. Right now, without a structured selection process, developers are reluctant to put dollars at risk, but this announcement means the government is clearly taking a step in the right direction towards creating a more business friendly environment in the transmission space.

As Ontario sees unprecedented levels of economic growth, the need for electrification and energy supply is increasing rapidly. In both the Southwest and the Greater Toronto Area, energy needs are increasing more rapidly than others, but these areas are also very challenging to site energy projects.

The Independent Electricity System Operator (IESO) has communicated there is an imminent need to build new generation and the demand trends are expected to continue to increase well into the next decade. The buildout of new generation will result in an even greater need for transmission to transport power from where potential new projects could be built in areas of surplus to areas of need. In a net-zero environment, the necessity for transmission will be even greater to ensure renewable energy is able to be transported from wind and solar resource rich areas and delivered to communities and industry. This is a crucial time to address the lack of competitive process for transmission to ensure the Ontario energy market is set up for success by encouraging accelerated buildout to meet grid reliability and economic demands.

As generators we look forward to more information on the buildout of transmission in Northern Ontario so we can best position ourselves to contribute to the electricity grid's needs. We make siting decisions and invest early in the development process to ensure

we are in a geographical location that can strategically maximize the amount of energy delivered and thereby also maximize cost savings for ratepayers over the long term.

Who We Are

Invenergy is North America's largest privately owned clean energy independent power producer, delivering over 31 gigawatts of capacity across 202 projects globally. The company's wide-ranging expertise includes well-established technologies such as natural gas, wind, solar, and transmission. Ontario is home to our largest project in Canada, the 584MW St Clair Energy Centre located near Sarnia, where we were just awarded a contract for a facility upgrade through the IESO's expedited procurement process.

Over 20 years, we have successfully developed over 6,440 kilometers of transmission and collection line infrastructure, ensuring affordable, reliable clean energy delivery to millions of homes and businesses. Today, we are a leader in developing some of North America's most ambitious clean energy transmission projects, including through the use of state-of-the-art HVDC technology.

Notably, in the United States our company is the owner and developer of the approximately 1,287-kilometre, 5,000-megawatt Grain Belt Express HVDC transmission line. We are also developing the over 640-kilometre New Mexico North Path HVDC project, which will provide up to 4,000 megawatts of capacity, enough to power approximately two million homes. These projects are examples of how Invenergy works with communities by providing tens of millions of dollars in annual payments to Indigenous, State, and local governments, as well as additional payments to landowners.

HVDC transmission lines like Grain Belt Express and New Mexico North Path are safe, efficient and cost-effective for delivering large amounts of electricity over long distances. They can transfer significantly more power with greater efficiency on a smaller footprint than alternating-current transmission lines. They can instantly control the direction of power flow on the line, boosting electric grid reliability.

We are excited to continue to expand our portfolio in Canada including transmission infrastructure. By the government creating a new process that enables independent developers to compete for transmission projects in Ontario this will not only help lower costs for ratepayers but can also help expedite projects.

United Kingdom Early Competition Process

The United Kingdom is currently developing a competitive transmission process based on lessons learned from the U.S. market. Their energy needs are growing exponentially and as a result generation is rapidly being built in the country creating a more urgent than expected need for transmission. By expanding whom they can contract and work

with to build transmission they are opening the possibility of getting their lines built in an expedited timeline.

Similar to the IESO's Annual Planning Outlook and other reports, the U.K equivalent, 'ESO' produces an annual report on the country's transmission needs allowing for transmission proponents to prepare for new projects. A line of sight into the province's transmission needs as early as possible will allow companies like Invenergy to determine their ability to deliver the line and be prepared under the necessary timelines.

The U.K.'s Early Competition process also recognizes the burden of obtaining a transmitter license and is therefore amending legislation to allow companies to compete in the procurement process and afterwards the utility will aid in making them licensed transmitters. To avoid risk, using qualifying criteria such as international experience in building transmission can help enable this policy. The U.K. has already successfully executed competitive procurements for off-shore transmission, and it has proven to provide cost-savings making them a key example for Ontario to look to.

Indigenous Partnerships

As the Government develops this process it will be key to focus on the impact to indigenous communities. Thus far Ontario has been a lead example on how transmission projects can facilitate reconciliation by working with Indigenous communities, providing economic opportunities and prioritizing connecting communities to the grid.

Invenergy believes in the meaningful engagement and partnership of Indigenous communities in Canada. Our efforts have always been to open the door to communities early-on in the planning and development process so that we have Indigenous input throughout. It is also an important part of reconciliation to form business partnerships with Indigenous communities. Whether that means project equity, jobs and workforce training, vendor opportunities, or other community support Invenergy is proud to be a part in providing economic opportunities to Indigenous peoples.

Invenergy has formed meaningful partnerships with Indigenous communities on many of our projects. Most recently, Invenergy has partnered with the Eastern Energy Alliance, a coalition of First Nation communities and municipalities in Quebec on three different projects including Pohénégamook–Picard–Saint-Antonin (297 MW), Matapédia–MRC de La Matapédia (297 MW) and Parc éolien Matapédia (297 MW).

Indigenous consultation and partnerships are especially relevant when it comes to transmission infrastructure. The length and scope of the project will require an experienced company to create relationships along the line, with treaty holders, landowners, and impacted residents. As reflected in our U.S projects, Invenergy has robust experience in this area and will demonstrate industry leadership in stakeholder engagement in its work in Ontario.

Next Steps

Again, we would like to reiterate our support for the Ontario Government pursuing a competitive transmitter selection process. This will ensure timely delivery of clean, affordable, and reliable power to Ontario ratepayers. Ontario has been at the forefront of the clean energy transition and a new approach on transmitter selection aligns Ontario with similar jurisdictions taking these same leaps.

With our vast experience in transmission development, many jurisdictions have turned to Invenergy for our expertise on development of transmission selection processes, and we are happy to continue to provide feedback as the Government and the IESO develops this process.

It will be key throughout to deliver on ratepayer value, ensuring projects remain on time and on budget and continue the role of Indigenous partnerships on transmission projects. Opening the market to more participants can allow for new and creative solutions to be implemented, new jobs and investment brought to the province in the energy industry, and increasing trust in Ontario's grid by other businesses looking to invest in the province.

Thank you for this opportunity to provide feedback, and we look forward to continuing to engage with you on this file.

Sincerely,

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