

Ministry of Energy

Office of the Minister

4th Floor, Hearst Block
900 Bay Street
Toronto ON M7A 2E1
Tel.: 416-327-6758
Fax: 416-327-6754

Ministère de l'Énergie

Bureau du ministre

4^e étage, édifice Hearst
900, rue Bay
Toronto ON M7A 2E1
Tél. : 416 327-6758
Téléc. : 416 327-6754



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Chief Peter Collins
President – Bamkushwada LP
Fort William First Nation
200–90 Anemki Drive
Thunder Bay ON P7J 1L3

Dear Chief Collins:

Thank you for your letter dated October 30, 2017 regarding the East-West Tie project.

The Government of Ontario has long been focused on the development of new transmission projects in northwest Ontario including the East-West Tie project. While there is always some uncertainty about the timing of future economic development, advance planning is needed to ensure that transmission projects are poised to move forward when they are needed. This need for advance planning was one of the reasons that Ontario named the East-West Tie a priority project in 2016. Another important reason was that the project was estimated by the proponent, NextBridge, to cost between \$400 and \$500M. This cost estimate was used by the Independent Electricity System Operator (IESO) to assess the need for the project in 2015 and conclude that the East-West Tie was the most cost effective way to provide a reliable supply of electricity to the northwest.

When NextBridge filed an application for Leave to Construct to the Ontario Energy Board on July 31, 2017, the cost estimate for the project had increased to \$777M. This increase is troubling to me as Minister of Energy because of the potential impact to electricity rates. The cost of electricity is a primary concern of this government. In light of the material changes to NextBridge's cost estimates, the IESO's updated analysis will provide important context for the project and how it will affect ratepayers across Ontario.

On October 27, Ontario released the third Long-Term Energy Plan (LTEP), Delivering Fairness and Choice, following the most extensive set of consultations and engagements ever undertaken by the Ministry of Energy. This included consultations and engagements with stakeholders, municipalities, Indigenous communities and the general public. Hundreds came to the 17 open houses that were held across the province, and we engaged with representatives of over 100 different First Nation and Métis organizations and communities. In written submissions and at meetings, we heard that affordability is a top priority. Our plan ensures that Ontarians and their families continue to be at the centre of everything we do. We are focused on making energy more affordable for all consumers, including Indigenous communities.

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Our success in building a clean and reliable electricity system means we can maintain our focus on helping Ontarians and their families. Over the last several years, electricity prices have increased too much, too quickly, and that's why we took strong and decisive action in launching Ontario's Fair Hydro Plan.

Ontario's Fair Hydro Plan reduces electricity bills for residential consumers by an average of 25 per cent and will hold increases to the rate of inflation for four years. As many as half a million small businesses and farms are also benefitting from the reduction. Lower-income Ontarians and those living in eligible rural and northern communities are receiving even greater reductions, as much as 40 to 50 per cent.

Thanks to Ontario's Fair Hydro Plan, as well as a number of other measures aimed at reducing costs, the 2017 LTEP residential price outlook remains below the 2013 LTEP's outlook for the forecast period.

Thank you again for your letter and please accept my best wishes.

Sincerely,

Glenn Thibeault
Minister